

# House Bill 2360

Sponsored by Representative THATCHER (at the request of Bill Litherland) (Presession filed.)

## 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**.

Modifies requirements for licensure as tax preparer or tax consultant.  
Becomes operative January 1, 2014.  
Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to tax preparation; creating new provisions; amending ORS 673.625, 673.637 and 673.685;  
3 and declaring an emergency.

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

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

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

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

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

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

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

14 **(d) Pass an examination covering Oregon personal income tax law, theory and practice,**  
15 **the provisions of ORS 673.605 to 673.740 and the code of professional conduct prescribed by**  
16 **the board; and**

17 **(e) Be registered as a tax return preparer by the Internal Revenue Service.**

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

22 *[(3)]* **(2)** In addition to the requirements of subsection (1) of this section, every applicant for li-  
23 censing as a tax consultant must~~[:]~~ **be enrolled to practice before the Internal Revenue Service.**

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

**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 *number of hours employed, the number of years employed, the number of tax returns prepared and*  
 2 *whether the work involved contributed directly to the professional competence of the individual in de-*  
 3 *termining if a tax preparer or tax consultant has met the work experience requirement.]*

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

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

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

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

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

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

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

32 *[(3) Except as otherwise provided in this section, an examination is not required for licensing under*  
 33 *this section.]*

34 *[(4) (2) Any person desiring to be licensed under this section shall make written application to*  
 35 *the board and shall pay to the board at the time required by the board the examination and license*  
 36 *fees [provided by rule of the board] established by the board by rule.*

37 **SECTION 3.** ORS 673.685 is amended to read:

38 673.685. (1) The State Board of Tax Practitioners shall adopt by rule fees for:

39 (a) Application for *[examination for]* a tax consultant's license.

40 (b) Application for *[examination for]* a tax preparer's license.

41 (c) Issuance or renewal of a tax consultant's license.

42 (d) Issuance or renewal of a tax preparer's license.

43 (e) Issuance or renewal of a tax consultant's inactive license.

44 (f) Issuance or renewal of a tax preparer's inactive license.

45 (g) Reactivation of a tax consultant's inactive license or reactivation of a tax preparer's inactive

1 license.

2 (h) Restoration of lapsed license.

3 (i) Issuance or replacement of a duplicate **tax consultant's** license.

4 (j) Issuance of a replacement or duplicate tax [*consultant certificate*] **preparer's license**.

5 (k) Registration or registration renewal for a sole proprietorship, partnership, corporation or  
6 other legal entity.

7 (L) Issuance or renewal of a combined tax consultant's or tax preparer's license and registration  
8 for a sole proprietorship, partnership, corporation or other legal entity. Eligibility for a combined  
9 license shall be determined under rules adopted by the board.

10 (m) Annual registration of a branch office of a sole proprietorship, partnership, corporation or  
11 other legal entity.

12 (2) The fees established by the State Board of Tax Practitioners under this section are subject  
13 to the prior approval of the Oregon Department of Administrative Services and, if their adoption  
14 occurs between regular sessions of the Legislative Assembly, a report to the Emergency Board. The  
15 fees may not exceed the cost of administering the regulatory program of the State Board of Tax  
16 Practitioners pertaining to the purposes for which the fees are established, as authorized by the  
17 Legislative Assembly within the board's budget, as that budget may be modified by the Emergency  
18 Board.

19 **SECTION 4. The amendments to ORS 673.625, 673.637 and 673.685 by sections 1 to 3 of this**  
20 **2013 Act apply to applications for licensure as a tax preparer or tax consultant that are**  
21 **submitted on or after the operative date specified in section 5 of this 2013 Act.**

22 **SECTION 5. (1) The amendments to ORS 673.625, 673.637 and 673.685 by sections 1 to 3**  
23 **of this 2013 Act become operative on January 1, 2014.**

24 **(2) The State Board of Tax Practitioners may take any action before the operative date**  
25 **specified in subsection (1) of this section that is necessary to enable the board to exercise,**  
26 **on and after the operative date specified in subsection (1) of this section, all the duties,**  
27 **functions and powers conferred on the board by the amendments to ORS 673.625, 673.637 and**  
28 **673.685 by sections 1 to 3 of this 2013 Act.**

29 **SECTION 6. This 2013 Act being necessary for the immediate preservation of the public**  
30 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
31 **on its passage.**

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