

A-Engrossed
House Bill 2066

Ordered by the House April 19
Including House Amendments dated April 19

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber for State Board of Tax Practitioners)

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.

Requires applicant for license as tax consultant or tax preparer to possess [*individual*] **preparer** tax identification number.

Requires, **on and after July 1, 2012**, applicant for license as tax consultant to have worked as tax preparer for at least 1,100 hours during at least two of past five years.

Modifies other provisions relating to licensure of tax consultants and tax preparers.

A BILL FOR AN ACT

1
2 Relating to tax practitioners; creating new provisions; and amending ORS 673.625 and 673.637.

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

4 **SECTION 1.** ORS 673.625 is amended to read:

5 673.625. (1) Every applicant for a license as a tax consultant and every applicant for licensing
6 as a tax preparer must:

7 (a) Be [*not less than*] 18 years of age **or older**;

8 (b) Possess a high school diploma or have passed an equivalency examination; [*and*]

9 (c) Present evidence satisfactory to the State Board of Tax Practitioners that the applicant has
10 successfully completed [*not less than*] **at least** 80 hours in basic personal income tax law, theory and
11 practice at a school training session or educational institution approved by the board[.]; **and**

12 **(d) Possess a preparer tax identification number issued by the Internal Revenue Service.**

13 (2) In addition to the requirements of subsection (1) of this section, every applicant for licensing
14 as a tax preparer must pass to the satisfaction of the board an examination. The examination
15 [*shall*] **must** be constructed in a manner that in the judgment of the board measures the applicant's
16 knowledge of Oregon and federal personal income tax law, theory and practice.

17 (3) In addition to the requirements of subsection (1) of this section, every applicant for licensing
18 as a tax consultant must:

19 (a) Present evidence satisfactory to the board of active employment, as described in ORS 673.615
20 (2), as a tax preparer or employment in this or another state in a capacity that is, in the judgment
21 of the board equivalent to that of a tax preparer or tax consultant, for not less than a cumulative
22 total of 780 hours during at least two of the last five years. **The board shall consider** certification
23 by a tax consultant or person described in ORS 673.610 (2) or (4) that the applicant was employed
24 as a tax preparer under supervision for the period indicated in the certificate [*shall be considered*
25 *evidence*] **to be** satisfactory **evidence** [*to the board*] of the applicant's employment as a tax preparer
26 for the period indicated. If an applicant has worked less than a cumulative total of 780 hours in at

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.

1 least two of the last five years, the board may consider the number of hours employed, the number
 2 of years employed, the number of tax returns prepared and whether the work involved contributed
 3 directly to the professional competence of the individual in determining if a tax preparer or tax
 4 consultant has met the work experience requirement.

5 (b) Pass to the satisfaction of the board an examination that is constructed in a manner that in
 6 the judgment of the board measures the applicant's knowledge of Oregon and federal personal in-
 7 come tax law, theory and practice. The examination for a tax consultant's license [*shall differ from*
 8 *the examination for a tax preparer's license in that it shall*] **must** be of a more exacting nature and
 9 require higher standards of knowledge of personal income tax law, theory and practice **than the**
 10 **examination for a tax preparer's license.**

11 (4) If, in the judgment of the board, an applicant has, in combination, the education and experi-
 12 ence to qualify for a tax consultant's or preparer's license, but does not meet or cannot present
 13 evidence of strict compliance with the requirements of subsection (1)(c) or subsection (3)(a) of this
 14 section, the board may allow some of the applicant's education or experience to substitute one for
 15 the other. However, [*nothing in this subsection shall be construed to*] **this subsection does not** allow
 16 a waiver of, or substitution for, any qualifications needed for a tax consultant's or preparer's license
 17 other than those described in subsection (1)(c) or subsection (3)(a) of this section.

18 **SECTION 2.** ORS 673.625, as amended by section 1 of this 2011 Act, is amended to read:

19 673.625. (1) Every applicant for a license as a tax consultant and every applicant for licensing
 20 as a tax preparer must:

21 (a) Be 18 years of age or older;

22 (b) Possess a high school diploma or have passed an equivalency examination;

23 (c) Present evidence satisfactory to the State Board of Tax Practitioners that the applicant has
 24 successfully completed at least 80 hours in basic personal income tax law, theory and practice at a
 25 school training session or educational institution approved by the board; and

26 (d) Possess a preparer tax identification number issued by the Internal Revenue Service.

