

Oregon State Board of Tax Practitioners Exam & Education Committee Meeting Minutes

Meeting Date: June 23, 2010

Time: 9:52 a.m. — 1:35 p.m.

Location: Morrow Crane Building, Small Conference Room

Attendees: Janis Salisbury (Committee Chair)
Dorothy Hudson
Dea Williams

Guests: Alan Twombly

Staff: Ron Wagner, Executive Director
Jane Billings, Exam & Education Coordinator

ITEM	ACTION / DISCUSSION
Salisbury called the meeting to order at 9:52 a.m.	
Roll called	Board members present: Salisbury, Hudson, Williams
Implementing the IRS National Registration Process	
Roundtable discussion	<p>The Committee discussed how the Board is going to make the federal licensing program tie into the Oregon licensing program, and what it means for our licensees. Discussion also included how the new federal licensing program might impact the current exam and education process, and how this new registration program will be implemented.</p> <p>Salisbury suggested that Committee members begin by coming up with specific areas and expand on these with ideas for future changes and/or consideration.</p>
Oregon 80-Hour Basic Course	<ul style="list-style-type: none"> • Could the federal exam replace the need for the 80-Hour Basic Course requirement? • Should the 80-Hour Basic Course be eliminated? The Committee was not in favor. • Should the 80-Hour Basic Course be optional? The Committee was not in favor. • Should applicants be required to take the federal exam prior to taking the 80-Hour Basic Course?
Oregon Continuing Education (CE) Requirements	<ul style="list-style-type: none"> • Should the Board require specific CE within the mandatory 30 hours? • Should licensees be limited in number of self-study courses they take? Limited to 50% online, 50% classroom instruction? Should online courses be acceptable as half credit for every credit hour approved? The Committee was not in favor. • Are Oregon's acceptable CE subject areas in alignment with federal CE requirements? • Should the Board accept the number of hours as approved by

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	<p>NASBA and the federal licensing program? The Committee was in favor, as long as they meet Oregon requirements.</p> <ul style="list-style-type: none"> • Should Oregon accept federal CE as portion of Oregon 30 hour CE requirement? The Committee was in favor, as long as they meet Oregon requirements. • Is the current Board CE approval system inconsistent with self-study and instructor taught courses? The Committee agrees it is inconsistent. • Should the Board continue to review and approve correspondence or self-study courses? The Committee was not in favor. • Should the CE audit be increased to include multiple years? The Committee considers audit of 2 years CE. • If the Board no longer pre-approves CE, how do they, as a courtesy, provide sponsor information to the licensees? The Committee suggests sponsors be encouraged to advertise on our Web site or newsletter. Sponsors could purchase lists of licensees for advertising purposes. • Should preparers at renewal of their initial license be required to have 15 hours CE instead of none as currently allowed? The Committee was not in favor.
Oregon Testing	<ul style="list-style-type: none"> • Should Oregon’s exam for licensure change, taking into consideration the federal exam requirement? The Committee agrees the Oregon exam will remain as is, pending future review of the federal exam. • Should applicants only be tested in Oregon tax law and Oregon law and ethics? The Committee agrees the Oregon exam will remain as is, pending future review of the federal exam. • Should Oregon increase the work experience requirement for consultant applicants? Recommendation made to increase hours to qualify to 1,100. The Committee was in favor. Recommendation made to implement the increase in hours to be effective 1/1/2012. • Should the work experience requirement remain that these hours be within a minimum of 2 of the past 5 years? The Committee was in favor. • Is it necessary to have a federal portion to the Oregon preparer exam, if an applicant has registered with the federal program and taken and passed the federal exam? • Should the preparer exam consist of only the Oregon portion? • Should applicants be allowed to take exam prior to obtaining PTIN? The Committee was in favor. • Should applicants be allowed to take exam prior to taking federal exam? The Committee was in favor.

