

LEGISLATIVE FISCAL OFFICE
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 WAYS AND MEANS

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To: General Government Subcommittee
 From: Roxanne Adams, Legislative Fiscal Office
 Date: May 13, 2025
 Subject: SB 5540 – Board of Tax Practitioners
 Work Session Recommendations

Board of Tax Practitioners				
<i>Agency Totals</i>				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
Other Funds	1,194,525	1,162,920	1,260,712	1,348,517
TOTAL FUNDS	1,194,525	1,162,920	1,260,712	1,348,517
Positions	2	2	2	2
FTE	2.00	2.00	2.00	2.00

Attached are the Legislative Fiscal Office (LFO) budget recommendations for the 2025-27 biennial budget and Key Performance Measures for the Board of Tax Practitioners (BTP).

The LFO recommended budget for BTP includes \$1,348,517 Other Funds and two positions (2.00 FTE), which represents an increase of \$185,597 or 16%, from the 2023-25 legislatively approved budget (LAB) and an increase of \$87,805, or 7%, from the current service level budget. Increases from the 2023-25 LAB are attributable to personal services growth, standard inflation for services and supplies, and an increase in professional services to cover additional spending for exam proctoring.

The recommended budget is projected to leave BTP with an ending balance of approximately \$1,201,952, which is equivalent to 21.4 months of operating reserves.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation

MOTION: I move the LFO recommendation to SB 5540. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to SB 5540, with modifications. *(vote)*

Performance Measures

See attached “Legislatively Proposed 2025-27 Key Performance Measures.”

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

Amendment

LFO recommends a budget of \$1,348,517 Other Funds and two positions (2.00 FTE), which is reflected in the – 1 amendment.

MOTION: I move adoption of the – 1 amendment to SB 5540. *(vote)*

Final Subcommittee Action

LFO recommends that SB 5540, as amended by the – 1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5540, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor:

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	1,123,356	-	-	-	1,123,356	2	2.00
2023-25 Ebds, SS & Admin Act	-	-	39,564	-	-	-	39,564	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	1,162,920	-	-	-	1,162,920	2	2.00
2023-25 Leg Approved Budget (Base)	-	-	1,162,920	-	-	-	1,162,920	2	2.00
Summary of Base Adjustments	-	-	41,955	-	-	-	41,955	-	-
2025-27 Base Budget	-	-	1,204,875	-	-	-	1,204,875	2	2.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	2,510	-	-	-	2,510	-	-
030: Inflation & Price List Adjustments	-	-	53,327	-	-	-	53,327	-	-
2025-27 Current Service Level	-	-	1,260,712	-	-	-	1,260,712	2	2.00
Adjusted 2025-27 Current Service Level	-	-	1,260,712	-	-	-	1,260,712	2	2.00
Total LFO Recommended Packages	-	-	87,805	-	-	-	87,805	-	-
2025-27 Legislative Actions	-	-	1,348,517	-	-	-	1,348,517	2	2.00
Net change from 2023-25 Leg Approved Budget	-	-	185,597	-	-	-	185,597	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	16.0%	0.0%	0.0%	0.0%	16.0%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	87,805	-	-	-	87,805	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	7.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	1,123,356	-	-	-	1,123,356	2	2.00
2023-25 Ebds, SS & Admin Act	-	-	39,564	-	-	-	39,564	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	1,162,920	-	-	-	1,162,920	2	2.00
2023-25 Leg Approved Budget (Base)	-	-	1,162,920	-	-	-	1,162,920	2	2.00
Summary of Base Adjustments	-	-	41,955	-	-	-	41,955	-	-
2025-27 Base Budget	-	-	1,204,875	-	-	-	1,204,875	2	2.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	2,510	-	-	-	2,510	-	-
030: Inflation & Price List Adjustments	-	-	53,327	-	-	-	53,327	-	-
2025-27 Current Service Level	-	-	1,260,712	-	-	-	1,260,712	2	2.00
Adjusted 2025-27 Current Service Level	-	-	1,260,712	-	-	-	1,260,712	2	2.00
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Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	16.0%	0.0%	0.0%	0.0%	16.0%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	87,805	-	-	-	87,805	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	7.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 100 Certified Tax Assistant (CTA)

Package Description This is a revenue only package to reflect new revenue for a registered tax aide certificate outlined in HB 2338 (2025). The measure authorizes the agency to issue a tax aide certificate for \$75 annually; effective January 1, 2026. The new fee is expected to generate an estimated \$25,875 in additional revenue for the 2025-27 biennium.

LFO Recommendation Approve this package.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Rent

Package Description This package increases Other Funds expenditure limitation by \$7,595 to cover the increase in rent for a shared sublet office space with the Board of Accountancy. This increase is due to the agency shifting from a fully remote schedule to a hybrid schedule.

LFO Recommendation Approve this package.

LFO Recommended	-	-	7,595	-	-	-	7,595	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 PSI/Exam Administration

Package Description This package increases Other Funds expenditure limitation by \$80,210 to cover additional costs for exam proctoring due to an increase in applicants. As of February 2025, there are over 4,550 active licenses, which is an increase of approximately 518 active licenses from 2024.

LFO Recommendation Approve this package.

LFO Recommended	-	-	80,210	-	-	-	80,210	-	-
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Legislatively Proposed 2025 - 2027 Key Performance Measures

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Agency: Board of Tax Practitioners

Mission Statement:

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

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. Processing license and registration applications - Percent of license and registration applications processed within 3 days of receipt.		Approved	99.66%	99%	99%
2. Processing exam applications - Percent of exam applications processed within 3 days of receipt		Approved	98.37%	99%	99%
3. Continuing Education Compliance - Percent of licensees audited who are in compliance with continuing education requirements		Approved	100%	95%	95%
4. Complaint response time - Percent of complaints responded to within 3 days of receipt		Approved	97.06%	95%	95%
5. Customer satisfaction - Percent of students rating satisfaction with basic tax course instructor and course content as good or excellent		Approved	97.80%	95%	95%
6. Licensed tax preparer exam pass rate - Percent of students who pass the licensed tax preparer exam		Approved	76.30%	75%	75%
7. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	1) Overall	Approved	98%	95%	95%
	2) Availability of Information		98%	95%	95%
	3) Accuracy		98%	95%	95%
	4) Helpfulness		99%	95%	95%
	5) Timeliness		98%	95%	95%
	6) Expertise		98%	95%	95%
8. Effective Governance - Percent of total best practices by the agency.		Approved	100%	95%	95%

LFO Recommendation:

The Legislative Fiscal Office (LFO) recommends approval of the proposed Key Performance Measures and targets.

In addition, LFO recommends increasing the target of KPM #5 and #8 from 90% to 95% because the agency has met a 95% target since 2020.

SubCommittee Action: