

SB 1556-2
(LC 245)
2/5/26 (CMT/ps)

Requested by SENATE COMMITTEE ON JUDICIARY

**PROPOSED AMENDMENTS TO
SENATE BILL 1556**

1 On page 1 of the printed bill, line 3, delete “and 305.875” and insert “,
2 305.875 and 314.840”.

3 Delete lines 6 through 27 and delete pages 2 through 4 and insert:

4 **“SECTION 1. Section 2 of this 2026 Act is added to and made a part**
5 **of ORS 305.404 to 305.560.**

6 **“SECTION 2. (1) Notwithstanding ORS 8.690, 9.160, 9.320 or 203.145**
7 **or ORS chapter 180, and notwithstanding ORS 9.241 or any rule**
8 **adopted thereunder unless the rule particularly refers to the**
9 **magistrate division of the Oregon Tax Court, in lieu of appearing by**
10 **an attorney who is an active licensee of the Oregon State Bar:**

11 **“(a) A party to a proceeding in the magistrate division of the**
12 **Oregon Tax Court may be represented by a natural person designated**
13 **by the party and recognized by the court as an authorized represen-**
14 **tative under this section.**

15 **“(b) A party that is represented under this subsection is bound by**
16 **all things done by the authorized representative and may not there-**
17 **after claim that any proceeding was legally defective because the party**
18 **was not represented by an attorney licensed to practice law in Oregon.**

19 **“(c)(A) A taxpayer that is a natural person may designate as the**
20 **taxpayer’s representative any other natural person, including but not**
21 **limited to, a certified public accountant, a real estate broker or prin-**

1 **cipal real estate broker, an appraiser, a tax preparer or tax consultant**
2 **or a family member of the taxpayer.**

3 **“(B) A taxpayer that is a legal entity must designate as the**
4 **taxpayer’s representative in the magistrate division of the Oregon Tax**
5 **Court a natural person, including but not limited to, a certified public**
6 **accountant, a real estate broker or principal real estate broker, an**
7 **appraiser, a tax preparer or tax consultant or an owner, partner,**
8 **shareholder, member, officer or employee of the legal entity.**

9 **“(C) Any other party, including the Department of Revenue or a**
10 **local government, must designate as the party’s representative in the**
11 **magistrate division of the Oregon Tax Court an officer or authorized**
12 **employee of the party or of the administrator of the tax at issue before**
13 **the tax court.**

14 **“(2)(a) A taxpayer shall designate a representative under this sec-**
15 **tion by filing with the court a written authorization in a form ac-**
16 **ceptable to the court.**

17 **“(b) Any other party shall designate a representative under this**
18 **section by filing a pleading, motion or notice with the court naming**
19 **the representative on behalf of the party.**

20 **“(3) The court shall recognize a representative for purposes of this**
21 **section upon designation as provided under subsection (2) of this sec-**
22 **tion, or may recognize a representative when it appears to the satis-**
23 **faction of the magistrate that a representative has authority to**
24 **represent the party.**

25 **“(4) Upon recognizing a representative of a taxpayer other than an**
26 **attorney licensed to practice law in Oregon, the court shall provide**
27 **written notice of the recognition to all parties, and shall include with**
28 **the notice a statement of the provisions of subsection (1)(b) of this**
29 **section.**

30 **“(5) The represented party, or the court on its own motion, may**

1 **revoke the authority of an authorized representative to represent a**
2 **party in a particular case.**

3 **“(6) A representative recognized by the court under this section**
4 **shall also be recognized by the Department of Revenue as the author-**
5 **ized representative of the party for purposes of the proceeding in the**
6 **magistrate division of the Oregon Tax Court.**

7 **“SECTION 3.** ORS 305.239 is amended to read:

8 “305.239. (1) Notwithstanding ORS 9.320:

9 “(a) Any person who is qualified to practice law or public accountancy
10 in this state, any person who has been granted active enrollment to practice
11 before the Internal Revenue Service and who is qualified to prepare tax re-
12 turns in this state or any person who is the authorized employee of a tax-
13 payer and is regularly employed by the taxpayer in tax matters may
14 represent the taxpayer before *[a tax court magistrate or]* the Department of
15 Revenue in any conference or proceeding with respect to the administration
16 of any tax.

