

Written Testimony Submission to the House Committee on Revenue

Concerning Senate Bill 1510

Chairperson, Vice-Chair, and Members of the House Committee on Revenue, and Members of the Oregon Legislature:

Introduction and Background

I am **April Gutierrez**, co-founder of Pacific Northwest Tax Service in Portland, Oregon, which operates two local offices and employs approximately 20 full-time staff with year-round employment. I have worked in the tax preparation industry since 1992, including three years as a franchisee of a national tax chain. I left that franchise in 1995 after repeatedly confronting misleading business practices that violated Oregon's tax preparer regulations. My husband, **Jess Gutierrez**, has been my partner in our tax preparation business for the past 34 tax seasons and he also served on the Oregon Board of Tax Practitioners for seven years starting in the early 2000s. We founded Pacific Northwest Tax Service to uphold the strong consumer protection standards embedded in Oregon's tax preparer laws.

Opposition to Sections 14–16 of Senate Bill 1510

I write to **strongly oppose Sections 14 through 16 of Senate Bill 1510 (2026)**. These provisions would exempt IRS-credentialed Enrolled Agents (EAs) and their employees from Oregon's tax preparer licensing requirements, **stripping the Oregon Board of Tax Practitioners of its authority** to ensure basic competency and ethics across the profession. In short, Sections 14–16 would **gut Oregon's proven consumer protections** and could **flood our state with untrained, unaccountable tax preparers** operating under the minimal supervision of a single EA.

The Benefits of Oregon's Licensing Laws

Oregon's tax preparer licensing laws have not hindered my small business — they have helped it thrive. At Pacific Northwest Tax Service, we employ about 20 full-time professionals, all of whom earn livable wages with medical benefits, retirement plans, and paid time off. Our ability to provide high-quality, accurate tax services while offering these good jobs is made possible by Oregon's regulatory framework. By requiring all paid preparers to meet minimum training and exam standards, Oregon has created a **level playing field** that lets ethical local firms like mine

compete fairly with national chains. Large out-of-state franchises often rely on undertrained, commission-based staff. Oregon's licensure laws prevent such practices from undercutting quality-focused businesses. **Rather than pushing us out of the industry, these regulations have allowed my company to succeed on the merits of service and accuracy.** I can say with certainty that my firm's growth has been supported by Oregon's preparer standards far more than it has ever been hindered by them.

Summary of Oregon's Tax Preparer System

Our current system works. To become a **Licensed Tax Preparer (LTP)** in Oregon, an individual must complete an **80-hour course** on federal and state tax law, pass a state exam, and complete **30 hours of continuing education each year.** Advancing to a **Licensed Tax Consultant (LTC)** requires **1,100 hours of supervised experience** over at least two tax seasons, plus another rigorous Oregon exam and annual continuing education. Oregon's new **Registered Tax Aide (RTA)** credential (effective 2026) provides a much welcomed 40-hour training pathway for entry-level staff who assist LTPs and LTCs under supervision. Meanwhile, **CPAs and attorneys are exempt** from Oregon's program only because they are already subject to extensive professional licensure and oversight. These requirements for tax preparers are reasonable and **far less demanding than those for CPAs or attorneys,** yet they ensure that anyone paid to prepare taxes in Oregon meets a baseline of competence. If someone cannot invest even 40 hours in learning tax law, they should not be trusted to prepare a consumer's tax return.

Lessons from California's Experience

California's experience shows what happens with weaker oversight. California requires just a 60-hour course and 20 hours of annual continuing education for tax preparers, and **exempts EAs, CPAs, attorneys, and their employees entirely.** According to independent federal studies, **California's tax return error rate is higher than the national average — even higher than some states with no regulations at all.** In contrast, **those same GAO studies found that Oregon has the lowest tax return error rate in the nation.** This is a direct result of Oregon's commitment to education, examination, and enforcement. **We should not abandon the very standards that make our state a national leader in tax accuracy and consumer protection.**

Consequences of SB 1510's Proposed Changes

Sections 14–16 of SB 1510 would undo Oregon's gold-standard system. Section 14 (amending ORS 673.610) would **exempt Enrolled Agents and their employees from state licensure,** meaning an EA's employees could prepare returns with **no Oregon license or exam.** Section 15 (amending ORS 673.615) would allow an EA to **replace an Oregon-licensed Tax Consultant as a supervisor,** so a single EA could oversee an office of unlicensed preparers who never proved their qualifications in Oregon. Section 16 (amending ORS 673.637) would bar the Board from ever requiring EAs to demonstrate knowledge of Oregon's tax laws through testing or Oregon-specific continuing education. In effect, an EA from out of state — with no background in

Oregon tax law — could immediately begin signing Oregon tax returns and supervising a team of unlicensed staff. The Board of Tax Practitioners would have **little ability to prevent incompetence or misconduct** before taxpayers are harmed.

Risks for Consumers and Small Businesses

The consumer and small-business risks are clear. Filing a tax return is one of the most significant financial transactions for many families, and **taxpayers pay professionals expecting at least minimum competence and ethics.** If SB 1510 passes, **unqualified preparers will proliferate** under the shield of an EA's credential. Commission-based compensation models (common in large chains) reward speed over accuracy, a dynamic I saw firsthand during my time with a national franchise. **No single EA can provide genuine quality control over a dozen or more unlicensed preparers in the heat of tax season.** The result will be **more mistakes and omissions on returns, more Oregonians exposed to IRS penalties or lost refunds, and more opportunities for unethical actors to exploit taxpayers — all with reduced state oversight.** Meanwhile, honest small firms that invest in thorough training and quality service would be at a competitive disadvantage against those cutting corners.

The Importance of the Registered Tax Aide Credential

I want to acknowledge that recruiting and training qualified tax preparers has been a persistent challenge for my business over the past several decades. That is precisely why I welcomed the introduction of Oregon's new Registered Tax Aide (RTA) credential. The RTA program gives firms like mine a practical, supervised pathway to bring in new talent — allowing individuals to perform basic data entry functions in support of our Licensed Tax Preparers and Licensed Tax Consultants while they gain experience and education. This is a thoughtful, structured solution to workforce shortages that maintains consumer protection.

Quality and Accountability Over Convenience

Oregon also faces shortages of medical doctors and electricians. Shall we now propose eliminating medical residencies or electrician apprenticeships just to increase the number of providers? The answer to that question is obvious to all. The same logic must apply here. We should not sacrifice quality and accountability in the name of convenience. Oregon's tax preparer licensing system is not the problem — it is the solution. Let's not dismantle it.

Conclusion and Call to Action

For all these reasons, I urge you to **amend SB 1510 by removing Sections 14–16.** Oregon's tax preparer licensing laws have safeguarded our taxpayers and supported ethical small businesses for over 50 years, ensuring that competence, integrity, and consumer protection come first. **We should not abandon a system that has made Oregon a nationwide model for accurate tax filing and fair business competition.**

I urge the committee to protect Oregon's proven standards by rejecting the proposed exemption for Enrolled Agents and preserving the integrity of the Oregon Tax Board.

Thank you for your consideration.

Sincerely,

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