

House Bill 2338

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for State Board of Tax Practitioners)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act creates a new entry-level tax prep professional known as a CTA. The Act allows CTAs to help certain tax professionals with tax prep. (Flesch Readability Score: 72.3).

Creates a new tax professional certification known as a certified tax aide. Authorizes certified tax aides to assist certain tax professionals in preparing tax returns. Prescribes requirements for continuing education, training and fees. Directs the State Board of Tax Practitioners to oversee certification of certified tax aides.

A BILL FOR AN ACT

1
2 Relating to tax preparation professionals; creating new provisions; and amending ORS 673.605,
3 673.615, 673.660, 673.667, 673.685, 673.697, 673.700, 673.705 and 673.730.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 673.605 is amended to read:

6 673.605. As used in ORS 673.605 to 673.740 unless the context requires otherwise:

7 (1) "Board" means the State Board of Tax Practitioners created by ORS 673.725.

8 (2) "**Certified tax aide**" means any person who is certified under ORS 673.605 to 673.740
9 as a certified tax aide.

10 [(2)(a)] (3)(a) "Facilitator" means a person that individually or in conjunction or cooperation
11 with another person processes, receives or accepts for delivery an application for a refund antic-
12 ipation loan or a check in payment of refund anticipation loan proceeds or in any other manner
13 materially facilitates the making of a refund anticipation loan.

14 (b) "Facilitator" does not mean a financial institution as defined in ORS 706.008, a person who
15 has been issued a license under ORS chapter 725, an affiliate that is a servicer for a financial in-
16 stitution or for a person issued a license under ORS chapter 725, a person issued a certificate as a
17 certified public accountant or licensed as a public accountant by the Oregon Board of Accountancy,
18 or any person that acts solely as an intermediary and does not deal with a taxpayer in the making
19 of a refund anticipation loan.

20 [(3)] (4) "Lender" means a person that makes a refund anticipation loan with the person's own
21 funds or a line of credit or other funding from a financial institution as defined in ORS 706.008, but
22 does not include a financial institution as defined in ORS 706.008.

23 [(4)] (5) "Refund anticipation loan" means a loan that the lender arranges to be repaid directly
24 from the proceeds of the taxpayer's federal or state personal income tax refund.

25 [(5)(a)] (6)(a) "Refund anticipation loan fee" means the charges, fees or other consideration
26 charged or imposed by the lender or facilitator for the making of a refund anticipation loan.

27 (b) "Refund anticipation loan fee" does not mean any charge, fee or other consideration usually
28 charged or imposed by the facilitator in the ordinary course of business for nonloan services, in-

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 cluding fees for tax return preparation and fees for electronic filing of tax returns.

2 [(6)] (7) "Tax consultant" means a person who is licensed under ORS 673.605 to 673.740 to pre-
 3 pare or advise or assist in the preparation of personal income tax returns for another and for val-
 4 uable consideration.

5 [(7)] (8) "Taxpayer" means an individual who files a federal or Oregon personal income tax re-
 6 turn.

7 [(8)] (9) "Tax preparer" means any person who is licensed under ORS 673.605 to 673.740 as a tax
 8 preparer.

9 **SECTION 2. Sections 3 and 4 of this 2025 Act are added to and made a part of ORS 673.605**
 10 **to 673.740.**

11 **SECTION 3. Certified tax aides; application; issuance of certificates. (1) The State Board**
 12 **of Tax Practitioners may issue a certified tax aide certificate if the individual:**

- 13 (a) Submits an application in the manner prescribed by the board;
- 14 (b) Is 18 years of age or older;
- 15 (c) Has earned at least a high school diploma or its equivalent, as indicated by evidence
 16 of the following, in a form deemed sufficient by the board:

 - 17 (A) Completion of high school or an equivalent educational level; or
 - 18 (B) Passage of an approved high school equivalency test;

- 19 (d) Presents evidence satisfactory to the board that the applicant has successfully com-
 20 pleted at least 40 hours of training approved by the board by rule;
- 21 (e) Pays a certificate fee established by the board under ORS 673.685;
- 22 (f) Passes an examination;
- 23 (g) Demonstrates to the satisfaction of the board fitness for a certificate; and
- 24 (h) Has no disciplinary actions pending before the board.

25 (2) The board shall issue evidence of certification to each person certified.