17 “(b) Any person who is licensed by the State Board of Tax Practitioners
18 or who is exempt from such licensing requirement as provided for and limited
19 by ORS 673.610 may represent a taxpayer before *[a tax court magistrate or]*
20 the department in any conference or proceeding with respect to the admin-
21 istration of any tax on or measured by net income.

22 “(c) Any shareholder of an S corporation, as defined in section 1361 of the
23 Internal Revenue Code, as amended and in effect on December 31, 2023, may
24 represent the corporation in any proceeding before *[a tax court magistrate*
25 *or]* the department in the same manner as if the shareholder were a partner
26 and the S corporation were a partnership. The S corporation must designate
27 in writing a tax matters shareholder authorized to represent the S corpo-
28 ration.

29 “(d) An individual who is licensed as a real estate broker or principal real
30 estate broker under ORS 696.022 or is a state certified appraiser or state li-

1 censed appraiser under ORS 674.310 or is a registered appraiser under ORS
2 308.010 may represent a taxpayer before [*a tax court magistrate or*] the de-
3 partment in any conference or proceeding with respect to the administration
4 of any ad valorem property tax.

5 “(e) A general partner who has been designated by members of a part-
6 nership as their tax matters partner under ORS 305.242 may represent those
7 partners in any conference or proceeding with respect to the administration
8 of any tax on or measured by net income.

9 “(f) Any person authorized under rules adopted by the department may
10 represent a taxpayer before the department in any conference or proceeding
11 with respect to any tax. Rules adopted under this paragraph, to the extent
12 feasible, shall be consistent with federal law that governs representation
13 before the Internal Revenue Service, as federal law is amended and in effect
14 on December 31, 2023.

15 “[*(g) Any person authorized under rules adopted by the tax court may*
16 *represent a taxpayer in a proceeding before a tax court magistrate.*]”

17 “(2) A person may not be recognized as representing a taxpayer pursuant
18 to this section unless there is first filed with the [*magistrate or*] department
19 a written authorization, or unless it appears to the satisfaction of the
20 [*magistrate or*] department that the representative does in fact have authority
21 to represent the taxpayer. [*A person recognized as an authorized repres-*
22 *tative under rules or procedures adopted by the tax court shall be considered*
23 *an authorized representative by the department.*]”

24 “(3) A taxpayer represented by someone other than an attorney is bound
25 by all things done by the authorized representative, and may not thereafter
26 claim any proceeding was legally defective because the taxpayer was not
27 represented by an attorney.

28 “(4) Prior to the holding of a conference or proceeding before the [*tax*
29 *court magistrate or*] department, written notice shall be given by the
30 [*magistrate or*] department to the taxpayer of the provisions of subsection (3)

1 of this section.

2 **“SECTION 4.** ORS 305.242 is amended to read:

3 “305.242. (1)(a) When the treatment of partnership items on a partner’s
4 return is consistent with the treatment of that item on the partnership re-
5 turn and results in a notice of deficiency, the partners may designate a tax
6 matters partner to represent each of them before the Department of Revenue
7 in any conference or [*before a tax court magistrate*] in any proceeding with
8 respect to the administration of any tax on or measured by net income.

9 “(b) Notwithstanding paragraph (a) of this subsection, a tax matters
10 partner shall be designated as provided in ORS 314.733 (2), in the case of a
11 partnership subject to ORS 314.731 to 314.737.

12 “(2) The designation of a tax matters partner shall be made in writing and
13 filed with the department [*or magistrate*] within 30 days after the date of the
14 notice of deficiency. The tax matters partner must be:

15 “(a) A general partner in the partnership at some time during the taxable
16 year; or

17 “(b) A general partner in the partnership at the time the designation is
18 made.

19 “(3) If a notice explaining the partnership adjustments is mailed by the
20 department to the tax matters partner with respect to any partnership tax-
21 able year, the tax matters partner shall supply the department [*or, if applica-
22 ble, the magistrate*] with the name, address, profits interest and taxpayer
23 identification number of each person who was a partner in the partnership
24 at any time during the taxable year, unless that information was provided
25 in the partnership return for that year.

26 “(4) A timely request for a conference filed with the department [*or appeal
27 filed with the tax court*] by the tax matters partner shall be considered as a
28 request [*or an appeal*] by all of the partners represented by the tax matters
29 partner, and all issues regarding treatment of partnership items shall be re-
30 solved in a single conference.

