

## A-Engrossed Senate Bill 1556

Ordered by the Senate February 13  
Including Senate Amendments dated February 13

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### 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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act changes the laws for the magistrate division of the Oregon Tax Court. (Flesch Readability Score: 65.7).

Consolidates statutes governing the representation of parties before the magistrate division of the Oregon Tax Court.

Applies to proceedings commenced on or after January 1, 2027.

Takes effect on the 91st day following adjournment sine die.

### A BILL FOR AN ACT

Relating to representation of persons in the magistrate division of the Oregon Tax Court; creating new provisions; amending ORS 305.239, 305.242, 305.875 and 314.840; repealing ORS 305.245 and 305.494; and prescribing an effective date.

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

**SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS 305.404 to 305.560.**

**SECTION 2. (1) Notwithstanding ORS 8.690, 9.160, 9.320 or 203.145 or ORS chapter 180, and notwithstanding ORS 9.241 or any rule adopted thereunder unless the rule particularly refers to the magistrate division of the Oregon Tax Court, in lieu of appearing by an attorney who is an active licensee of the Oregon State Bar:**

**(a) A party to a proceeding in the magistrate division of the Oregon Tax Court may be represented by a natural person designated by the party and recognized by the court as an authorized representative under this section.**

**(b) A party that is represented under this subsection is bound by all things done by the authorized representative and may not thereafter claim that any proceeding was legally defective because the party was not represented by an attorney licensed to practice law in Oregon.**

**(c)(A) A taxpayer that is a natural person may designate as the taxpayer's representative any other natural person, including but not limited to, a certified public accountant, a real estate broker or principal real estate broker, an appraiser, a tax preparer or tax consultant or a family member of the taxpayer.**

**(B) A taxpayer that is a legal entity must designate as the taxpayer's representative in the magistrate division of the Oregon Tax Court a natural person, including but not limited to, a certified public accountant, a real estate broker or principal real estate broker, an ap-**

**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.

praiser, a tax preparer or tax consultant or an owner, partner, shareholder, member, officer or employee of the legal entity.

(C) Any other party, including the Department of Revenue or a local government, must designate as the party's representative in the magistrate division of the Oregon Tax Court an officer or authorized employee of the party or of the administrator of the tax at issue before the tax court.

(2)(a) A taxpayer shall designate a representative under this section by filing with the court a written authorization in a form acceptable to the court.

(b) Any other party shall designate a representative under this section by filing a pleading, motion or notice with the court naming the representative on behalf of the party.

(3) The court shall recognize a representative for purposes of this section upon designation as provided under subsection (2) of this section, or may recognize a representative when it appears to the satisfaction of the magistrate that a representative has authority to represent the party.

(4) Upon recognizing a representative of a taxpayer other than an attorney licensed to practice law in Oregon, the court shall provide written notice of the recognition to all parties, and shall include with the notice a statement of the provisions of subsection (1)(b) of this section.

(5) The represented party, or the court on its own motion, may revoke the authority of an authorized representative to represent a party in a particular case.

(6) A representative recognized by the court under this section shall also be recognized by the Department of Revenue as the authorized representative of the party for purposes of the proceeding in the magistrate division of the Oregon Tax Court.

**SECTION 3.** ORS 305.239 is amended to read:

305.239. (1) Notwithstanding ORS 9.320:

(a) Any person who is qualified to practice law or public accountancy in this state, any person who has been granted active enrollment to practice before the Internal Revenue Service and who is qualified to prepare tax returns in this state or any person who is the authorized employee of a taxpayer and is regularly employed by the taxpayer in tax matters may represent the taxpayer before [a tax court magistrate or] the Department of Revenue in any conference or proceeding with respect to the administration of any tax.

(b) Any person who is licensed by the State Board of Tax Practitioners or who is exempt from such licensing requirement as provided for and limited by ORS 673.610 may represent a taxpayer before [a tax court magistrate or] the department in any conference or proceeding with respect to the administration of any tax on or measured by net income.

(c) Any shareholder of an S corporation, as defined in section 1361 of the Internal Revenue Code, as amended and in effect on December 31, 2023, may represent the corporation in any proceeding before [a tax court magistrate or] the department in the same manner as if the shareholder were a partner and the S corporation were a partnership. The S corporation must designate in writing a tax matters shareholder authorized to represent the S corporation.

(d) An individual who is licensed as a real estate broker or principal real estate broker under ORS 696.022 or is a state certified appraiser or state licensed appraiser under ORS 674.310 or is a registered appraiser under ORS 308.010 may represent a taxpayer before [a tax court magistrate or] the department in any conference or proceeding with respect to the administration of any ad valorem property tax.

(e) A general partner who has been designated by members of a partnership as their tax matters partner under ORS 305.242 may represent those partners in any conference or proceeding with respect to the administration of any tax on or measured by net income.

(f) Any person authorized under rules adopted by the department may represent a taxpayer before the department in any conference or proceeding with respect to any tax. Rules adopted under this paragraph, to the extent feasible, shall be consistent with federal law that governs representation before the Internal Revenue Service, as federal law is amended and in effect on December 31, 2023.

*[(g) Any person authorized under rules adopted by the tax court may represent a taxpayer in a proceeding before a tax court magistrate.]*

(2) A person may not be recognized as representing a taxpayer pursuant to this section unless there is first filed with the *[magistrate or]* department a written authorization, or unless it appears to the satisfaction of the *[magistrate or]* department that the representative does in fact have authority to represent the taxpayer. *[A person recognized as an authorized representative under rules or procedures adopted by the tax court shall be considered an authorized representative by the department.]*

(3) A taxpayer represented by someone other than an attorney is bound by all things done by the authorized representative, and may not thereafter claim any proceeding was legally defective because the taxpayer was not represented by an attorney.

(4) Prior to the holding of a conference or proceeding before the *[tax court magistrate or]* department, written notice shall be given by the *[magistrate or]* department to the taxpayer of the provisions of subsection (3) of this section.

**SECTION 4.** ORS 305.242 is amended to read:

305.242. (1)(a) When the treatment of partnership items on a partner's return is consistent with the treatment of that item on the partnership return and results in a notice of deficiency, the partners may designate a tax matters partner to represent each of them before the Department of Revenue in any conference or *[before a tax court magistrate]* in any proceeding with respect to the administration of any tax on or measured by net income.

(b) Notwithstanding paragraph (a) of this subsection, a tax matters partner shall be designated as provided in ORS 314.733 (2), in the case of a partnership subject to ORS 314.731 to 314.737.

(2) The designation of a tax matters partner shall be made in writing and filed with the department *[or magistrate]* within 30 days after the date of the notice of deficiency. The tax matters partner must be:

(a) A general partner in the partnership at some time during the taxable year; or

(b) A general partner in the partnership at the time the designation is made.

(3) If a notice explaining the partnership adjustments is mailed by the department to the tax matters partner with respect to any partnership taxable year, the tax matters partner shall supply the department *[or, if applicable, the magistrate]* with the name, address, profits interest and taxpayer identification number of each person who was a partner in the partnership at any time during the taxable year, unless that information was provided in the partnership return for that year.

(4) A timely request for a conference filed with the department *[or appeal filed with the tax court]* by the tax matters partner shall be considered as a request *[or an appeal]* by all of the partners represented by the tax matters partner, and all issues regarding treatment of partnership items shall be resolved in a single conference.

(5) A partner who elects to be represented by a tax matters partner, or any partner in a part-

nership subject to ORS 314.731 to 314.737, shall be bound by all things done by the tax matters partner and may not thereafter claim that any act or proceeding was legally defective because the partner was not represented by an attorney.

**SECTION 5.** ORS 305.875 is amended to read:

305.875. In any meeting or communication with the Department of Revenue, including but not limited to audits, conferences, interviews and any other meeting or communication between the taxpayer and the department, the taxpayer shall have the following rights, unless waived by the taxpayer:

(1) The right to an explanation, by an officer or employee of the department before or during the meeting of:

(a) The audit, conference or meeting process and the taxpayer's rights under such process; and

(b) The collection process and the taxpayer's rights under such process.

(2) The right to make an audio recording of any meeting relating to the determination or collection of any tax with the department representative, using the taxpayer's own equipment, and at the taxpayer's own expense.

(3) If the department makes an audio recording of the meeting, the taxpayer has the right to advance notice of the recording and a copy of the recording upon request. The taxpayer shall reimburse the department the reasonable cost of the copy.

(4) The right to consult with an attorney, certified public accountant, enrolled agent, or an other person permitted to represent a taxpayer at any meeting before the department, if the taxpayer clearly states to the department representative at any time during any meeting, that the taxpayer wishes to consult with the person. This subsection does not apply to a meeting initiated by an administrative subpoena.

(5) The right to be represented by anyone who is permitted to represent the taxpayer before the department, as provided under ORS 305.239 and [305.245] **section 2 of this 2026 Act**.

(6) The right not to be present, if represented, at the meeting unless subpoenaed by the department pursuant to ORS 305.190, or other laws of this state.