26 (3) The board shall adopt rules to:

- 27 (a) Determine the subjects, scope and content of the training and examinations; and
- 28 (b) Determine a passing score for each examination approved by the board.

29 (4) Evidence of completing the requirements described in subsection (1)(c), (d) and (f) of
 30 this section may be provided in a manner approved by the board by rule.

31 **SECTION 4. Renewal of certificates; continuing education; rules. (1) Each year a person**
 32 **shall renew a certified tax aide certificate at a time designated by the State Board of Tax**
 33 **Practitioners.**

34 (2) A person renewing a certificate shall:

- 35 (a) Submit an application to the board before the expiration date of the certificate;
- 36 (b) Pay the renewal fee established under ORS 673.685;
- 37 (c) Comply with continuing education requirements as adopted by the board by rule; and
- 38 (d) Submit evidence that the person has a qualifying supervisor.

39 (3) At least 30 days before the annual renewal date, the board shall notify the renewal
 40 applicant that the annual renewal application and fees are due.

41 (4) Any certificate that is not renewed within 15 days after the annual renewal date ex-
 42 pires.

43 **SECTION 5.** ORS 673.615 is amended to read:

44 673.615. Except as otherwise provided in ORS 673.605 to 673.740:

- 45 (1) A person may not prepare or advise or assist in the preparation of personal income tax re-

1 turns for another and for valuable consideration or represent that the person is so engaged unless
 2 the person is licensed as a tax consultant under ORS 673.605 to 673.740.

3 (2) A tax preparer may prepare or advise or assist in the preparation of tax returns only under
 4 the supervision of a tax consultant, or a person described in ORS 673.610 (2) or (4), and subject to
 5 such conditions and limitations as the State Board of Tax Practitioners by rule may impose.

6 **(3) A certified tax aide may assist a tax consultant, or a person described in ORS 673.610**
 7 **(2) or (4), in the preparation of tax returns only under the supervision of a tax consultant**
 8 **and subject to such conditions and limitations as the board by rule may impose.**

9 [(3)] (4) A person may not be a facilitator of a refund anticipation loan without first being issued
 10 a license as a tax consultant or tax preparer under ORS 673.640.

11 **(5) A tax consultant, or a person described in ORS 673.610 (2) or (4), may employ and**
 12 **supervise no more than two certified tax aides at the same time under the conditions and**
 13 **limitations prescribed by the board by rule.**

14 **SECTION 6.** ORS 673.660 is amended to read:

15 673.660. Each tax consultant, [and] tax preparer **and certified tax aide** shall display the [evi-
 16 dence of licensing] **license or certificate** issued to the tax consultant, [and] preparer **and certified**
 17 **tax aide** in accordance with rules adopted by the State Board of Tax Practitioners.

18 **SECTION 7.** ORS 673.667 is amended to read:

19 673.667. (1) Whenever a tax consultant or tax preparer ceases to engage in the preparation or
 20 in advising or assisting in the preparation of personal income tax returns, the consultant or preparer
 21 may apply to the State Board of Tax Practitioners for inactive status. A license that is granted in-
 22 active status may be renewed upon payment of the license fee as provided under ORS 673.685. No
 23 proof that the continuing education required by ORS 673.655 has been fulfilled need be presented
 24 to the board for renewal of an inactive license.

25 (2) A license in inactive status may be reactivated upon payment of a reactivation fee, that shall
 26 be provided under ORS 673.685, and upon proof of compliance with such continuing education re-
 27 quirements as may be adopted by the board by rule.

28 (3) A license in inactive status may be revoked or suspended by the board when conditions exist
 29 under which the board would have been authorized to revoke or suspend the license if it were ac-
 30 tive.

31 (4) [No] A person whose license is inactive [shall] **may not** act as a tax consultant or as a tax
 32 preparer.

33 **(5) A certified tax aide is ineligible for inactive status.**

34 **SECTION 8.** ORS 673.697 is amended to read:

35 673.697. The lapsing, **expiration**, suspension or revocation of a license **or certificate** by opera-
 36 tion of law or by order of the State Board of Tax Practitioners or by decision of a court of law, or
 37 the voluntary surrender of a license by a licensee **or a certificate by a certificate holder**, [shall]
 38 **does** not deprive the board of jurisdiction to proceed with any investigation of or any action or
 39 disciplinary proceeding against the licensee **or certificate holder**, or to revise or render null and
 40 void an order suspending or revoking the license **or certificate**.

