

Board of Tax Practitioners

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

February 9, 2023

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 2022

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 (1.0 FTE)

Programs & Services

Licensing

- 1,672 active licensed tax consultants
- 1,296 active licensed tax preparers
- 1,155 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 40-50 complaints annually

Partnerships

Department of Administrative Services & CIO

Oregon Department of Revenue

Oregon Department of Justice

Oregon Secretary of State

Internal Revenue Service

Local law enforcement

Licensing agencies in California, Connecticut, Maryland,
New York and Nevada

Key Performance Measures

1. 99.5% of license applications processed within three days of receipt (~4,000 annually)
 2. 99.2% of exam applications processed within three days of receipt (~500 annually)
 3. 99.7% compliance with continuing education requirements
 4. 96.7% of complaints responded to within three days of receipt
 5. Customer satisfaction > 99%
 6. Pass rate on tax preparer exam = 64%
 7. Pass rate on tax consultant exam = 95%
 8. Pass rate on the consultant state only exam = 89%
 9. Percent of governance best practices used by agency = 100%
- *The board has been emailing customer satisfaction surveys to licensees annually since 2021

Civil Penalty Collections

- Civil penalties = 6.6% of agency budget
 - \$293,500 estimated collections in FY23-25
- 12 receivable accounts as of December 31, 2022
- 9 accounts are current/former licensees
 - 2 of those accounts are paid in full
 - Remaining 7 accounts are making monthly payments
 - Outstanding balance = \$20,365
- 3 accounts are individuals who have never been licensed
 - 1 accounts are at private collection firms
 - 2 accounts are at Department of Revenue
 - Outstanding balance = \$86,038

Recent Initiatives and Improvements

Cost Savings

- Projected FY23-25 expenses are 15.0% less than LAB
- 90% reduction in lease costs by going fully remote.

Automated business processes and workflows

- Streamlined licensing exam process
- E-mailing Licenses and Certificates

Reengineered complaints/compliance/investigation processes

- Emphasized informal resolution process that significantly reduced staff time and legal costs and increased collections on civil penalties

Current Initiatives

- Encourage online license renewals
- Continue transition to a paperless office
- Evaluate and improve tax courses and instruction
- Work closely with volunteer programs to create a flow through to licensure
- Improve and update licensing exams
- Promote voluntary compliance
- Increase collections on civil penalties

Questions?

... Thank you