

# Board of Tax Practitioners

---

PRESENTATION TO JOINT COMMITTEE ON WAYS & MEANS  
SUBCOMMITTEE ON GENERAL GOVERNMENT

February 13, 2025



# Agency Mission

---

*The Oregon Board of Tax Practitioners protects consumers by ensuring Oregon tax practitioners are competent and ethical in their professional activities.*

## Core Values

- Service excellence
- Operational efficiency
- Honesty & integrity

# Board Overview

---

## History

- Established in 1973 by the Oregon Legislature
- First state in the nation to require education and licensing for paid tax preparers
- Licensing and education requirements exceed those of the IRS
- Oregon is widely recognized across the U.S. as the gold standard for regulation of tax practitioners

# Licensing and Registration

---

## Revenues

- Completely self-funded through licensing fees, exam fees and civil penalties
- Last fee increase in 2022

## Two Individual Licenses

- Licensed Tax Preparer = entry level, must be supervised
- Licensed Tax Consultant = supervises preparers and/or works independently

## Two Business Registrations

- Main office
- Branch offices

# Board Composition

---

## Seven volunteer board members with three-year terms

- Six Licensed Tax Consultants with at least 5 years of experience
- One public member
- Chair is elected by Board members and serves a one-year term
- Board meets at least 5 times a year

## Two professional staff

- Executive Director (1.0 FTE)
- Administrative Specialist (1.0 FTE)

# Programs & Services

---

## Licensing

- 2,045 active licensed tax consultants
- 1,400 active licensed tax preparers
- 1,102 active businesses & branch offices

## Exams & Education

- Administer approximately 600 licensing exams each year
- Review & approve tax courses required for licensure
- Ensure licensees complete 30 hours of continuing education annually

## Consumer Protection & Compliance

- Respond to consumer complaints and investigate unlicensed activity
- Seek restitution for consumers and/or civil penalties for practitioners
- Act on approximately 40-50 complaints annually

# Partnerships

---

Department of Administrative Services

Oregon Department of Revenue

Oregon Department of Justice

Oregon Secretary of State

Internal Revenue Service

Local law enforcement

Licensing agencies in California, Connecticut, Maryland,  
New York and Nevada

# Key Performance Measures

---

1. 99.6% of license applications processed within three days of receipt (~4,000 annually)
2. 98.3% of exam applications processed within three days of receipt (~600 annually)
3. 100% compliance with continuing education requirements
4. 97.06% of complaints responded to within three days of receipt
5. Customer satisfaction > 98%
6. Pass rate on tax preparer exam = 76%
7. Pass rate on tax consultant exam = 72%
8. Pass rate on the consultant state only exam = 99%
9. Percent of governance best practices used by agency = 100%

\*The board has been emailing customer satisfaction surveys to licensees annually since 2021\*



