

Written Testimony in Support of SB 1510 (-2 Amendment)

Oregon Senate Committee on Finance and Revenue

Hearing Date: February 11, 2026

Chair Anthony Broadman, Vice Chair Mike McLane, and Members of the Committee:

I submit this testimony in strong support of the -2 amendment to SB 1510, which would create an enrolled agent registration pathway under ORS Chapter 673.

WHO I AM AND WHY THIS MATTERS

I am an Enrolled Agent, federally authorized to practice before the Internal Revenue Service since 1995. Although I am not an Oregon resident, I hold an Oregon Licensed Tax Consultant (LTC) credential and have firsthand experience navigating Oregon's tax preparer licensing regime. I work with taxpayers whose lives and businesses cross state lines, and I have seen how administrative barriers reduce the number of qualified professionals available to Oregon taxpayers—particularly in rural communities and for taxpayers with complex, multi-state situations.

THE PROBLEM WITH CURRENT LAW

Under current ORS 673.615, anyone preparing Oregon personal income tax returns for compensation must hold an Oregon tax consultant license, unless they fall within narrow exemptions. While this requirement was designed to protect consumers, it has created practical barriers that reduce access to qualified tax help.

I have seen this problem firsthand. When consulting with a national H&R Block franchise group, Oregon clients could not be served efficiently because all staff were not Oregon-licensed. The rule blocked workflow coordination and data sharing across offices—even within the same organization. This isn't just an inconvenience; it's a structural barrier that limits competition, drives up costs, and extends wait times for Oregon taxpayers seeking professional assistance.

WHY CHANGE IS NEEDED NOW

The Oregon Board of Tax Practitioners' own 2025-27 budget review documents a troubling trend: between 2020 and 2022, Oregon tax practitioner licenses declined by approximately 15%, driven by an aging population and “little new interest in tax professions.” While 2024 saw an uptick to 4,403 active licensees—attributed partly to increased enforcement against out-of-state practitioners—the underlying pipeline problem persists.

Meanwhile, demand remains high. IRS statistics show that paid preparers sign tens of millions of individual returns annually nationwide, and Oregon taxpayers continue to need professional help navigating increasingly complex federal and state tax laws. The gap between supply and demand is real, and it will only widen without policy changes that expand access to qualified professionals.

WHAT THE -2 AMENDMENT DOES

The -2 amendment to SB 1510 makes four key changes:

First, it adds a statutory definition of “enrolled agent” in ORS 673.605, tying the term to individuals authorized by and in good standing with the U.S. Department of the Treasury to represent taxpayers before the IRS under 31 C.F.R. part 10 (Circular 230).

Second, it amends ORS 673.610 to exempt enrolled agents—and employees working under their supervision—from Oregon’s tax preparer licensing requirements, subject to a new registration requirement.

Third, it creates a registration framework in ORS 673.637(4)–(8) under which the Board of Tax Practitioners must register enrolled agents who apply and pay a fee. Critically, the Board may not require enrolled agents to take any Board examination or complete Board-mandated continuing education as a condition of registration or renewal. The amendment also authorizes registered enrolled agents to represent taxpayers before the Oregon Department of Revenue to the same extent as licensed Oregon tax consultants, and it preserves the Board’s disciplinary authority over enrolled agents on the same grounds applicable to tax consultants.

Fourth, it adds fee authority in ORS 673.685(1)(n) for issuance and renewal of enrolled agent registrations, ensuring the program remains fiscally neutral for the Board.

WHY THIS IS SOUND POLICY

The -2 amendment achieves three essential policy goals:

Access: By allowing federally credentialed enrolled agents to serve Oregon taxpayers via registration rather than duplicative licensing, the amendment immediately expands the pool of qualified professionals. This is especially important for underserved communities, complex cases, and multi-state returns.