**SECTION 6.** ORS 314.840 is amended to read:

314.840. (1) The Department of Revenue may:

(a) Furnish any taxpayer, representative authorized to represent the taxpayer under ORS 305.239 **or section 2 of this 2026 Act** or person designated by the taxpayer under ORS 305.193, upon request of the taxpayer, representative or designee, with a copy of the taxpayer's income tax return filed with the department for any year, or with a copy of any report filed by the taxpayer in connection with the return, or with any other information the department considers necessary.

(b) Publish lists of taxpayers who are entitled to unclaimed tax refunds.

(c) Publish statistics so classified as to prevent the identification of income or any particulars contained in any report or return.

(d) Disclose a taxpayer's name, address, telephone number, refund amount, amount due, Social Security number, employer identification number or other taxpayer identification number to the extent necessary in connection with collection activities or the processing and mailing of correspondence or of forms for any report or return required in the administration of any local tax under ORS 305.620 or any law imposing a tax upon or measured by net income.

(2) The department also may disclose and give access to information described in ORS 314.835 to:

(a) The Governor of the State of Oregon or the authorized representative of the Governor with

1 respect to an individual who is designated as being under consideration for appointment or reap-  
2 pointment to an office or for employment in the office of the Governor. The information disclosed  
3 shall be confined to whether the individual:

4 (A) Has filed returns with respect to the taxes imposed by ORS chapter 316 for those of not  
5 more than the three immediately preceding years for which the individual was required to file an  
6 Oregon individual income tax return.

7 (B) Has failed to pay any tax within 30 days from the date of mailing of a deficiency notice or  
8 otherwise respond to a deficiency notice within 30 days of its mailing.

9 (C) Has been assessed any penalty under the Oregon personal income tax laws and the nature  
10 of the penalty.

11 (D) Has been or is under investigation for possible criminal offenses under the Oregon personal  
12 income tax laws. Information disclosed pursuant to this paragraph shall be used only for the purpose  
13 of making the appointment, reappointment or decision to employ or not to employ the individual in  
14 the office of the Governor.

15 (b) An officer or employee of the Oregon Department of Administrative Services duly authorized  
16 or employed to prepare revenue estimates, or a person contracting with the Oregon Department of  
17 Administrative Services to prepare revenue estimates, in the preparation of revenue estimates re-  
18 quired for the Governor's budget under ORS 291.201 to 291.224, or required for submission to the  
19 Emergency Board or the Joint Interim Committee on Ways and Means, or if the Legislative As-  
20 sembly is in session, to the Joint Committee on Ways and Means, and to the Legislative Revenue  
21 Officer or Legislative Fiscal Officer under ORS 291.342, 291.348 and 291.445. The Department of  
22 Revenue shall disclose and give access to the information described in ORS 314.835 for the purposes  
23 of this paragraph only if:

24 (A) The request for information is made in writing, specifies the purposes for which the request  
25 is made and is signed by an authorized representative of the Oregon Department of Administrative  
26 Services. The form for request for information shall be prescribed by the Oregon Department of  
27 Administrative Services and approved by the Director of the Department of Revenue.

28 (B) The officer, employee or person receiving the information does not remove from the premises  
29 of the Department of Revenue any materials that would reveal the identity of a personal or corpo-  
30 rate taxpayer.

31 (c) The Commissioner of Internal Revenue or authorized representative, for tax administration  
32 and compliance purposes only.

33 (d) For tax administration and compliance purposes, the proper officer or authorized represen-  
34 tative of any of the following entities that has or is governed by a provision of law that meets the  
35 requirements of any applicable provision of the Internal Revenue Code as to confidentiality:

36 (A) A state;

37 (B) A city, county or other political subdivision of a state;

38 (C) The District of Columbia; or

39 (D) An association established exclusively to provide services to federal, state or local taxing  
40 authorities.

41 (e) The Multistate Tax Commission or its authorized representatives, for tax administration and  
42 compliance purposes only. The Multistate Tax Commission may make the information available to  
43 the Commissioner of Internal Revenue or the proper officer or authorized representative of any  
44 governmental entity described in and meeting the qualifications of paragraph (d) of this subsection.

45 (f) The Attorney General, assistants and employees in the Department of Justice, or other legal

representative of the State of Oregon, to the extent the department deems disclosure or access necessary for the performance of the duties of advising or representing the department pursuant to ORS 180.010 to 180.240 and the tax laws of the state.

(g) Employees of the State of Oregon, other than of the Department of Revenue or Department of Justice, to the extent the department deems disclosure or access necessary for such employees to perform their duties under contracts or agreements between the department and any other department, agency or subdivision of the State of Oregon, in the department's administration of the tax laws.