1 “(5) A partner who elects to be represented by a tax matters partner, or
2 any partner in a partnership subject to ORS 314.731 to 314.737, shall be
3 bound by all things done by the tax matters partner and may not thereafter
4 claim that any act or proceeding was legally defective because the partner
5 was not represented by an attorney.

6 **“SECTION 5.** ORS 305.875 is amended to read:

7 “305.875. In any meeting or communication with the Department of Rev-
8 enue, including but not limited to audits, conferences, interviews and any
9 other meeting or communication between the taxpayer and the department,
10 the taxpayer shall have the following rights, unless waived by the taxpayer:

11 “(1) The right to an explanation, by an officer or employee of the de-
12 partment before or during the meeting of:

13 “(a) The audit, conference or meeting process and the taxpayer’s rights
14 under such process; and

15 “(b) The collection process and the taxpayer’s rights under such process.

16 “(2) The right to make an audio recording of any meeting relating to the
17 determination or collection of any tax with the department representative,
18 using the taxpayer’s own equipment, and at the taxpayer’s own expense.

19 “(3) If the department makes an audio recording of the meeting, the tax-
20 payer has the right to advance notice of the recording and a copy of the re-
21 cording upon request. The taxpayer shall reimburse the department the
22 reasonable cost of the copy.

23 “(4) The right to consult with an attorney, certified public accountant,
24 enrolled agent, or an other person permitted to represent a taxpayer at any
25 meeting before the department, if the taxpayer clearly states to the depart-
26 ment representative at any time during any meeting, that the taxpayer
27 wishes to consult with the person. This subsection does not apply to a
28 meeting initiated by an administrative subpoena.

29 “(5) The right to be represented by anyone who is permitted to represent
30 the taxpayer before the department, as provided under ORS 305.239 and

1 [305.245] **section 2 of this 2026 Act.**

2 “(6) The right not to be present, if represented, at the meeting unless
3 subpoenaed by the department pursuant to ORS 305.190, or other laws of this
4 state.

5 **“SECTION 6.** ORS 314.840 is amended to read:

6 “314.840. (1) The Department of Revenue may:

7 “(a) Furnish any taxpayer, representative authorized to represent the
8 taxpayer under ORS 305.239 **or section 2 of this 2026 Act** or person desig-
9 nated by the taxpayer under ORS 305.193, upon request of the taxpayer,
10 representative or designee, with a copy of the taxpayer’s income tax return
11 filed with the department for any year, or with a copy of any report filed
12 by the taxpayer in connection with the return, or with any other information
13 the department considers necessary.

14 “(b) Publish lists of taxpayers who are entitled to unclaimed tax refunds.

15 “(c) Publish statistics so classified as to prevent the identification of in-
16 come or any particulars contained in any report or return.

17 “(d) Disclose a taxpayer’s name, address, telephone number, refund
18 amount, amount due, Social Security number, employer identification number
19 or other taxpayer identification number to the extent necessary in con-
20 nection with collection activities or the processing and mailing of corre-
21 spondence or of forms for any report or return required in the administration
22 of any local tax under ORS 305.620 or any law imposing a tax upon or
23 measured by net income.

24 “(2) The department also may disclose and give access to information de-
25 scribed in ORS 314.835 to:

26 “(a) The Governor of the State of Oregon or the authorized representative
27 of the Governor with respect to an individual who is designated as being
28 under consideration for appointment or reappointment to an office or for
29 employment in the office of the Governor. The information disclosed shall
30 be confined to whether the individual:

1 “(A) Has filed returns with respect to the taxes imposed by ORS chapter
2 316 for those of not more than the three immediately preceding years for
3 which the individual was required to file an Oregon individual income tax
4 return.

5 “(B) Has failed to pay any tax within 30 days from the date of mailing
6 of a deficiency notice or otherwise respond to a deficiency notice within 30
7 days of its mailing.

8 “(C) Has been assessed any penalty under the Oregon personal income tax
9 laws and the nature of the penalty.