41 **SECTION 9.** ORS 673.700 is amended to read:

42 673.700. The State Board of Tax Practitioners may refuse to issue or renew a tax consultant or
 43 preparer's license, or may suspend or revoke a tax consultant or preparer's license, or may
 44 reprimand any person licensed as a tax consultant or tax preparer for:

45 (1) Violation of ORS 673.615, 673.705 or 673.712.

1 (2) Failure to keep the records required by ORS 673.690.

2 (3) Negligence or incompetence in tax consultant or tax preparer practice or when acting in the
3 capacity of a tax preparer or tax consultant in another state, or under an exempt status or in
4 preparation of the personal income tax return for another state or the federal government.

5 (4)(a) Conduct resulting in a conviction of a felony under the laws of any state or of the United
6 States. However, such conduct may be considered only to the extent permissible under the pro-
7 visions of ORS 670.280; or

8 (b) Conviction of any crime, an essential element of which is dishonesty, fraud or deception,
9 under the laws of any state or of the United States.

10 (5) Conviction of willful failure to pay any tax or estimated tax, file any tax return, keep records
11 or supply information required under the tax laws of any state or of the United States, or conviction
12 of the willful making, rendering, delivery, disclosure, signing or verifying of any false or fraudulent
13 list, return, account, statement or other document, or of supplying any false or fraudulent informa-
14 tion, required under the tax laws of any state or of the United States.

15 (6) Failure to comply with continuing education requirements under ORS 673.655 or under ORS
16 673.667 unless such requirements have been waived by the board.

17 (7) Violation of the code of professional conduct prescribed by the board.

18 (8) Failure to pay any civil penalty incurred under ORS 673.735 within the time determined by
19 the board.

20 (9) Cancellation, revocation or refusal to renew by any state or federal agency of, or entry of
21 a consent order, stipulated agreement or judgment related to, the person's authority to practice law,
22 to practice as a certified public accountant or a public accountant or to practice under other reg-
23 ulatory law in any state, or to practice as an enrolled agent, if the grounds for the cancellation,
24 revocation, refusal to renew, consent order, stipulated agreement or judgment were related to in-
25 come tax preparation or if dishonesty, fraud or deception was involved.

26 (10) Cancellation, revocation or refusal to renew by any state or federal agency of, or entry of
27 a consent order, stipulated agreement or judgment related to, a business's authority to conduct op-
28 erations related to the practice of law, certified public accountancy, public accountancy or other
29 services provided under regulatory law in any state, or to provide enrolled agent services, if the
30 grounds for the cancellation, revocation, refusal to renew, consent order, stipulated agreement or
31 judgment involved the conduct or actions of the licensee or applicant and:

32 (a) Were related to income tax preparation; or

33 (b) Involved dishonesty, fraud or deception.

34 (11) **Failing to supervise the activities of certified tax aides or supervising and employing**
35 **more than two certified tax aides at the same time as required under ORS 673.615 and rules**
36 **adopted by the board.**

37 **SECTION 10. Section 11 of this 2025 Act is added to and made a part of ORS 673.605 to**
38 **673.740.**

39 **SECTION 11. Disciplinary action; certified tax aides; grounds. The State Board of Tax**
40 **Practitioners may refuse to issue or renew or may suspend or revoke a certified tax aide's**
41 **certificate or may reprimand any person certified as a certified tax aide for:**

42 (1) **Violation of ORS 673.615 (3) or 673.705.**

43 (2)(a) **Conduct resulting in a conviction of a felony under the laws of any state or of the**
44 **United States. However, such conduct may be considered only to the extent permissible un-**
45 **der the provisions of ORS 670.280; or**

1 (b) Conviction of any crime, an essential element of which is dishonesty, fraud or decep-
 2 tion, under the laws of any state or of the United States.

3 (3) Conviction of violating the tax laws of any state or of the United States by engaging
 4 in conduct that includes:

5 (a) Willfully failing to pay any tax or estimated tax, file any tax return, keep records or
 6 supply information;

7 (b) Willfully making, rendering, delivering, disclosing, signing or verifying of any false
 8 or fraudulent list, tax return, account, statement or other document; or

9 (c) Willfully supplying any false or fraudulent information.

