



OREGON BOARD OF TAX PRACTITIONERS 2015-17 Budget Presentation

Oregon State Legislature Joint Committee
Ways and Means Subcommittee on General Government

March 24, 2015

OBTP Mission



The Oregon Board of Tax Practitioners protects consumers by ensuring that Oregon tax professionals are competent and ethical in their professional activities.

OBTP OVERVIEW – Board Composition

Board Membership

- Six Licensed Tax Consultants
- One Public Member

OBTP OVERVIEW – Staffing

Agency staff – 4 Positions (4 FTE)

- 1.0 FTE Executive Director
- 1.0 FTE Program Analyst 1, Exam and Education Coordinator
- 1.0 FTE Administrative Specialist 1, Licensing Specialist
- 1.0 FTE Compliance Specialist 2, Senior Investigator
- Same staffing levels since 2008

OBTP OVERVIEW – Licensing

Two License Types

- Tax Preparer (LTP)
 - Complete 80 hour course
 - Pass Preparer examination
 - Work must be reviewed/supervised by LTC
- Tax Consultant (LTC)
 - Must demonstrate required work experience
 - Complete 15 hours CE Credit in personal income tax preparation one year prior to application for examination
 - Pass Consultant examination

OBTP OVERVIEW – Business Registrations

Tax Preparation Business

- Must be registered with OBTP
- Includes main office and all branches
- Must have supervisory LTC in Residence
- Business can be owned by Non-Licensee

OBTP Program Priorities

Annual Licensing

Continuing Education (CE) Requirements

Examinations

- Proctor Sites
- Board administered

Compliance

- Failure to comply with rules
- Unlicensed activity
- CE hours audits
- Return of records
- Advertising
- Confidentiality
- Incompetence/Negligence

Key Budget Drivers and Issues

- 100% self-funded
 - Fees come from license fees, business registrations, exams and fines
 - Last fee increase in 2008
- Costs continue to increase – personnel, legal, administrative
- Average over 800 exams given each year during the last 5 years
- Average 4,914 licenses and 1657 business/branch registrations processed each year for last 5 years
- Exams, licenses, and registrations down because of the economy but just starting to recover
- Average over 150 complaints a year for last biennium; down slightly

Information Technology

- The Board seeks to maintain a level of information technology that meets the needs of the Board and licensees.
- The Board is currently working with NIC-USA and DAS-ETS Application Development to create an on-line registration system.
 - Goal – to have on-line registration for LTPs by September 2015
 - Goal – to complete on-line examination process and all licensing/registration by June 2017

KEY PERFORMANCE MEASURES – Best Practices

Key Performance Measures

- Board in process of re-evaluating its key performance measures. This process will be completed by the new Executive Director when selected.
- Ability to meet most current KPMs impacted by almost complete turnover in staff.

Best Practices

- Board has met all of its Best Practice goals, and has implemented procedures to involve the Board in financial, policy-making and communication issues.

OBTP- Key Partnerships

- Oregon Department of Revenue (DOR)
 - SB 690 (passed by the 2009 Legislature) allows Board to get full copies of personal tax returns
 - DOR notifies the Board regarding alleged fraudulent and/or unlicensed activity
- Internal Revenue Service
 - Recognition by IRS of Oregon's status as leader in licensure requirements
 - Oregon licensees allowed to obtain IRS Annual Filing Season Program certification once licensee obtains IRS PTIN; exempt from IRS test requirement
 - IRS notifies the Board regarding alleged fraudulent and/or unlicensed activity

OBTP- Key Partnerships-continued

- OBTP Presentation to US Senate Finance Committee
 - Requested by then Committee Chair Wyden
 - Information presented by our Board representative was utilized by IRS to develop their certification program
- US Department of Justice
 - Notification by assigned USAAG of federal prosecution of licensed/unlicensed tax preparers
- Oregon Department of Justice (DOJ)
 - Referrals from DOJ Consumer Protection Section and Criminal Justice Division of consumer complaints; misconduct prosecutions

2015 Legislative Measures that could Impact Budget/Fees

- SB 289 (sunsets boards and commissions)