

# Board of Tax Practitioners

Presentation to the Joint Ways & Means Subcommittee on General  
Government

April 11, 2017

# Presentation Overview

- Current outlook
- Budget trends & drivers
- Future projections
- Goals and strategies

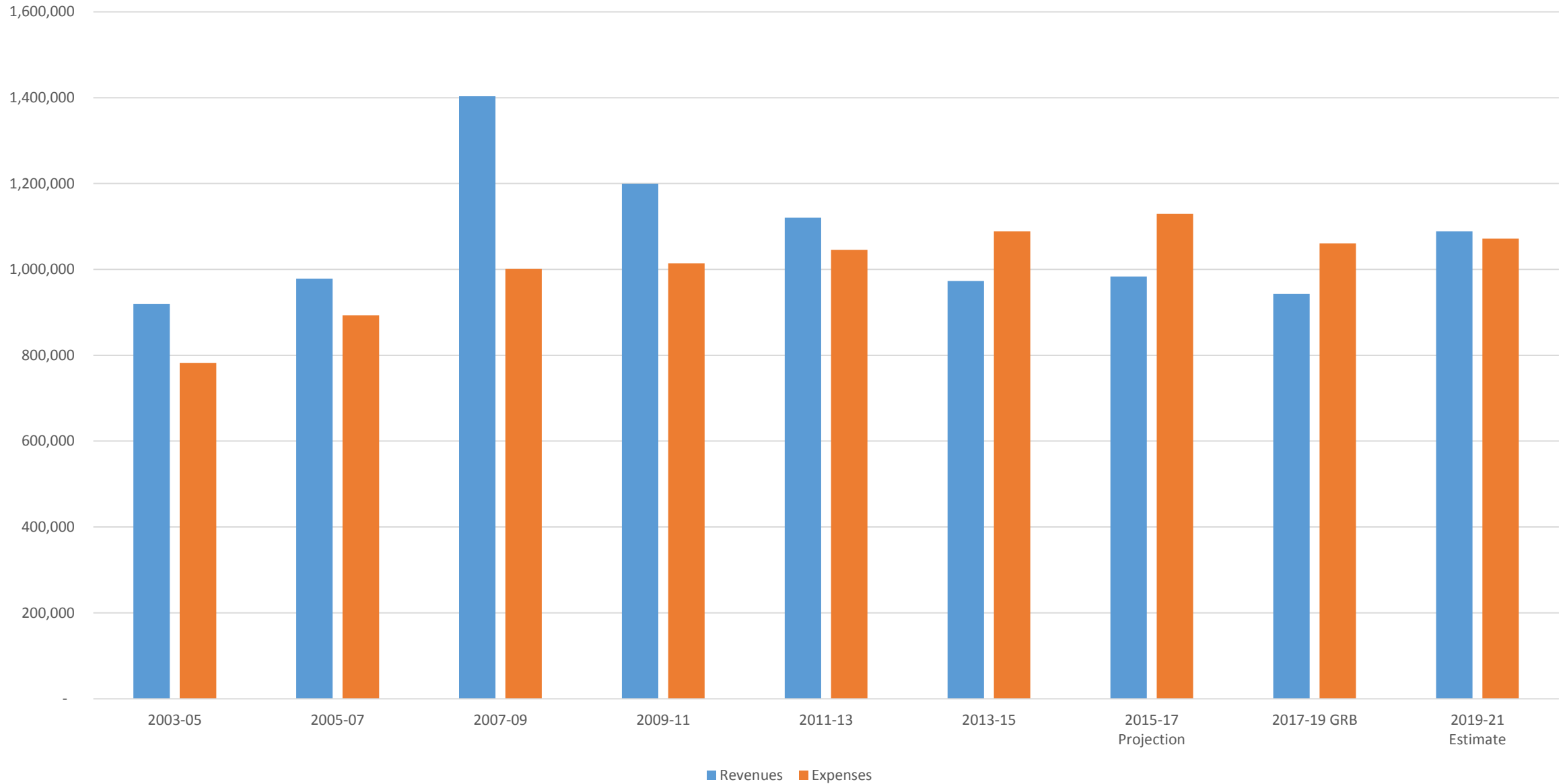
**Board of Tax Practitioners**

<b>2015-17 Budget Overview</b>					
	LAB	No Action*	Projection	Savings	Savings
Beg Balance	404,960	434,626	434,626		
Revenues	1,105,870	977,092	989,925		
Expenses	1,261,884	1,261,884	1,124,768	137,116	10.9%
End Balance	248,946	149,834	299,783		
Months	4.73	<b>2.85</b>	<b>6.36</b>		

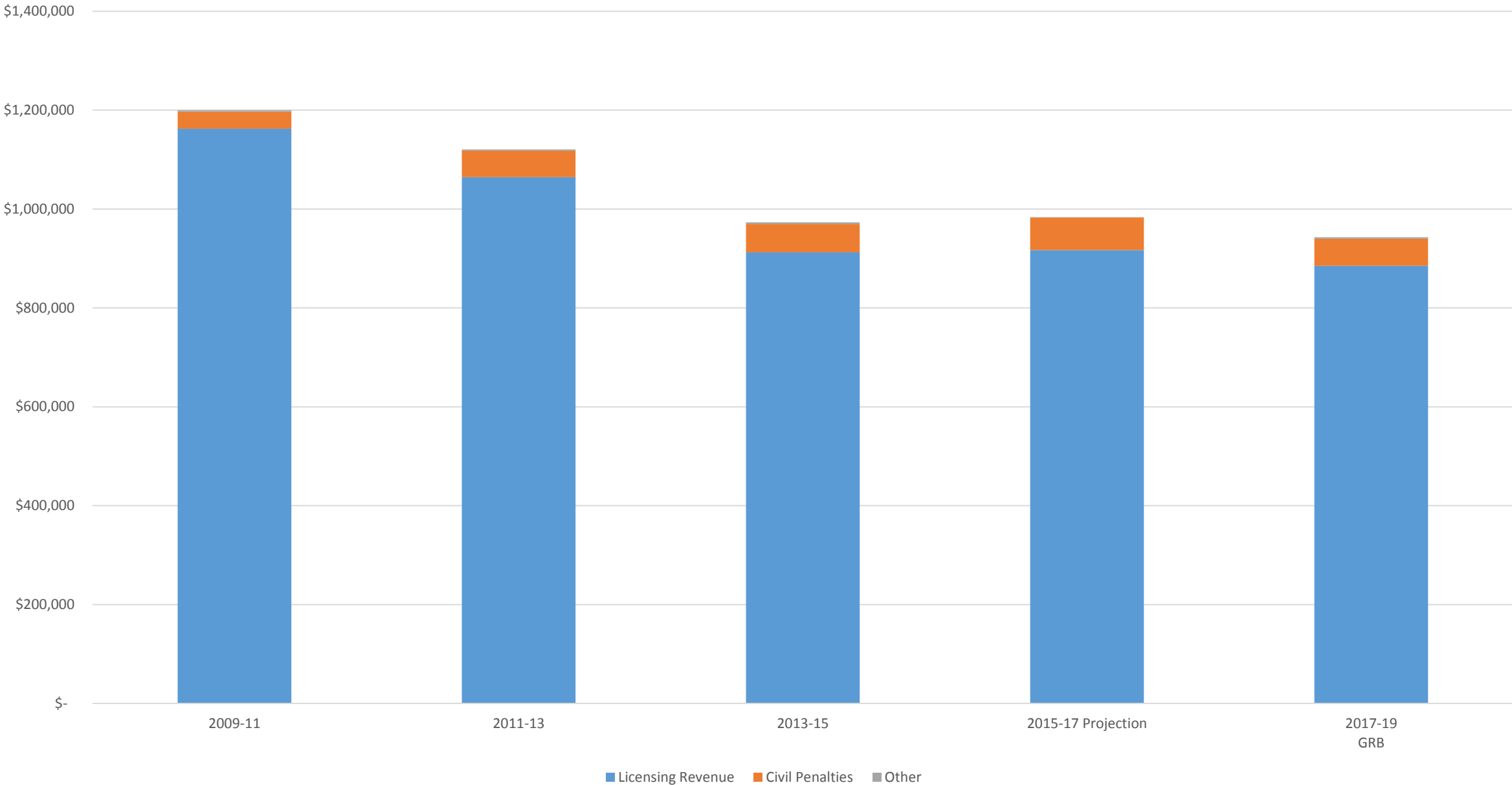
\* Previously planned repeal of \$10 temporary fee reduction took effect January 2016.