(h) Other persons, partnerships, corporations and other legal entities, and their employees, to the extent the department deems disclosure or access necessary for the performance of such others' duties under contracts or agreements between the department and such legal entities, in the department's administration of the tax laws.

(i) The Legislative Revenue Officer or authorized representatives upon compliance with ORS 173.850. Such officer or representative shall not remove from the premises of the department any materials that would reveal the identity of any taxpayer or any other person.

(j) The Department of Consumer and Business Services, to the extent the department requires such information to determine whether it is appropriate to adjust those workers' compensation benefits the amount of which is based pursuant to ORS chapter 656 on the amount of wages or earned income received by an individual.

(k) Any agency of the State of Oregon, or any person, or any officer or employee of such agency or person to whom disclosure or access is given by state law and not otherwise referred to in this section, including but not limited to the Secretary of State as Auditor of Public Accounts under Article VI, section 2, of the Oregon Constitution; the Department of Human Services pursuant to ORS 412.094; the Division of Child Support of the Department of Justice and district attorney regarding cases for which they are providing child support services under ORS 25.080; the State Board of Tax Practitioners, pursuant to ORS 673.710; and the Oregon Board of Accountancy, pursuant to ORS 673.415.

(L) The Director of the Department of Consumer and Business Services to determine that a person complies with ORS chapter 656 and the Director of the Employment Department to determine that a person complies with ORS chapters 657 and 657B, the following employer information:

(A) Identification numbers.

(B) Names and addresses.

(C) Inception date as employer.

(D) Nature of business.

(E) Entity changes.

(F) Date of last payroll.

(m) The Director of the Oregon Health Authority to determine that a person has the ability to pay for care that includes services provided by the Oregon State Hospital, or the Oregon Health Authority to collect any unpaid cost of care as provided by ORS chapter 179.

(n) Employees of the Employment Department:

(A) To the extent the Department of Revenue deems that the disclosure of or access to information on a combined tax report filed under ORS 316.168, an annual report filed under ORS 316.202 or a return filed under ORS 314.360 is necessary for the performance of the department's duties in administering and enforcing the tax imposed by ORS chapter 657 and the family and medical leave insurance program under ORS chapter 657B; or

1 (B) To the extent the Department of Revenue deems that the disclosure of or access to the in-  
2 formation is helpful for the performance of the department's duties in administering and enforcing  
3 the tax imposed by ORS chapter 657 and the family and medical leave insurance program under ORS  
4 chapter 657B and for detecting the occurrence of identity theft or fraud through the examination  
5 of the following taxpayer particulars:

6 (i) Individual taxpayer identification number.

7 (ii) Name, address and date of birth.

8 (iii) Employer name, employer identification number and amount of wages paid.

9 (iv) Self-employment income amount and source.

10 (v) Other particulars of the return as defined in ORS 314.835, at the discretion of the Director  
11 of the Department of Revenue, on a case-by-case basis.

12 (o) The State Fire Marshal to assist the State Fire Marshal in carrying out duties, functions and  
13 powers under ORS 453.307 to 453.414, the employer or agent name, address, telephone number and  
14 standard industrial classification, if available.

15 (p) Employees of the Department of State Lands or State Treasurer for the purposes of returning  
16 unclaimed property and identifying, locating and publishing lists of taxpayers entitled to unclaimed  
17 refunds under ORS 98.302 to 98.436.

18 (q) In addition to the disclosure allowed under ORS 305.225, state or local law enforcement  
19 agencies to assist in the investigation or prosecution of the following criminal activities:

20 (A) Mail theft of a check, in which case the information that may be disclosed shall be limited  
21 to the stolen document, the name, address and taxpayer identification number of the payee, the  
22 amount of the check and the date printed on the check.

23 (B) The counterfeiting, forging or altering of a check submitted by a taxpayer to the Department  
24 of Revenue or issued by the Department of Revenue to a taxpayer, in which case the information  
25 that may be disclosed shall be limited to the counterfeit, forged or altered document, the name, ad-  
26 dress and taxpayer identification number of the payee, the amount of the check, the date printed  
27 on the check and the altered name and address.

28 (r) The United States Postal Inspection Service or a federal law enforcement agency, including  
29 but not limited to the United States Department of Justice, to assist in the investigation of the fol-  
30 lowing criminal activities:

31 (A) Mail theft of a check, in which case the information that may be disclosed shall be limited  
32 to the stolen document, the name, address and taxpayer identification number of the payee, the  
33 amount of the check and the date printed on the check.

