

Submitter: Megan Justice

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB1510

As a tax preparer and an Enrolled Agent, I am both opposed to and in support of the proposed amendment.

I am very much in support of required licensing. Currently, all tax practitioners employers who are not CPAs are required to hire only licensed professionals. Interpretations of the law and the rules set forward by OBTP interpret this to extend to administrative staff. This is prohibitive to efficient business operations. Even with the new Registered Tax Aid put into place last year, there is still a licensing requirement which is expensive and not always supportive of the employee hired nor reflective of personal or business goals.

As they currently stand, the law and rules also disallow out of state practitioners from practicing in Oregon if they are not a CPA (or an attorney who has a reciprocal license with Oregon). Many EAs across the country have had to recently obtain licenses for one or two clients who are not Oregon residents but have an Oregon filing requirement as a result of Nexus rules. They have also had to obtain licenses when their clients move to Oregon to be able to continue to support them. Individuals should be able to make the choice of who is providing them with support, not effectively be forced to accept support from someone who is appropriately licensed.

I oppose federally licensed Enrolled Agents from begin given blanket capability to practice in Oregon because of their federal license. The Oregon licensing process protects taxpayers by requiring practitioners to remain up to date on federal and Oregon tax law. The federal license requires fewer hours of continuing education (16 instead of 30) and does not require Oregon tax law updates. Practitioners in Oregon (including CPAs and attorneys) as well as practitioners preparing more than some small number of returns (20?) with Oregon taxable income in a year *\*should\** be required to maintain and update their education.

As SB 1510 is currently written, employees of EAs would be excluded from licensing requirements as well, leaving employees of attorneys and LTCs with the licensing requirement. This creates a business burden because of the cost of supporting those licenses (annual licensing fees, continuing education, etc). At the very least, employees of attorneys and LTCs should be added to the list of those who are not required to be licensed.

The National Association of Enrolled Agents (NAEA) will tell you this is an issue for both Oregon based practitioners *\*and\** those out of state - that the EA license,

continuing education requirements, and ethical practice standards are sufficient to protect consumers. They will also tell you Oregon is the only state that doesn't recognize the federal license as qualifications to practice in tax. The first claim from the NAEA is blatantly false. The second statement, though true, is an opportunity for Oregon to pave the way forward as it already has. It's an opportunity to listen to practitioners, the actual barriers we face, and provide a pathway to supporting and protecting consumers as Oregon has done.