

SUBCOMMITTEE RECOMMENDATION

Item 45: Board of Tax Practitioners License and Registration Fees

To: Ways and Means Full Committee
From: General Government Subcommittee
Carrier: Senator Golden

The General Government Subcommittee recommends that the Joint Interim Committee on Ways and Means recommend approval of the Board of Tax Practitioners' fee increases, an increase of \$145,890 Other Funds revenue, and an increase of \$72,100 in the Other Funds expenditure limitation for the Board of Tax Practitioners in a budget reconciliation bill during the 2022 legislative session to help cover the 2021-23 agency expenditures.

The Board of Tax Practitioners is a fee-based agency with 88% of its revenue coming from annual licensing and registration fees. Because the number of licensees and examinees for licensure has been steadily declining over the past few years, particularly over the last 18 months of the COVID-19 pandemic, the Board is estimated to have a biennial shortfall of just over \$72,000 in the 2021-23 biennium. The number of active licensees decreased by 11.7 percent between February and November 2021, and the number of exam applicants decreased by approximately 23 percent between 2020 and 2021. Based on the November 2021 projections, the Board is estimated to have a biennial shortfall of just over \$72,000 in the 2021-23 biennium. If approved, these fee increases are projected to raise \$145,890 in additional revenue to cover the Board's projected expenses in the 2021-23 biennium.

The Subcommittee recommends approval.