27 (2) In addition to the requirements of subsection (1) of this section, every applicant for licensing
 28 as a tax preparer must pass to the satisfaction of the board an examination. The examination must
 29 be constructed in a manner that in the judgment of the board measures the applicant's knowledge
 30 of Oregon and federal personal income tax law, theory and practice.

31 (3) In addition to the requirements of subsection (1) of this section, every applicant for licensing
 32 as a tax consultant must:

33 (a) Present evidence satisfactory to the board of active employment, as described in ORS 673.615
 34 (2), as a tax preparer or employment in this or another state in a capacity that is, in the judgment
 35 of the board equivalent to that of a tax preparer or tax consultant, for not less than a cumulative
 36 total of [780] **1,100** hours during at least two of the last five years. The board shall consider certif-
 37 ication by a tax consultant or person described in ORS 673.610 (2) or (4) that the applicant was
 38 employed as a tax preparer under supervision for the period indicated in the certificate to be sat-
 39 isfactory evidence of the applicant's employment as a tax preparer for the period indicated. If an
 40 applicant has worked less than a cumulative total of [780] **1,100** hours in at least two of the last five
 41 years, the board may consider the number of hours employed, the number of years employed, the
 42 number of tax returns prepared and whether the work involved contributed directly to the profes-
 43 sional competence of the individual in determining if a tax preparer or tax consultant has met the
 44 work experience requirement.

45 (b) Pass to the satisfaction of the board an examination that is constructed in a manner that in

1 the judgment of the board measures the applicant's knowledge of Oregon and federal personal in-
2 come tax law, theory and practice. The examination for a tax consultant's license must be of a more
3 exacting nature and require higher standards of knowledge of personal income tax law, theory and
4 practice than the examination for a tax preparer's license.

5 (4) If, in the judgment of the board, an applicant has, in combination, the education and experi-
6 ence to qualify for a tax consultant's or preparer's license, but does not meet or cannot present
7 evidence of strict compliance with the requirements of subsection (1)(c) or subsection (3)(a) of this
8 section, the board may allow some of the applicant's education or experience to substitute one for
9 the other. However, this subsection does not allow a waiver of, or substitution for, any qualifications
10 needed for a tax consultant's or preparer's license other than those described in subsection (1)(c)
11 or subsection (3)(a) of this section.

12 **SECTION 3.** ORS 673.637 is amended to read:

13 673.637. (1) The State Board of Tax Practitioners may issue a license to an applicant for a li-
14 cense as a tax consultant or as a tax preparer who:

15 (a) Presents evidence satisfactory to the board that the applicant is licensed as a tax consultant
16 or preparer in a state that has requirements for licensing substantially similar to the requirements
17 for licensing [of] **in** this state; and

18 (b) Has passed to the satisfaction of the board an examination covering Oregon personal income
19 tax law, theory and practice,[,] the provisions of ORS 673.605 to 673.740 and the code of professional
20 conduct prescribed by the board.

21 (2) Notwithstanding ORS 673.625 (1) and (3), but as otherwise provided in ORS 673.605 to
22 673.740, the board shall license as a tax consultant any person who is, on the date of the application
23 for a tax consultant's license, enrolled to practice before the Internal Revenue Service pursuant to
24 31 C.F.R. part 10 if the person has passed to the satisfaction of the board an examination covering
25 Oregon personal income tax law, theory and practice,[,] the provisions of ORS 673.605 to 673.740
26 and the code of professional conduct prescribed by the board.

27 (3) Except as otherwise provided in this section, [*no*] **an** examination [*shall be*] **is not** required
28 for licensing under this section.

29 (4) Any person desiring to be licensed under this section shall make written application to the
30 board and shall pay to the board at the time required by the board the examination and license fees
31 provided [*under ORS 673.685*] **by rule of the board.**

32 **SECTION 4. (1) The amendments to ORS 673.625 by section 2 of this 2011 Act become**
33 **operative on July 1, 2012.**

34 **(2) The amendments to ORS 673.625 by section 2 of this 2011 Act apply to applications for**
35 **licensing as a tax consultant submitted on or after the operative date specified in subsection**
36 **(1) of this section.**

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