<b>2017-19 Expense Overview</b>				
	CSL	GRB	Savings	Savings
Expenses	1,329,314	1,060,855	268,459	<b>20.2%</b>

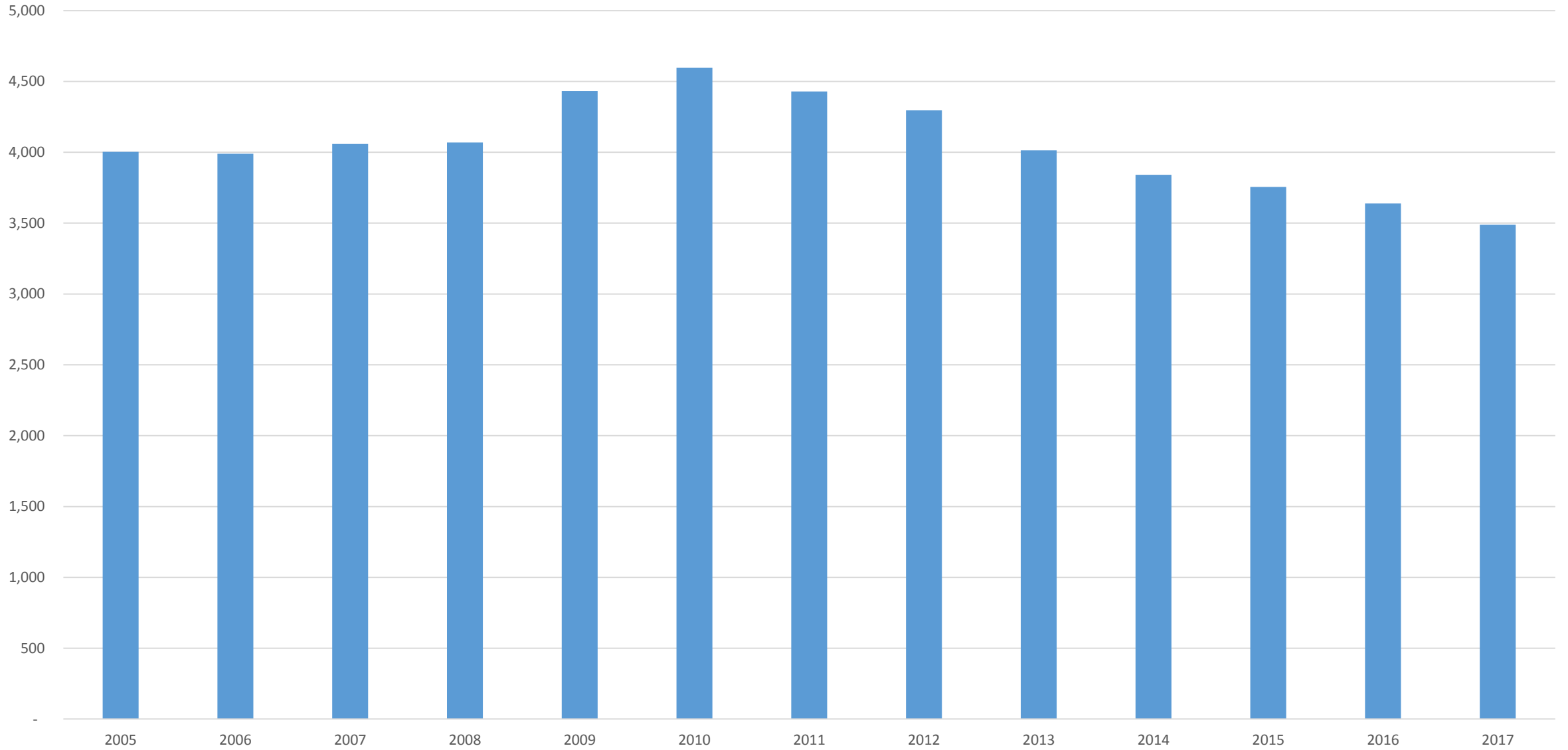
# Board of Tax Practitioners Budget Trends



