

Submitter: Michael Johnson
On Behalf Of: Michael Johnson
Committee: House Committee On Commerce and Consumer Protection
Measure, Appointment or Topic: HB2338

I have been licensed as a Licensed Tax Consultant through the Oregon Board of Tax Practitioners (OBTP) since 1977. I was a member of the OBTP during 1978-1981 and again from 1983-1986. During that time one issue that was constantly addressed was what is "proper supervision?" The Tax Board struggled to properly define supervision and still struggles with properly implementing what is involved in the definition of supervision so as to properly protect the public.

When this proposal was initiated in September 2023 I was appointed as the Oregon Society of Tax Consultant Committee Chairman overseeing this proposal. In our initial meeting on 11/14/2023 we outlined qualifications and special rules that included establishing specific written guidelines obligating the supervising Licensed Tax Consultant to follow in proper training and supervision of the Certified Tax Aide. Since that time, I have received copies of the April 25, 2024 proposal signed by the OBTP Executive Supervisor, the OBTP Board Chair, the President of the Oregon Society of Tax Consultants, and the President of the Oregon Association of Tax Consultants. That April 25, 2024 proposal lacked addressing the best practices of document retention training and the LTC specific written supervision requirements in proper training of the Aide.

As a result of totally ignoring the initial proposal to include a strict definition of proper supervision to protect the public, HB 2338 is unacceptable in its current state. The Tax Board came into existence as a measure to protect the public interest. In its nearly 50-year history it has done so. HB 2338 in its current form compromises that public protection for the reasons stated here.

As I understand, there are other proposed amendments that would change the title to Registered Tax Aide to eliminate confusion with other designations having the word "Certified." In addition, it is proposed to strike Section 3(d) in its entirety eliminating any education requirement, and to strike 3(f) in its entirety eliminating the exam requirement. I would strongly oppose any such amendments since the minimum entry standard for anyone involved in income tax preparation would be compromised. My experience in this profession encompasses nearly 55 years working as a self-employed Licenses Tax Consultant, as an employee of the largest regional CPA firm on the West Coast and currently as an employee of a local CPA firm. Those experiences give me an informed perspective that education, proper supervision, years of experience and an aptitude for this type of work is an absolute necessity.

I currently work with a person who has an MBA but has no training or experience in income tax return preparation. This person does not have an aptitude for this type of work. Additionally, this person thinks that they can study a book and become proficient in this field. This person has no desire to take any basic income tax preparation courses or any continuing education courses. As a result, this person's usefulness as an income tax preparer is extremely limited. If this HB 2553 in its current form becomes law, those covered under it would be like this MBA. That's why I strongly oppose HB 2553.

In conclusion, I understand that the reason HB 2553 and its initial reiterations were proposed was to attempt to address a lack of entry level income tax preparers. I believe the current law already provides such in the form of Licensed Tax Preparers. To try to satisfy a select group of mostly larger tax preparation firms by compromising the existing structure is wrong.