34 (B) The counterfeiting, forging or altering of a check submitted by a taxpayer to the Department  
35 of Revenue or issued by the Department of Revenue to a taxpayer, in which case the information  
36 that may be disclosed shall be limited to the counterfeit, forged or altered document, the name, ad-  
37 dress and taxpayer identification number of the payee, the amount of the check, the date printed  
38 on the check and the altered name and address.

39 (s) The United States Financial Management Service, for purposes of facilitating the offsets de-  
40 scribed in ORS 305.612.

41 (t) A municipal corporation of this state for purposes of assisting the municipal corporation in  
42 the administration of a tax of the municipal corporation that is imposed on or measured by income,  
43 wages or net earnings from self-employment. Any disclosure under this paragraph may be made only  
44 pursuant to a written agreement between the Department of Revenue and the municipal corporation  
45 that ensures the confidentiality of the information disclosed.

1 (u) A consumer reporting agency, to the extent necessary to carry out the purposes of ORS  
2 314.843.

3 (v) The Public Employees Retirement Board, to the extent necessary to carry out the purposes  
4 of ORS 238.372 to 238.384, and to any public employer, to the extent necessary to carry out the  
5 purposes of ORS 237.635 (3) and 237.637 (2).

6 (w) The Secretary of State for the purpose of initiating or supporting a recommendation under  
7 ORS 60.032 (3) or 63.032 (3) to administratively dissolve a corporation or limited liability company  
8 that the Director of the Department of Revenue determines has failed to comply with applicable tax  
9 laws of the state.

10 (x)(A) A multijurisdictional information sharing organization formed with oversight by the  
11 Internal Revenue Service to combat identity theft and fraud, if the Department of Revenue is a  
12 member of the organization; and

13 (B) Tax preparation software vendors that are members of an organization described in subpar-  
14 agraph (A) of this paragraph, if information described in ORS 314.835 is shared for the purpose of  
15 investigating industry leads of potential identity theft or fraud.

16 (y) The State Treasurer, for the purpose of providing employer responses, as indicated on annual  
17 withholding reports submitted to the Department of Revenue, about whether an employer offers a  
18 qualified retirement savings plan as listed in ORS 178.215.

19 (z) The Oregon 529 Savings Board, for the purpose of facilitating the establishment of accounts  
20 by personal income taxpayers under ORS 178.335 within the Oregon 529 Savings Network through  
21 the use of income tax return forms.

22 (3)(a) Each officer or employee of the department and each person described or referred to in  
23 subsection (2)(a), (b), (f) to (L), (n) to (q) or (w) of this section to whom disclosure or access to the  
24 tax information is given under subsection (2) of this section or any other provision of state law,  
25 prior to beginning employment or the performance of duties involving such disclosure or access,  
26 shall be advised in writing of the provisions of ORS 314.835 and 314.991, relating to penalties for the  
27 violation of ORS 314.835, and shall as a condition of employment or performance of duties execute  
28 a certificate for the department, in a form prescribed by the department, stating in substance that  
29 the person has read these provisions of law, that the person has had them explained and that the  
30 person is aware of the penalties for the violation of ORS 314.835.

31 (b) The disclosure authorized in subsection (2)(r) of this section shall be made only after a  
32 written agreement has been entered into between the Department of Revenue and the person de-  
33 scribed in subsection (2)(r) of this section to whom disclosure or access to the tax information is  
34 given, providing that:

35 (A) Any information described in ORS 314.835 that is received by the person pursuant to sub-  
36 section (2)(r) of this section is confidential information that may not be disclosed, except to the ex-  
37 tent necessary to investigate or prosecute the criminal activities described in subsection (2)(r) of  
38 this section;

39 (B) The information shall be protected as confidential under applicable federal and state laws;  
40 and

41 (C) The United States Postal Inspection Service or the federal law enforcement agency shall  
42 give notice to the Department of Revenue of any request received under the federal Freedom of In-  
43 formation Act, 5 U.S.C. 552, or other federal law relating to the disclosure of information.

44 (4) The Department of Revenue may recover the costs of furnishing the information described  
45 in subsection (2)(L), (m) and (o) to (q) of this section from the respective agencies.



1        **SECTION 7. ORS 305.245 and 305.494 are repealed.**

2        **SECTION 8. Section 2 of this 2026 Act, the amendments to ORS 305.239, 305.242, 305.875**  
3        **and 314.840 by sections 3 to 6 of this 2026 Act and the repeal of ORS 305.245 and 305.494 by**  
4        **section 7 of this 2026 Act apply to proceedings commenced in the magistrate division of the**  
5        **Oregon Tax Court on or after January 1, 2027.**

6        **SECTION 9. This 2026 Act takes effect on the 91st day after the date on which the 2026**  
7        **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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