

Board of Tax Practitioners

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

JANUARY 12, 2022

Legislative Request

1. Approve fee increase of \$145,890 in current biennium.
2. Approve expenditure limitation by \$72,100 in current biennium.

Agency Mission

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

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
- Last fee increase in 2008

Board Composition

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

Two professional staff

- Executive Director (1.0 FTE)
- Administrative Specialist 1 (1.0 FTE)

Programs & Services

Licensing

- 1,657 active licensed tax consultants
- 1,366 active licensed tax preparers
- 1,194 active businesses & branch offices

Exams & Education

- Administer approximately 500 licensing exams each year
- Review & approve tax courses required for licensure
- Ensure licensees complete 30 hours of continuing education annually

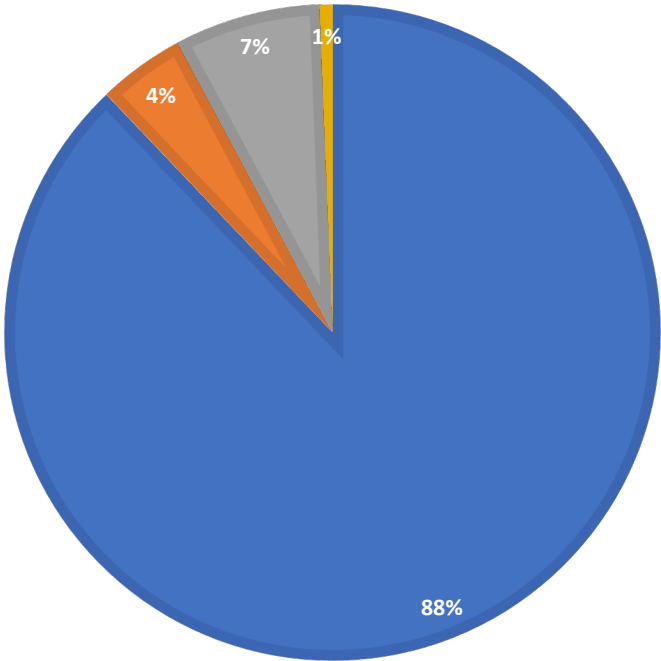
Consumer Protection & Compliance

- Respond to consumer complaints and investigate unlicensed activity
- Seek restitution for consumers and/or civil penalties for practitioners
- Act on approximately 50 complaints annually

FY21-23 Revenue Sources

FY21-23 REVENUE

■ Licensing Fees ■ Exam Application Fees ■ Civil Penalties ■ Other



Budget Trends 2015-2023

Biennium	Revenues	Expenses	Net
2015-17	\$ 1,010,795.00	\$ 1,106,894.00	\$ (96,099.00)
2017-19	\$ 1,031,003.00	\$ 966,391.00	\$ 64,612.00
2019-21	\$ 939,727.00	\$ 931,619.00	\$ 8,108.00
2021-23*	\$ 911,075.00	\$ 1,082,116.00	\$ (171,041.00)
2021-23**	\$ 855,429.00	\$ 1,159,093.00	\$ (303,664.00)
*Budgeted			
** Projections			

Significant Budget Drivers FY21-23

Decreasing Revenues

1. 8.3 percent fewer licensees in 2021 compared to 2019
2. 52.8 percent fewer licensing exams in 2021 compared to 2019

Increasing / Unbudgeted Costs

1. Statewide management reclassification (PEM-C to PEM-D)
2. Per-Diem increase for Board members (from \$30/day to \$155/day)
3. Attorney General / legal fees (more hearings)

FY21-23 Current Budget Projections

OPERATING OTHER FUNDS Appropriation: \$1,116,398.00	Legislatively Adopted Budget (LAB)	2021-23 Revenue & Expenditures		Projections	Difference of Projections to LAB Budget
		Actuals as of Month End	% Earned/Spent		
Beginning Balance:					
AY Beginning Balance	\$ 347,616	\$ 378,577	N/A	N/A	N/A
Revenue:					
Revenue	\$ 911,075	\$ 238,665	26%	\$ 855,429	\$ 55,646
Expenditures:					
Personal Services	\$ 523,106	\$ 113,239	22%	\$ 563,520	\$ (40,414)
Services and Supplies	\$ 578,675	\$ 167,482	29%	\$ 595,573	\$ (16,898)
Total Expenditures	\$ 1,101,781	\$ 280,722	25%	\$ 1,159,093	\$ (57,312)
				\$ -	
				Net Position	\$ 74,913

Requested Fee Increase

Tax Practitioners Annual Fees	Current	Proposed	Increase
Annual Tax Consultant License	\$ 95.00	\$ 125.00	\$ 30.00
Annual Tax Preparer License	\$ 80.00	\$ 110.00	\$ 30.00
Annual Business Registration	\$ 110.00	\$ 150.00	\$ 40.00
Annual Combination LTC and Business	\$ 155.00	\$ 225.00	\$ 70.00
Annual Combination LTP and Business	\$ 155.00	\$ 220.00	\$ 65.00
Annual Branch Registration	\$ 20.00	\$ 30.00	\$ 10.00
Annual Inactive License	\$ 35.00	\$ 50.00	\$ 15.00

FY21-23 Projections with Fee Increase

OPERATING OTHER FUNDS	Legislatively Adopted Budget (LAB)	2021-23 Revenue & Expenditures		Projections	Difference of Projections to LAB Budget
		Actuals as of Month End	% Earned/Spent		
Appropriation: \$1,116,398.00					
Beginning Balance:					
AY Beginning Balance	\$ 347,616	\$ 378,577	N/A	N/A	N/A
Revenue:					
Revenue	\$ 911,075	\$ 238,665	26%	\$ 1,021,510	\$ (110,435)
Expenditures:					
Personal Services	\$ 523,106	\$ 113,239	22%	\$ 563,520	\$ (40,414)
Services and Supplies	\$ 578,675	\$ 167,482	29%	\$ 595,573	\$ (16,898)
Total Expenditures	\$ 1,101,781	\$ 280,722	25%	\$ 1,159,093	\$ (57,312)
				\$ -	
Net Position					\$ 240,994

Questions?

... Thank you