

**TESTIMONY ON SENATE BILL 1556
BEFORE THE SENATE COMMITTEE ON JUDICIARY
FEBRUARY 4, 2026**

**PRESENTED BY: KIMBERLY MCCULLOUGH, SENIOR COUNSEL FOR
GOVERNMENT RELATIONS
OREGON JUDICIAL DEPARTMENT**

Chair Prozanski, Vice-Chair Thatcher, and Members of the Committee:

SB 1556 is the product of a tax court workgroup that included tax attorneys and other taxpayer representatives, a Department of Justice tax and finance attorney, a county assessor, and an Oregon State Bar representative. Over the course of several months, the group worked on ways to clarify Oregon's statutes that specify who may represent a taxpayer in the Magistrate Division of the Oregon Tax Court. Clarity in statute is important, as it generally benefits all parties and the court when taxpayers have a representative, even if the representative is not an attorney or other licensed professional.

The 1995 legislature created the Magistrate Division to preserve the affordable and easy-to-use features of the prior Department of Revenue hearing process while adding the safeguards of independent judicial review. Since the Magistrate Division began, both taxpayers and taxing agencies have been allowed to use non-lawyers as their representatives. The workgroup focused on categories of non-lawyers who may represent taxpayers, along with related technical and interpretive questions.

Because the Magistrate Division grew out of the prior Department of Revenue hearing process, a single statute, ORS 305.239, sets out who can represent taxpayers in both the Magistrate Division and in proceedings of the Department of Revenue, such as audits. However, these are two different institutions in separate branches of government, each with its own mission and processes. Because of this, applying the same law to both entities can be difficult. Understandably, over the years, this has led to legal challenges, public comments on court rules, and frequent questions about who can represent taxpayers in Magistrate Division proceedings.

Several additional statutes also control representation in the Magistrate Division: ORS 305.245 (representation of taxing agencies by authorized employees), ORS 305.242 (representation by designated tax matters partner), ORS 305.260 (representation by former department personnel prohibited), and ORS 305.494 (representation by S corporation shareholder). This requires those who appear before the Magistrate Division to look at multiple statutes to determine who may represent them.

We propose creating a single, stand-alone statute just for representation in the Magistrate Division. This proposed new statute retains and makes explicit the current standards governing who may represent parties in the Magistrate Division. Taxpayers

may continue to select a non-lawyer representative in the Magistrate Division, such as a Certified Public Account (CPA), a tax preparer, a real estate professional, a family member, or even a friend or other individual of the taxpayer's choosing. Taxing agencies may also continue to be represented by authorized employees.

We believe that the bill makes the law clearer and easier to understand, is reasonably administrable, and promotes fairness and access to justice. Having separate representation statutes for the Magistrate Division and the Department of Revenue will help people understand that they are different entities and simplify the statutes applicable to each entity. In addition, combining the requirements for representatives of taxpayers and taxing agencies into one statute will simplify the statutory scheme and show that everyone is treated equally.

Note that we are seeking adoption of amendments which will make several changes to better align the bill with the intent of the workgroup and incorporate preliminary feedback from stakeholders:

Amendments:

- **Minor corrections.** On page 2, line 4 in section 2(1)(c)(B), there is a typo: "employer" should be "employee." On page 2 line 5, in section 2, there is a formatting error: subsection 1(c)(c) should be subsection 1(c)(C).
- **Additional cross-reference.** We are requesting the addition of a cross-reference within ORS 314.840 to the new stand-alone statute for Magistrate Division representation. That statute currently allows the Department of Revenue to disclose taxpayer information to a representative authorized under ORS 305.239. Because ORS 305.239 currently covers representatives both in Department of Revenue proceedings and in the Magistrate Division, preserving current law requires adding an additional cross-reference to the new statute to ensure that authorized representatives in the Magistrate Division can continue to receive information appropriate to their representation.
- **Clarifying the scope of the Department of Revenue's recognition of the taxpayer representative.** On page 2, line 25, the bill as introduced refers to the Department of Revenue's recognition of an authorized representative "for purposes of a related proceeding." We request that "a related proceeding" be changed to "the proceeding." This will align the bill with our intent to preserve current law by only requiring that the Department of Revenue recognize the representative in the specific case in which the court recognizes that representative.
- **Clarifying that the list of possible representatives is non-exclusive.** At page 1, line 20, and page 1, line 26, we request that the bill be amended to clarify that a taxpayer may choose a representative who is not explicitly listed in the bill – for example, a friend. We believe that the phrase "including but not limited to" accomplishes this, even though we understand that "including" can sometimes mean "including but not limited to." The phrase "including but not limited to"

reflects the outcome of the workgroup's extensive discussion and will ensure that taxpayers and future courts understand that the list is non-exclusive.

- **Clarifying that a representative with a professional background need not be a current or Oregon licensee.** Similarly, on page 1, line 20 through page 2 line 3, the workgroup intentionally left out cross-references to credentialing and professional licensing statutes. Removing those statutory references helps clarify that, for example, a retired appraiser or an out-of-state CPA may represent a taxpayer in the Magistrate Division. This furthers the court's goals of improving access to justice and increasing the percentage of taxpayers who receive representation. It also avoids placing the court in a regulatory role by not requiring the court to verify licensing status.

Thank you for the opportunity to provide written testimony and for consideration of our request. If you have any questions about the bill or the requested amendments, please feel free to contact me.