10 “(D) Has been or is under investigation for possible criminal offenses
11 under the Oregon personal income tax laws. Information disclosed pursuant
12 to this paragraph shall be used only for the purpose of making the appoint-
13 ment, reappointment or decision to employ or not to employ the individual
14 in the office of the Governor.

15 “(b) An officer or employee of the Oregon Department of Administrative
16 Services duly authorized or employed to prepare revenue estimates, or a
17 person contracting with the Oregon Department of Administrative Services
18 to prepare revenue estimates, in the preparation of revenue estimates re-
19 quired for the Governor’s budget under ORS 291.201 to 291.224, or required
20 for submission to the Emergency Board or the Joint Interim Committee on
21 Ways and Means, or if the Legislative Assembly is in session, to the Joint
22 Committee on Ways and Means, and to the Legislative Revenue Officer or
23 Legislative Fiscal Officer under ORS 291.342, 291.348 and 291.445. The De-
24 partment of Revenue shall disclose and give access to the information de-
25 scribed in ORS 314.835 for the purposes of this paragraph only if:

26 “(A) The request for information is made in writing, specifies the purposes
27 for which the request is made and is signed by an authorized representative
28 of the Oregon Department of Administrative Services. The form for request
29 for information shall be prescribed by the Oregon Department of Adminis-
30 trative Services and approved by the Director of the Department of Revenue.

1 “(B) The officer, employee or person receiving the information does not
2 remove from the premises of the Department of Revenue any materials that
3 would reveal the identity of a personal or corporate taxpayer.

4 “(c) The Commissioner of Internal Revenue or authorized representative,
5 for tax administration and compliance purposes only.

6 “(d) For tax administration and compliance purposes, the proper officer
7 or authorized representative of any of the following entities that has or is
8 governed by a provision of law that meets the requirements of any applicable
9 provision of the Internal Revenue Code as to confidentiality:

10 “(A) A state;

11 “(B) A city, county or other political subdivision of a state;

12 “(C) The District of Columbia; or

13 “(D) An association established exclusively to provide services to federal,
14 state or local taxing authorities.

15 “(e) The Multistate Tax Commission or its authorized representatives, for
16 tax administration and compliance purposes only. The Multistate Tax Com-
17 mission may make the information available to the Commissioner of Internal
18 Revenue or the proper officer or authorized representative of any govern-
19 mental entity described in and meeting the qualifications of paragraph (d)
20 of this subsection.

21 “(f) The Attorney General, assistants and employees in the Department
22 of Justice, or other legal representative of the State of Oregon, to the extent
23 the department deems disclosure or access necessary for the performance of
24 the duties of advising or representing the department pursuant to ORS
25 180.010 to 180.240 and the tax laws of the state.

26 “(g) Employees of the State of Oregon, other than of the Department of
27 Revenue or Department of Justice, to the extent the department deems dis-
28 closure or access necessary for such employees to perform their duties under
29 contracts or agreements between the department and any other department,
30 agency or subdivision of the State of Oregon, in the department's adminis-

1 tration of the tax laws.

2 “(h) Other persons, partnerships, corporations and other legal entities,
3 and their employees, to the extent the department deems disclosure or access
4 necessary for the performance of such others' duties under contracts or
5 agreements between the department and such legal entities, in the
6 department's administration of the tax laws.

7 “(i) The Legislative Revenue Officer or authorized representatives upon
8 compliance with ORS 173.850. Such officer or representative shall not remove
9 from the premises of the department any materials that would reveal the
10 identity of any taxpayer or any other person.

11 “(j) The Department of Consumer and Business Services, to the extent the
12 department requires such information to determine whether it is appropriate
13 to adjust those workers' compensation benefits the amount of which is based
14 pursuant to ORS chapter 656 on the amount of wages or earned income re-
15 ceived by an individual.

16 “(k) Any agency of the State of Oregon, or any person, or any officer or
17 employee of such agency or person to whom disclosure or access is given by
18 state law and not otherwise referred to in this section, including but not
19 limited to the Secretary of State as Auditor of Public Accounts under Article
20 VI, section 2, of the Oregon Constitution; the Department of Human Services
21 pursuant to ORS 412.094; the Division of Child Support of the Department
22 of Justice and district attorney regarding cases for which they are providing
23 child support services under ORS 25.080; the State Board of Tax Practition-
24 ers, pursuant to ORS 673.710; and the Oregon Board of Accountancy, pursu-
25 ant to ORS 673.415.

