

**REVENUE:** Revenue statement issued

**FISCAL:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass  
**Vote:** 5 - 0 - 0  
**Yeas:** George, Schrader, Starr, Verger, Metsger  
**Nays:** -  
**Exc.:** -  
**Prepared By:** Jim Stembridge, Administrator  
**Meeting Dates:** 1/28, 2/11

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**WHAT THE MEASURE DOES:** Extends the State Board of Tax Practitioners license requirement to persons who prepare, for compensation, corporate tax returns, partnership tax returns, S corporation tax returns, trust tax returns, and estate tax returns.

**ISSUES DISCUSSED:**

- Consumer protection
- Uniqueness of Oregon tax practitioner licensing program
- Accuracy of tax returns
- Lack of jurisdiction for discipline regarding preparation of non-personal tax returns

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Under current statute, anyone who prepares, advises, or assists in, for consideration, the preparation of *personal* income tax returns in Oregon, unless a Certified Public Accountant (CPA) or attorney, is required to be licensed as a preparer or consultant by the Board of Tax Practitioners. SB 172 extends the license requirement to those who prepare *corporate* tax returns, *partnership* tax returns, *S corporation* tax returns, *trust* tax returns, and *estate* tax returns. According to proponents, SB 172 is needed so the board will have authority to regulate and impose penalties for negligence, incompetence, or unlicensed activity on those who prepare these returns.

The Board of Tax Practitioners currently has approximately 1700 Licensed Tax Preparers (entry level practitioners) and approximately 2000 Licensed Tax Consultants (journeyman level practitioners). Disciplinary actions are listed on the board website. The Board closed 12 investigations in 2008, arbitrated many others, and closed additional cases where it was deemed there was no offense. Board officials estimate that 50 to 200 additional tax preparers would be required to become licensed under SB 172.