

SB 5540 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Gorsek

Joint Committee On Ways and Means

Action Date: 05/16/25

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 11 - Anderson, Bonham, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, McLane, Smith DB, Sollman

House Vote

Yeas: 10 - Bowman, Breese-Iverson, Cate, Drazan, Evans, Gomberg, Levy E, Ruiz, Sanchez, Valderrama

Exc: 2 - Owens, Smith G

Prepared By: Kendra Beck, Department of Administrative Services

Reviewed By: Roxanne Adams, Legislative Fiscal Office

Board of Tax Practitioners

2025-27

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 1,162,920	\$ 1,260,712	\$ 1,348,517	\$ 185,597	16.0%
Total	\$ 1,162,920	\$ 1,260,712	\$ 1,348,517	\$ 185,597	16.0%

Position Summary

Authorized Positions	2	2	2	0
Full-time Equivalent (FTE) positions	2.00	2.00	2.00	0.00

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Board of Tax Practitioners is exclusively funded with Other Funds derived primarily from annual licensing and business registration fees. The remaining revenue is from civil penalties, exam application fees, fines and forfeitures, and interest. The Subcommittee recommended budget includes the establishment of a Registered Tax Aide certificate, which is a new license type aimed at growing the tax preparation industry. The new fee is projected to generate an estimated \$25,875 in additional Other Funds revenue. The recommended budget is projected to leave OBTP with an ending balance of \$1,201,952, which is equivalent to approximately 21 months of operating reserves.

Summary of General Government Subcommittee Action

The Board protects consumers by ensuring Oregon tax practitioners are competent and ethical in their professional activities. The Agency ensures compliance by researching all complaints and possible violations of the laws and rules governing tax preparation. The Agency currently licenses approximately 3,400 individual licensees and 1,100 registered businesses.

The Subcommittee recommended a budget of \$1,348,517 Other Funds expenditure limitation and two positions (2.00 FTE), which is a 16.0% increase from the 2023-25 legislatively approved budget. The Subcommittee recommended the following packages:

Package 100: Certified Tax Assistant (CTA). This is a revenue-only package to reflect new revenue for a registered tax aide certificate outlined in House Bill 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.

Package 101: Rent. 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.

Package 102: PSI/Exam Administration. 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.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Board of Tax Practitioners
Kendra Beck - 503-400-4747

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ -	\$ -	\$ 1,162,920	\$ -	\$ -	\$ -	\$ 1,162,920	2	2.00
2025-27 Current Service Level (CSL)*	\$ -	\$ -	\$ 1,260,712	\$ -	\$ -	\$ -	\$ 1,260,712	2	2.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 001 - Tax Practitioners, State Board of									
Package 101: Rent									
Services and Supplies	\$ -	\$ -	\$ 7,595	\$ -	\$ -	\$ -	\$ 7,595		
Package 102: PSI/Exam Administration									
Services and Supplies	\$ -	\$ -	\$ 80,210	\$ -	\$ -	\$ -	\$ 80,210		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 87,805	\$ -	\$ -	\$ -	\$ 87,805	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 1,348,517	\$ -	\$ -	\$ -	\$ 1,348,517	2	2.00
% 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%
% Change from 2025-27 Current Service Level	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	7.0%	0.0%	0.0%

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

Published: 5/14/2025 1:57:55 PM

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 Approved 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:

The Subcommittee on General Government approved the Key Performance Measures and targets as recommended.