26 “(L) The Director of the Department of Consumer and Business Services
27 to determine that a person complies with ORS chapter 656 and the Director
28 of the Employment Department to determine that a person complies with
29 ORS chapters 657 and 657B, the following employer information:

30 “(A) Identification numbers.

1 “(B) Names and addresses.

2 “(C) Inception date as employer.

3 “(D) Nature of business.

4 “(E) Entity changes.

5 “(F) Date of last payroll.

6 “(m) The Director of the Oregon Health Authority to determine that a
7 person has the ability to pay for care that includes services provided by the
8 Oregon State Hospital, or the Oregon Health Authority to collect any unpaid
9 cost of care as provided by ORS chapter 179.

10 “(n) Employees of the Employment Department:

11 “(A) To the extent the Department of Revenue deems that the disclosure
12 of or access to information on a combined tax report filed under ORS 316.168,
13 an annual report filed under ORS 316.202 or a return filed under ORS 314.360
14 is necessary for the performance of the department's duties in administering
15 and enforcing the tax imposed by ORS chapter 657 and the family and med-
16 ical leave insurance program under ORS chapter 657B; or

17 “(B) To the extent the Department of Revenue deems that the disclosure
18 of or access to the information is helpful for the performance of the
19 department's duties in administering and enforcing the tax imposed by ORS
20 chapter 657 and the family and medical leave insurance program under ORS
21 chapter 657B and for detecting the occurrence of identity theft or fraud
22 through the examination of the following taxpayer particulars:

23 “(i) Individual taxpayer identification number.

24 “(ii) Name, address and date of birth.

25 “(iii) Employer name, employer identification number and amount of
26 wages paid.

27 “(iv) Self-employment income amount and source.

28 “(v) Other particulars of the return as defined in ORS 314.835, at the
29 discretion of the Director of the Department of Revenue, on a case-by-case
30 basis.

1 “(o) The State Fire Marshal to assist the State Fire Marshal in carrying
2 out duties, functions and powers under ORS 453.307 to 453.414, the employer
3 or agent name, address, telephone number and standard industrial classi-
4 fication, if available.

5 “(p) Employees of the Department of State Lands or State Treasurer for
6 the purposes of returning unclaimed property and identifying, locating and
7 publishing lists of taxpayers entitled to unclaimed refunds under ORS 98.302
8 to 98.436.

9 “(q) In addition to the disclosure allowed under ORS 305.225, state or lo-
10 cal law enforcement agencies to assist in the investigation or prosecution
11 of the following criminal activities:

12 “(A) Mail theft of a check, in which case the information that may be
13 disclosed shall be limited to the stolen document, the name, address and
14 taxpayer identification number of the payee, the amount of the check and the
15 date printed on the check.

16 “(B) The counterfeiting, forging or altering of a check submitted by a
17 taxpayer to the Department of Revenue or issued by the Department of
18 Revenue to a taxpayer, in which case the information that may be disclosed
19 shall be limited to the counterfeit, forged or altered document, the name,
20 address and taxpayer identification number of the payee, the amount of the
21 check, the date printed on the check and the altered name and address.

22 “(r) The United States Postal Inspection Service or a federal law
23 enforcement agency, including but not limited to the United States Depart-
24 ment of Justice, to assist in the investigation of the following criminal ac-
25 tivities:

26 “(A) Mail theft of a check, in which case the information that may be
27 disclosed shall be limited to the stolen document, the name, address and
28 taxpayer identification number of the payee, the amount of the check and the
29 date printed on the check.

30 “(B) The counterfeiting, forging or altering of a check submitted by a

1 taxpayer to the Department of Revenue or issued by the Department of
2 Revenue to a taxpayer, in which case the information that may be disclosed
3 shall be limited to the counterfeit, forged or altered document, the name,
4 address and taxpayer identification number of the payee, the amount of the
5 check, the date printed on the check and the altered name and address.

6 “(s) The United States Financial Management Service, for purposes of
7 facilitating the offsets described in ORS 305.612.