# Board of Tax Practitioners - Revenue Sources



## Board of Tax Practitioners Licensing Trends - Active Licenses

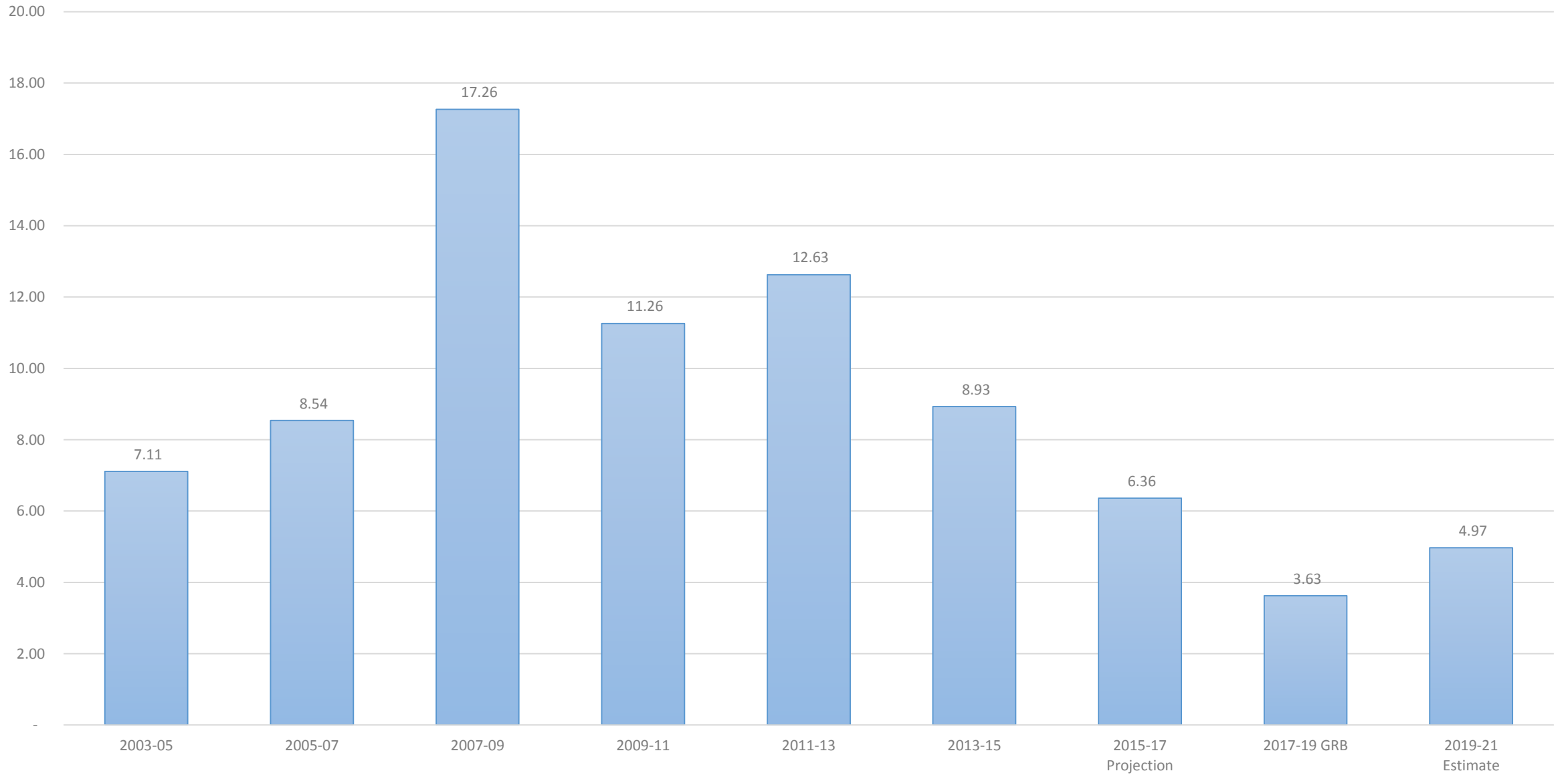


**Board of Tax Practitioners - Budget Trends & Drivers**

Biennium	Beg Balance	Revenues	Fund Sweep	Expenses	End Balance	Months EB	Drivers / Significant Factors
2003-05	114,742	919,091		782,394	231,861	7.11	
2005-07	231,861	978,703		892,929	317,635	8.54	Start of Recession *
2007-09	317,635	1,403,132		1,000,861	719,906	17.26	Fee Increase; Recession *
2009-11	719,906	1,199,608	(430,000)	1,013,888	475,626	11.26	Fund Sweep; Recession *
2011-13	475,626	1,120,594		1,045,923	550,297	12.63	Number of Licensees Starts to Decrease
2013-15	550,297	972,990		1,088,661	404,960	8.93	Temporary Fee Decrease (1 year) and Fewer Licensees
2015-17 Projection	434,626	983,371		1,129,571	288,426	6.36	Temporary Fee Decrease (1 year); Fewer Licensees; Significant Increase in State Service Charges; Streamline Operations; Implement New Database and Online Payments/Renewals
2017-19 GRB	288,426	943,050		1,060,855	170,621	3.63	Assumes Annual 2% Decrease in Licensees; Continue to Streamline & Automate Business Processes
2019-21 Estimate	202,626	1,089,000		1,072,000	219,626	4.97	Assumes Annual 2% Decrease in Licensees; 5% Inflation; 25% Increase in Licensing Fees; Reduced Expenses from Outsourcing Exams; Additional Cost Savings May be Available from Alternative Fee and Service Charge Methodologies

