

To: The Oregon House Committee on Commerce and Consumer Protection
Date: February 25, 2025
Re: Amendments Requested for **HB2338** - A Bill for an Act relating to tax preparation professionals, creating new provisions.

We are writing to share our concerns regarding proposed amendments to ORS 673 in House Bill 2338, which deals with regulations for individual income tax preparation in Oregon. There is agreement with the standards for Licensed Tax Consultants and Licensed Tax Preparers, but there are areas of the proposed legislation that would impact the public interest and continue the barriers to employment inherent in the Oregon Board of Tax Practitioners.

- **Public Interest:**

- There are a lack of licensed tax professionals in the State of Oregon. This scarcity affects the public's ability to find competent tax assistance, leading to:
 - Use of generic tax software which doesn't cater specifically to Oregon's tax laws, causing errors (e.g. Turbo Tax having to amend over 12,000 returns for 2023 see: <https://apps.oregon.gov/oregon-newsroom/OR/DOR/Posts/Post/Taxpayers-affected-by-TurboTax-error-can-file-amended-state-return#:~:text=Approximately%2012%2C000%20Oregon%20taxpayers%20who,by%20amending%20their%20state%20return>)
 - Reliance on unlicensed preparers, who may not adhere to the highest ethical and professional standards.
 - Self-preparation of tax returns, which often results in missed credits or unexpected tax liabilities.

- **Barriers to Employment and Equivalency:**

- Unlike Certified Public Accountants (CPAs), Public Accountants (Pas) and attorneys who can supervise and train their staff without mandatory initial courses or tests, Licensed Tax Consultants (LTCs) and Licensed Tax Preparers (LTP) face restrictive regulations:
 - They cannot employ individuals to work on tax returns without mandatory 80-hour courses and a test, which limits training opportunities and creates an employment barrier.
 - Enrolled Agents, despite their IRS-recognized competency, face similar restrictions in Oregon, preventing them from effectively mentoring new talent.

- **Confusion:**

- The Oregon Revised Statute ORS 673.310, restricts the use of titles or abbreviations close to "C.P.A." or "P.A.", which are abbreviations designating a special competence in accounting under ORS 673 as Certified Public Accounts or Public Accountants. which,

under ORS 673.310, prohibits titles, designations, or abbreviations likely to be confused with C.P.A. or P.A.

As a result, we respectfully suggest the following amendments to HB 2338:

- **Section 1 (2)**
 - We recommend changing the title to be “**Registered Tax Aide**” or R.T.A., to avoid confusion and better reflect the role’s function.
- **Section 3 (d)** – We would request this be stricken in its entirety.
 - The Oregon Tax Preparers Board has no 40-hour courses available.
 - The requirement for such training before practical work experience creates an unnecessary barrier to employment.
- **Section 3(f) and 3(3)(b)** – We would request that these be stricken in their entirety due to:
 - The low pass rates for the LTC and LTP exams suggest that these tests might not be effective or consistent and fair measures of competency.
 - Similar to Section 3(d), these tests act as barriers to employment for those who wish to learn under supervision.

We appreciate your consideration of these amendments, as they aim to balance professional standards with practical, accessible career pathways in tax preparation, ultimately serving the public interest more effectively. Thank you for your time and attention to these critical issues.



Cc: Oregon Board of Tax Practitioners