8 “(t) A municipal corporation of this state for purposes of assisting the
9 municipal corporation in the administration of a tax of the municipal cor-
10 poration that is imposed on or measured by income, wages or net earnings
11 from self-employment. Any disclosure under this paragraph may be made only
12 pursuant to a written agreement between the Department of Revenue and the
13 municipal corporation that ensures the confidentiality of the information
14 disclosed.

15 “(u) A consumer reporting agency, to the extent necessary to carry out
16 the purposes of ORS 314.843.

17 “(v) The Public Employees Retirement Board, to the extent necessary to
18 carry out the purposes of ORS 238.372 to 238.384, and to any public employer,
19 to the extent necessary to carry out the purposes of ORS 237.635 (3) and
20 237.637 (2).

21 “(w) The Secretary of State for the purpose of initiating or supporting a
22 recommendation under ORS 60.032 (3) or 63.032 (3) to administratively dis-
23 solve a corporation or limited liability company that the Director of the
24 Department of Revenue determines has failed to comply with applicable tax
25 laws of the state.

26 “(x)(A) A multijurisdictional information sharing organization formed
27 with oversight by the Internal Revenue Service to combat identity theft and
28 fraud, if the Department of Revenue is a member of the organization; and

29 “(B) Tax preparation software vendors that are members of an organiza-
30 tion described in subparagraph (A) of this paragraph, if information de-

1 scribed in ORS 314.835 is shared for the purpose of investigating industry
2 leads of potential identity theft or fraud.

3 "(y) The State Treasurer, for the purpose of providing employer responses,
4 as indicated on annual withholding reports submitted to the Department of
5 Revenue, about whether an employer offers a qualified retirement savings
6 plan as listed in ORS 178.215.

7 "(z) The Oregon 529 Savings Board, for the purpose of facilitating the
8 establishment of accounts by personal income taxpayers under ORS 178.335
9 within the Oregon 529 Savings Network through the use of income tax return
10 forms.

11 "(3)(a) Each officer or employee of the department and each person de-
12 scribed or referred to in subsection (2)(a), (b), (f) to (L), (n) to (q) or (w) of
13 this section to whom disclosure or access to the tax information is given
14 under subsection (2) of this section or any other provision of state law, prior
15 to beginning employment or the performance of duties involving such dis-
16 closure or access, shall be advised in writing of the provisions of ORS 314.835
17 and 314.991, relating to penalties for the violation of ORS 314.835, and shall
18 as a condition of employment or performance of duties execute a certificate
19 for the department, in a form prescribed by the department, stating in sub-
20 stance that the person has read these provisions of law, that the person has
21 had them explained and that the person is aware of the penalties for the
22 violation of ORS 314.835.

23 "(b) The disclosure authorized in subsection (2)(r) of this section shall be
24 made only after a written agreement has been entered into between the De-
25 partment of Revenue and the person described in subsection (2)(r) of this
26 section to whom disclosure or access to the tax information is given, pro-
27 viding that:

28 "(A) Any information described in ORS 314.835 that is received by the
29 person pursuant to subsection (2)(r) of this section is confidential informa-
30 tion that may not be disclosed, except to the extent necessary to investigate

1 or prosecute the criminal activities described in subsection (2)(r) of this
2 section;

3 “(B) The information shall be protected as confidential under applicable
4 federal and state laws; and

5 “(C) The United States Postal Inspection Service or the federal law
6 enforcement agency shall give notice to the Department of Revenue of any
7 request received under the federal Freedom of Information Act, 5 U.S.C. 552,
8 or other federal law relating to the disclosure of information.

9 “(4) The Department of Revenue may recover the costs of furnishing the
10 information described in subsection (2)(L), (m) and (o) to (q) of this section
11 from the respective agencies.

12 **“SECTION 7. ORS 305.245 and 305.494 are repealed.**

13 **“SECTION 8. Section 2 of this 2026 Act, the amendments to ORS**
14 **305.239, 305.242, 305.875 and 314.840 by sections 3 to 6 of this 2026 Act**
15 **and the repeal of ORS 305.245 and 305.494 by section 7 of this 2026 Act**
16 **apply to proceedings commenced in the magistrate division of the**
17 **Oregon Tax Court on or after January 1, 2027.**

18 **“SECTION 9. This 2026 Act takes effect on the 91st day after the**
19 **date on which the 2026 regular session of the Eighty-third Legislative**
20 **Assembly adjourns sine die.”.**

21
