

House Bill 2066

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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 **as introduced**.

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

Requires 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

Relating to tax practitioners; amending ORS 673.625 and 673.637.

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

SECTION 1. ORS 673.625 is amended to read:

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

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

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

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

(d) Possess an individual tax identification number issued by the Internal Revenue Service.

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

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

(a) Present evidence satisfactory to the board of active employment, as described in ORS 673.615 (2), as a tax preparer or employment in this or another state in a capacity that is, in the judgment of the board equivalent to that of a tax preparer or tax consultant, for not less than a cumulative total of *[780]* **1,100** hours during at least two of the last five years. **The board shall consider** certification by a tax consultant or person described in ORS 673.610 (2) or (4) that the applicant was employed as a tax preparer under supervision for the period indicated in the certificate *[shall be considered evidence]* **to be** satisfactory **evidence** *[to the board]* of the applicant's employment as a tax preparer for the period indicated. If an applicant has worked less than a cumulative total of *[780]* **1,100** hours in at least two of the last five years, the board may consider the number of hours employed, the number of years employed, the number of tax returns prepared and whether the work

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 involved contributed directly to the professional competence of the individual in determining if a tax
 2 preparer or tax consultant has met the work experience requirement.

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

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

16 **SECTION 2.** ORS 673.637 is amended to read:

17 673.637. (1) The State Board of Tax Practitioners may issue a license to an applicant for a li-
 18 cense as a tax consultant or as a tax preparer who:

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

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

25 (2) Notwithstanding ORS 673.625 (1) and (3), but as otherwise provided in ORS 673.605 to
 26 673.740, the board shall license as a tax consultant any person who is, on the date of the application
 27 for a tax consultant's license, enrolled to practice before the Internal Revenue Service pursuant to
 28 31 C.F.R. part 10 if the person has passed to the satisfaction of the board an examination covering
 29 Oregon personal income tax law, theory and practice,[,] the provisions of ORS 673.605 to 673.740
 30 and the code of professional conduct prescribed by the board.

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

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

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