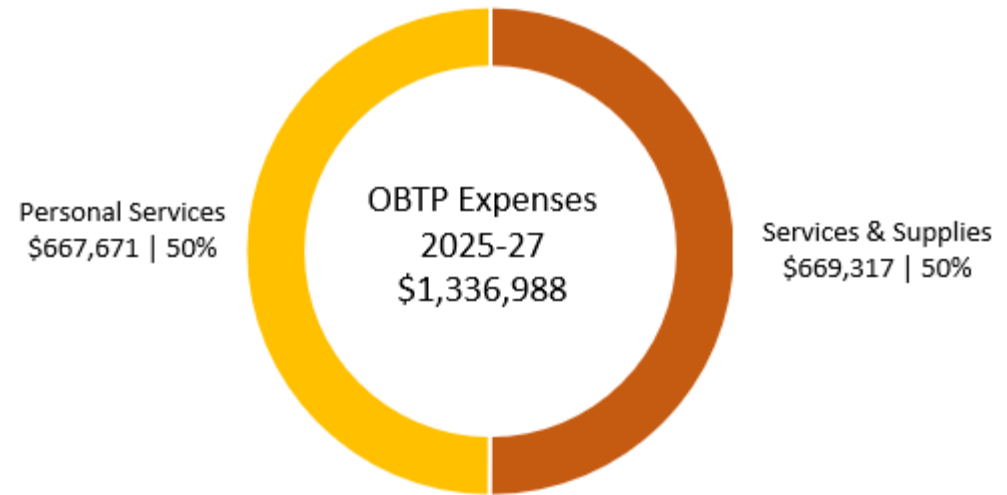
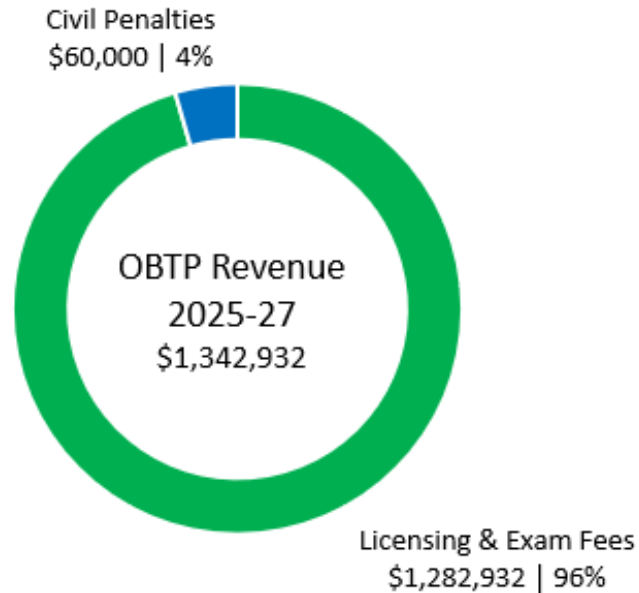
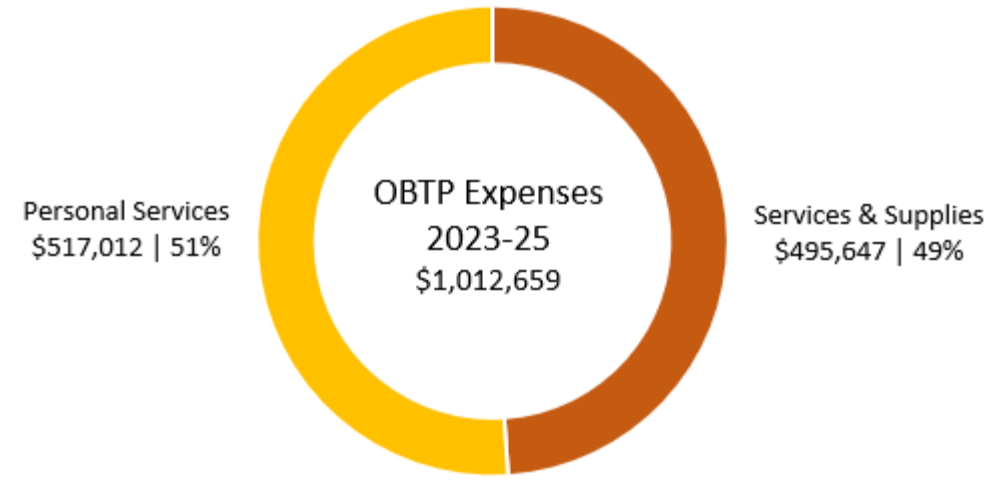
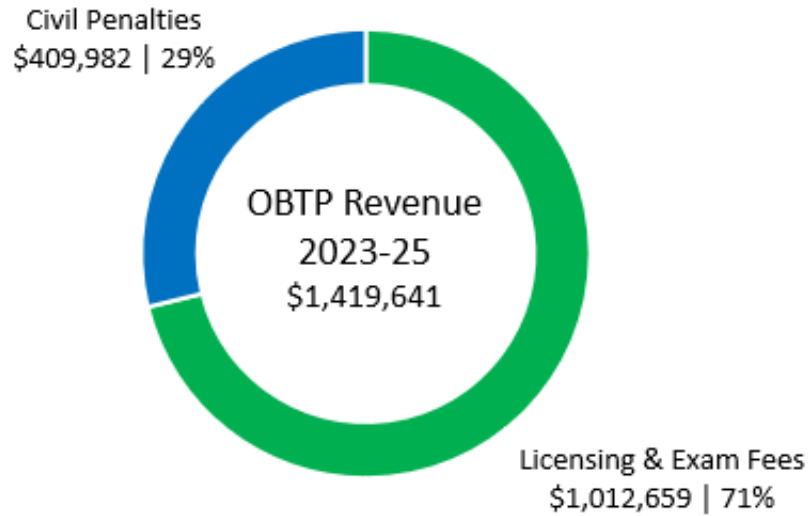
# Civil Penalty Collections

---

- 16 receivable accounts as of December 31, 2024
- 12 accounts are current/former licensees
  - 3 of these accounts are paid in full
  - Remaining 9 accounts are making monthly payments
  - Outstanding balance = \$25,661.85
- 4 accounts are individuals who have never been licensed
  - 1 account is at a private collection firm
  - 3 accounts are handled by Department of Revenue
  - Outstanding balance = \$85,284.80

# Budget Summary

- 2025-27 Governors Budget: \$1,346,988
- 100% Other Funds Agency



# Policy Option Packages

---

## Spending Authority for Exam Administration

- Accounts for increased costs for testing services. The Board uses PSI Exams.

## Sub-Lease with Board of Accountancy

- Accounts for costs for a shared office space with BOA to increase our physical presence.

## Certified Tax Aide (CTA) Program – HB 2338

- Creates a new license type akin to an apprenticeship program.

# Certified Tax Aide (CTA) Program- HB 2338

---

The agency has a Bill that is being proposed (HB 2338) that would establish legislative changes allowing the Board to create this new license type.

This program would:

- Lower barriers for entry into the tax profession.
- Create a pathway for licensure and promotion.
- Allow people to work and earn money while working toward licensure.
- Creates a lower-level position that will aide current tax professionals.

# Recent Initiatives and Improvements

---

## Cost Savings

- Projected AY23-25 expenses are 7.0% less than LAB
- 89% reduction in lease costs by subleasing space from Board of Accountancy.

## Automated business processes and workflows

- Streamlined licensing exam process
- E-mailing Licenses and Certificates

## Reengineered complaints/compliance/investigation processes

- Emphasized informal resolution process that significantly reduced staff time and legal costs and increased collections on civil penalties

# Current Initiatives

---

- Encourage online license renewals
- Continue transition to a paperless office
- Evaluate and improve tax courses and instruction
- Work closely with volunteer programs to create a flow through to licensure
- Improve and update licensing exams
- Promote voluntary compliance
- Increase collections on civil penalties

# 10% Reduction Options

---

Reductions would be difficult due to the boards small size. The Board has already taken several steps over the last few years to reduce costs.

However, if the Board did have to make reductions, we would look at reducing the following areas:

- Instate Travel
- Office Expenses
- Telecomm
- Data Processing
- Other Services and Supplies

The Board does not have any long-term vacancies.

# Questions?

---

... Thank you