Consumer Protection: Enrolled agents are not unregulated. To become an enrolled agent, an individual must pass a comprehensive three-part Special Enrollment Examination covering individual taxation, business taxation, and representation practice. Enrolled agents undergo IRS suitability checks and must complete 72 hours of IRS-approved continuing education every three years, including annual minimums and mandatory ethics training. They are subject to Treasury Department Circular 230, which imposes rigorous competency, due diligence, and ethical standards, and they may be censured, suspended, or disbarred by the IRS Office of Professional Responsibility for violations.

The -2 amendment does not eliminate oversight—it shifts reliance to a robust federal regulatory framework while preserving Oregon’s ability to maintain a registration roster, collect fees, and discipline enrolled agents for misconduct under ORS 673.700. This is consumer protection without duplication.

Administrative Feasibility: The Board of Tax Practitioners already operates a fee-funded licensing and registration system. Adding an enrolled agent registration category requires no new infrastructure—only verification of EA status, fee

collection, roster maintenance, and application of existing disciplinary procedures.

ADDRESSING CONCERNS

Some may ask: Does this weaken Oregon's consumer protections? The answer is no. The -2 amendment substitutes a federally regulated credential with demonstrated rigor for a state-specific exam, while retaining Oregon's disciplinary authority and public accountability through registration.

Others may worry about enforcement. Registration creates visibility. Enrolled agents who prepare Oregon returns for compensation must register with the Board or face civil penalties of up to \$5,000 per violation under ORS 673.735. The Board retains full authority to investigate complaints and impose discipline.

Finally, this change does not create a revenue gap. The amendment expressly authorizes the Board to charge fees for registration and renewal, preserving the Board's cost-recovery model.

MY REQUEST

I respectfully urge the Committee to adopt the -2 amendment to SB 1510. This is a targeted, evidence-based reform that responds to documented pipeline concerns, promotes competition and access, and maintains robust consumer protection. It brings Oregon's treatment of enrolled agents closer to parity with CPAs and attorneys—whose out-of-state licenses are recognized—while preserving the Board's oversight role.

As an enrolled agent since 1995 and an Oregon LTC holder, I offer to serve as a resource to legislators and the Board on implementation questions, including guidance for small firms navigating multi-state practice.

Thank you for your time and for your commitment to protecting Oregon taxpayers while ensuring access to qualified tax assistance.

Respectfully submitted,

John Sheeley, EA (since 1995)
Oregon Licensed Tax Consultant (Nonresident)

CITATIONS AND SOURCES

SB 1510 Bill Page:

<https://olis.oregonlegislature.gov/liz/2026R1/Measures/SB1510>

SB 1510 Measure Text:

<https://olis.oregonlegislature.gov/liz/2026R1/Downloads/MeasureDocument/SB1510>

SB 1510-2 Proposed Amendment (LC 254):

<https://olis.oregonlegislature.gov/liz/2026R1/Downloads/ProposedAmendment/30212>

Committee Agenda – Senate Finance and Revenue, Feb. 11, 2026:

<https://olis.oregonlegislature.gov/liz/2026R1/Committees/SFR/2026-02-11-08-00/Agenda>

ORS Chapter 673 (December 2025):

<https://www.oregon.gov/obtp/Documents/ORS%20Chapter%20673%20as%20of%20December%202025.pdf>

Oregon Board of Tax Practitioners – Exam Requirements:

<https://www.oregon.gov/obtp/pages/examrequirements.aspx>

Oregon Board of Tax Practitioners – 2025-27 Budget Review:

<https://olis.oregonlegislature.gov/liz/2025R1/Downloads/CommitteeMeetingDocument/290337>

IRS – Enrolled Agent Information:

<https://www.irs.gov/tax-professionals/enrolled-agents>

U.S. Treasury – Circular 230:

<https://www.irs.gov/tax-professionals/circular-230-tax-professionals>

IRS Statistics of Income – Individual Returns:

<https://www.irs.gov/statistics/soi-tax-stats-individual-income-tax-returns-publication-1304>