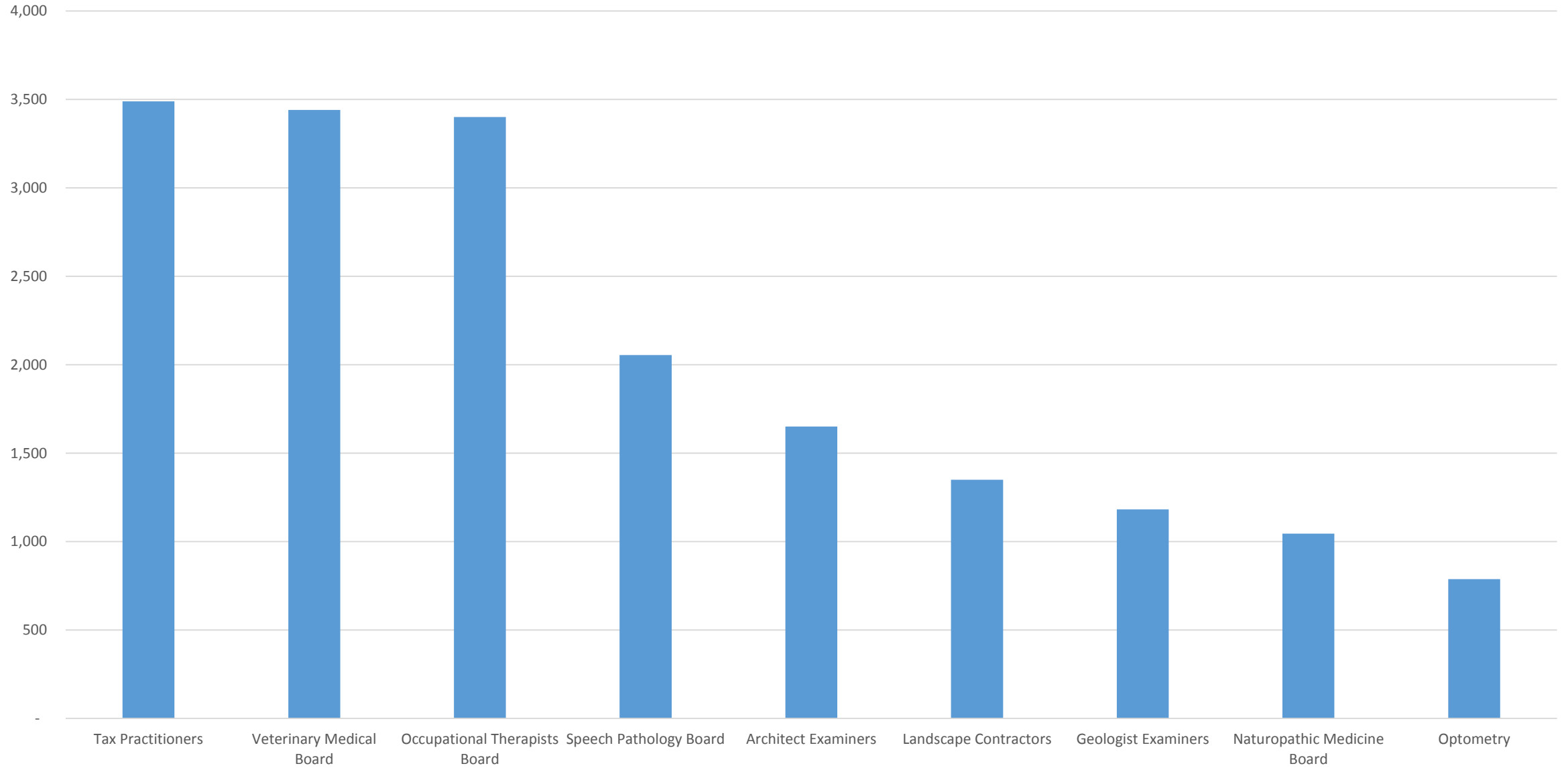
\* Contrary to many other professions, the number of tax practitioners typically increases during recessions and decreases during economic expansions.

# Board of Tax Practitioners Fund Balance Trends (Months)





Oregon Licensing Boards  
Number of Active Licensees (estimate)



# Summary & Conclusion

- The Board has made significant progress
- Projected fund balances are sufficient
- Some challenges remain
- However, the Board has a solid plan and several options available to address these challenges
- The Board respectfully requests the Committee to act favorably on the Board's recommended 17-19 budget