

<b>Board of Tax Practitioners</b>				
	<b>2015-17 Legislatively Approved*</b>	<b>2017-19 Current Service Level</b>	<b>2017-19 Agency Request</b>	<b>2017-19 Governor's Recommended</b>
Other Funds	1,260,908	1,329,314	1,060,855	1,047,460
<b>Total Funds</b>	<b>\$1,260,908</b>	<b>\$1,329,314</b>	<b>\$1,060,855</b>	<b>\$1,047,460</b>
Positions	4	4	3	3
FTE	4.00	4.00	2.50	2.50

\*Includes Emergency Board and administrative actions through December 2016.

### Program Description

The Board of Tax Practitioners is a consumer protection licensing board that is funded entirely by Other Funds derived from the issuance of licenses and business registrations, examination fees, fines and penalties. Staff are currently budgeted at 4.00 FTE, consisting of an Executive Director, Compliance Specialist, Exam & Education Coordinator, and Licensing Specialist. The Board currently licenses approximately 1,700 tax preparers, 1,800 tax consultants, 1,200 tax preparation businesses, and 220 registered branch offices.

### CSL Summary and Issues

The beginning balance in CSL for the 2017-19 biennium is projected to be \$242,350, which is relatively unchanged from the previous budget. However, given that current agency expenditures are projected to exceed revenues for the current biennium, it is extremely likely that the beginning balance will need to be adjusted lower; likely in the \$180K range.

### Policy Issues

Faced with a declining revenue base - the agency has opted to decrease expenditures by eliminating one Compliance Specialist 2 position (1.00 FTE), and reducing an Administrative Specialist position to part-time (0.50 FTE); resulting in an anticipated savings of \$268,459 OF in the 2017-19 biennium.

### Other Significant Issues and Current Discussions

Since 2010, the total number of active licensees for this agency has continued to decrease, while the average age of licensees continues to increase. In 2016, the average age of Licensed Tax Consultants was 61 years-old, and the average age of Licensed Tax Preparers was 53 years-old. The state should consider the possibility that the licensee base, and therefore the revenues generated to support this agency, could very well diminish below levels that support a solvent stand-alone agency. Legislative action/direction will likely be needed to ensure the viability of the agency.