

February 25, 2025

To: Oregon House Committee on Commerce and Consumer Protection

From: Megan Killian, Executive Vice President, National Association of Enrolled Agents

Re: Testimony on HB 2338

I submit this testimony on behalf of the National Association of Enrolled Agents and the more than 65,000 enrolled agents we represent.

We strongly believe in and support the need for trained and reputable tax preparers as a vital service for American taxpayers. In addition to the consumer protection issue, it's important that taxpayers have access to trusted professionals to help them meet their tax filing and payment obligations. The current OBTP regulations have contributed to the lack of tax preparers available to serve Oregon residents.

While we don't necessarily support or oppose the addition of an entry level tax preparer option presented in HB 2338, we fear it is not going to help meet the growing need for tax professionals. We propose the following solutions that would better serve the current needs of Oregon taxpayers:

Exempt all Enrolled Agents from the Licensed Tax Consultant Requirements

Enrolled agents are federally licensed through the U.S. Department of the Treasury. They pass a background check, a three-part exam, and 72 hours of education every three years. They have unlimited rights to represent any taxpayer before the IRS and follow a professional code of conduct and ethics. Staying current on all issues that affect their clients is a professional responsibility for all enrolled agents.

It's also worth noting that CPAs from any jurisdiction are exempt from the LTC requirements. CPAs may have more education and experience requirements than enrolled agents. Still, they are not required to learn or test state-specific tax laws as part of their preparation for CPA licensure in any jurisdiction, meaning they have no additional knowledge on Oregon state laws than an EA.

Allow Enrolled Agents to hire and supervise unlicensed individuals.

Under current law in Oregon, EAs are not allowed to hire unlicensed individuals to advise or assist in preparing tax returns under their supervision. On the other hand, CPAs and attorneys can currently hire individuals who do not have a state license to work under their supervision on tax return matters. The policy disadvantages EAs and does not reflect the extensive tax qualifications they bring to the profession. Enrolled agents are equally qualified and have the same need for this ability as CPAs and attorneys.

The pipeline of qualified tax and accounting professionals has declined significantly, and the need for trusted tax professionals will continue to grow. We must provide opportunities for all qualified tax professionals to serve Oregon taxpayers.

We appreciate the consumer protection issues that motivate the current licensing requirements for tax preparers. We share those concerns and are working to create minimum standards for all tax preparers nationwide. However, HB 2338 does not solve the problem it is intended to resolve.