10 (4) Failure to comply with continuing education requirements under section 4 of this 2025
 11 Act.

12 (5) Violation of the code of professional conduct prescribed by the board.

13 (6) Failure to pay any civil penalty incurred under ORS 673.735 within the time deter-
 14 mined by the board.

15 (7) Cancellation, revocation or refusal to renew by any state or federal agency of, or
 16 entry of a consent order, stipulated agreement or judgment related to, the person's authority
 17 to practice under other regulatory law in any state, if the grounds for the cancellation, re-
 18 vocation, refusal to renew, consent order, stipulated agreement or judgment were related to
 19 income tax preparation or if dishonesty, fraud or deception was involved.

20 **SECTION 12.** ORS 673.705 is amended to read:

21 673.705. It is unlawful for any person to:

22 (1) Obtain or attempt to obtain **by any dishonest or fraudulent representation** a license as
 23 a tax consultant or a tax preparer **or a certificate as a certified tax aide** [*by any fraudulent rep-*
 24 *resentation*].

25 (2) Represent that the person is licensed as a tax consultant or a tax preparer if the person is
 26 not so licensed **or represent that the person is certified as a certified tax aide if the person**
 27 **is not so certified.**

28 (3) Present or attempt to use the license **or certificate** of another person.

29 (4) Attempt to use a suspended, lapsed, **expired** or revoked license **or certificate**.

30 (5) Falsely impersonate a licensee **or certificate holder** under ORS 673.605 to 673.740.

31 (6) Engage in dishonesty, fraud or deception relating to the preparation of personal income tax
 32 returns.

33 (7) Violate a position of trust, including a position of trust outside the licensee's **or certificate**
 34 **holder's** professional practice.

35 **SECTION 13.** ORS 673.730 is amended to read:

36 673.730. The State Board of Tax Practitioners shall have the following powers, in addition to the
 37 powers otherwise granted by ORS 673.605 to 673.740, and shall have all powers necessary or proper
 38 to carry the granted powers into effect:

39 (1) To determine qualifications of applicants for licensing **and certification** as a tax
 40 consultant, [*or*] a tax preparer **or a certified tax aide** in this state[;].

41 (2) To cause examinations to be prepared, conducted and graded[; *and*].

42 (3) To issue licenses **and certificates** to qualified applicants upon their compliance with ORS
 43 673.605 to 673.740 and the rules of the board.

44 [(2)(a) *To restore the license of any tax consultant or preparer whose license has been suspended*
 45 *or revoked.*]

1 **[(b) The power of the board to suspend any license under ORS 673.700 includes the power to re-**
 2 **store:]**

3 **[(A) at a time certain; or]**

4 **[(B) when the person subject to suspension fulfills conditions for reissuance set by the board.]**

5 **[(c)] (4) To restore the license or certificate of any tax consultant, tax preparer or certi-**
 6 **fied tax aide whose license or certificate has been suspended or revoked under ORS 673.700**
 7 **or section 11 of this 2025 Act at a time certain or when the person subject to suspension**
 8 **fulfills conditions for reissuance set by the board.** The power of the board to restore a license
 9 **or certificate** under *[paragraph (a) of]* this subsection specifically includes the power to restore a
 10 license **or certificate** suspended or revoked for the reason that the person has been convicted of a
 11 crime. In making a determination to restore a license **or certificate**, the board shall consider the
 12 relationship of the facts which supported the conviction to the code of professional conduct and all
 13 intervening circumstances in determining the fitness of the person to receive or hold a tax
 14 consultant's or tax preparer's license **or certified tax aide's certificate**.

