

# Board of Tax Practitioners

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PRESENTATION TO JOINT COMMITTEE ON WAYS & MEANS –  
SUBCOMMITTEE ON GENERAL GOVERNMENT

MARCH 1, 2017



# Agency Mission

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

## Core Values

- Service excellence
- Operational efficiency
- Honesty & integrity

# Board Overview

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## History

- Established in 1973 by the Oregon Legislature
- First state in the nation to require education and licensing for paid tax preparers
- Licensing and education requirements exceed those of the IRS
- Oregon is widely recognized across the U.S. as the gold standard for regulation of tax practitioners

## Two Individual Licenses

- Licensed Tax Preparer = entry level, must be supervised
- Licensed Tax Consultant = supervises preparers and/or works independently

## Two Business Registrations

- Main office
- Branch offices

## Revenues

- Completely self-funded through licensing fees, exam fees and civil penalties (No general revenues)
- Last fee increase in 2008

# Board Composition

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## Seven volunteer board members with three-year terms

- Six Licensed Tax Consultants with at least 5 years of experience
- One public member
- Chair is elected by Board members and serves a one-year term
- Board meets at least 5 times a year

## Three professional staff

- Executive director (1.0 fte)
- Exam & education coordinator (1.0 fte)
- Licensing specialist / admin specialist (1.0 fte)
  - Will go to 0.5 fte on July 1, 2017

# Programs & Services

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## Licensing

- 1,740 active licensed tax consultants
- 1,668 active licensed tax preparers
- 1,318 active businesses & branch offices

## Exams & Education

- Administer 812 licensing exams each year (six-year average)
- Review & approve tax courses required for licensure
- Ensure licensees complete 30 hours of continuing education annually

## Consumer Protection & Compliance

- Respond to approximately 100 complaints each year
- Conduct unannounced site visits
- Seek restitution for consumers and/or civil penalties for practitioners

# Partnerships

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Oregon Department of Revenue

Oregon Department of Justice

Oregon Secretary of State

Oregon Employment Department

Internal Revenue Service

Local law enforcement

Licensing agencies in California, New York & Maryland

# Key Performance Measures – 2016\*

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1. Average number of days to process annual license and registration renewals = 1.8
2. Average number of days to process exam applications = 2.7
3. Average number of continuing education hours licensees received = 43
4. Average number of hours to make an initial response to a consumer complaint = 5.3
5. Customer satisfaction > 95%
6. Percent of governance best practices used by agency = 100%

\* New KPMs proposed for 2017-2019

# Recent Cost Reductions

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## Reduced expenses by

- 15.9% from 2015-17 Legislatively Adopted Budget
- 20.2% from 2017-19 Current Service Level
- Automated business processes and workflows
  - Implemented new licensing database and online payments in less than 12 months for a total cost of \$6,000
- Redistributed work assignments and consolidated job duties
  - Reduced staffing from 4.0 FTEs to 3.0 FTEs in July 2016
- Reengineered complaints/compliance/investigation processes
  - Emphasized informal resolution process that significantly reduced staff time and legal costs and increased collections on civil penalties
- Reduced office space and lease costs by 31%



# Current Initiatives

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## Reduce costs and improve services

- Outsource licensing exams to online provider
- Encourage online license renewals
- Transition to paperless office
- Evaluate and improve tax courses and instruction

## Increase revenue

- Promote tax preparation career opportunities
- Evaluate testing and licensure requirements and modify where appropriate
- Expand proactive compliance
- Raise fees if/as necessary

# Questions?

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... Thank you