15 **[(3)] (5) To investigate alleged violations of ORS 673.605 to 673.740, or any rule or order adopted**
 16 **thereunder. The board may keep information gathered pursuant to an investigation by the board**
 17 **confidential until there is a final order or determination by the board, unless disclosure is consid-**
 18 **ered necessary by the board for the investigation or prosecution of an alleged violation of ORS**
 19 **673.605 to 673.740, or any rule or order adopted thereunder. The board may keep personal financial**
 20 **information gathered pursuant to an investigation by the board confidential after a final order or**
 21 **determination by the board, unless disclosure is considered necessary by the board for the investi-**
 22 **gation or prosecution of an alleged violation of ORS 673.605 to 673.740, or any rule or order adopted**
 23 **thereunder. For purposes of this subsection, personal financial information includes but is not lim-**
 24 **ited to tax returns.**

25 **[(4)] (6) To enforce the provisions of ORS 673.605 to 673.740 and to exercise general supervision**
 26 **over tax consultant, [and] tax preparer and certified tax aide practice.**

27 **[(5)] (7) To issue an order directed to a person to cease and desist from any violation or**
 28 **threatened violation of ORS 673.615, 673.643, 673.705 or 673.712, or any rule or order adopted**
 29 **thereunder, if the board has reason to believe that a person has been engaged, is engaging or is**
 30 **about to engage in any violation of ORS 673.615, 673.643, 673.705 or 673.712, or any rule or order**
 31 **adopted thereunder.**

32 **[(6)] (8) To assess civil penalties within a cease and desist order issued under subsection [(5)]**
 33 **(7) of this section if the board has reason to believe that a person has been engaged or is engaging**
 34 **in any violation of ORS 673.615, 673.643, 673.705 or 673.712, or any rule or order adopted thereunder.**
 35 **The civil penalty may not exceed \$5,000 per violation.**

36 **[(7)] (9) To formulate a code of professional conduct for tax consultants, [and] tax preparers and**
 37 **certified tax aides.**

38 **[(8)] (10) To assess against the licensee, the certificate holder or any other person found guilty**
 39 **of violating any provision of ORS 673.605 to 673.740, or any rule or order adopted thereunder, in**
 40 **addition to any other sanctions, the costs associated with the disciplinary or other action taken by**
 41 **the board.**

42 **[(9)] (11) To order that any person who has engaged in or is engaging in any violation of ORS**
 43 **673.605 to 673.740, or any rule or order adopted thereunder, shall offer to rescind and pay restitution**
 44 **to anyone harmed by the violation who seeks rescission.**

45 **(12) To establish standards for supervising certified tax aides.**

1 **(13) To impose conditions or limitations on the activities of certified tax aides.**

2 [(10)] (14) To adopt rules pursuant to ORS chapter 183 necessary to carry out the provisions of
3 ORS 673.605 to 673.740.

4 **SECTION 14.** ORS 673.685 is amended to read:

5 673.685. (1) The State Board of Tax Practitioners shall adopt by rule fees for:

6 (a) Application for examination for a tax consultant's license.

7 (b) Application for examination for a tax preparer's license.

8 (c) Issuance or renewal of a tax consultant's license.

9 (d) Issuance or renewal of a tax preparer's license.

10 **(e) Issuance or renewal of a certified tax aide's certificate.**

11 [(e)] **(f)** Issuance or renewal of a tax consultant's inactive license.

12 [(f)] **(g)** Issuance or renewal of a tax preparer's inactive license.

13 [(g)] **(h)** Reactivation of a tax consultant's inactive license or reactivation of a tax preparer's
14 inactive license.

15 [(h)] **(i)** Restoration of lapsed license.

16 [(i)] **(j)** Issuance or replacement of a duplicate license **or certificate.**

17 [(j) *Issuance of a replacement or duplicate tax consultant certificate.*]

18 (k) Registration or registration renewal for a sole proprietorship, partnership, corporation or
19 other legal entity.

20 (L) Issuance or renewal of a combined tax consultant's or tax preparer's license and registration
21 for a sole proprietorship, partnership, corporation or other legal entity. Eligibility for a combined
22 license shall be determined under rules adopted by the board.

23 (m) Annual registration of a branch office of a sole proprietorship, partnership, corporation or
24 other legal entity.

25 (2) The fees established by the State Board of Tax Practitioners under this section are subject
26 to the prior approval of the Oregon Department of Administrative Services. The fees may not exceed
27 the cost of administering the regulatory program of the State Board of Tax Practitioners pertaining
28 to the purposes for which the fees are established, as authorized by the Legislative Assembly within
29 the board's budget, as that budget may be modified by the Emergency Board.

30 **SECTION 15. The section captions used in this 2025 Act are provided only for the con-**
31 **venience of the reader and do not become part of the statutory law of this state or express**
32 **any legislative intent in the enactment of this 2025 Act.**

33