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<p>Oregon Renewal and Initial Licensing</p>	<ul style="list-style-type: none"> • Should passing the federal test be a prerequisite to submitting an application for licensure? The Committee was not in favor. • Should the Board require a PTIN for application of licensure? The Committee was in favor. Recommendation made to become effective 1/1/11. • Should it be required that licensees provide their PTIN on the renewal forms? The Committee was in favor. • Should the Board replace the Oregon license number with the PTIN? The Committee was not in favor. • Should a PTIN be required for initial licensure? The Committee was in favor. • Should renewal fees and business registration fees be increased/reduced in lieu of fees required by the federal program? The Committee was not in favor. • Should the Board change the fee charged for preparer initial licensure? Recommendation made to eliminate or reduce fee. The Committee was in favor of elimination. • If the fee for preparer initial license is eliminated, should there be a nominal fee of \$10 or no charge for processing of application for licensure?
<p>Federal Program</p>	<ul style="list-style-type: none"> • Federal program fees; registration and exam. What is required? • Registration begins September 2010 • Obtain PTIN or re-register PTIN if already have. • What are the federal requirements for obtaining PTIN? • Federal program CE requirements – 2 hours in ethics, 3 hours in tax updates and 10 hours general tax topics. • Federal program requires PTIN prior to preparing any returns effective fall 2010. • Applicants are required to take federal exam within 3 years of registering. • CPAs, EAs and attorneys are exempt from exam requirements. Required to register or re-register PTIN.
<p>Lunch 12:40 p.m.</p>	
<p>Salisbury reconvened the Exam & Education Committee meeting at 1:20 p.m.</p>	
<p>Summary</p>	<p>Salisbury stated that there will be a number of Oregon Administrative Rules affected by the changes suggested today. This would require rule changes. There also may be a number of statutes potentially affected. It was noted that ORS 673.625 would be affected if changes were made to increase the number of hours of work experience necessary to qualify to take the consultant examination.</p> <p>It was suggested that the proposed requirement to include PTIN number be included in statute as an exam qualifier. Wagner noted that changing statute requires legislative approval. Hudson commented that any</p>

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modifications made to 80-Hour Basic Course requirements would require rule change. Salisbury noted that it may be helpful to clarify in the rule that licensees will not be required to take CE hours above the required 30 if the 15 hours licensees take for the federal program meet Oregon CE requirements. Discussion followed about the necessity of adding this to the rules.

Billings suggested a newsletter article may be sufficient to provide this information to the licensees. Wagner observed the last sentence of ORS 673.635 currently reads: *“The application shall be accompanied by the examination fee as provided under ORS 673.685.”* is incorrect and should read: *“The application shall be accompanied by the application fee as provided under ORS 673.685.”* It was also noted that this sentence would need to be eliminated if the Board votes to do away with the initial license fee.

Salisbury questioned if ORS 673.685(b) under fees and related to application for examination of tax preparer’s license, should be eliminated. Wagner reasoned that it should be left as is, and that an OAR be adopted to reflect \$0, so that in the future if the Board finds it necessary to change, it can change the dollar amount without legislative action. Salisbury asked what would be the likelihood of a \$0 amount being accepted by the Department of Administrative Services (DAS) since it is necessary to send fees to DAS for approval as stated in ORS 673.685 (2). Wagner noted that as long as the explanation is valid, there should be no problem. He continued that DAS would be more concerned if the fee were increasing and what the impact would be on our licensees. A fiscal impact statement would be included to show the revenue impact to the agency.

Salisbury included that a rule change would be necessary to eliminate Board pre-approval of all long distance and self-study CE courses. Wagner asked for comments regarding modification of the current exam due to the implementation of the federal exam. Hudson stated that the Board would have to wait to see what the federal exam consists of before making any changes to the Oregon exam. Salisbury stressed that if changes are made to the Oregon exam in the future, the Board would have to definitely require our licensees pass the federal exam before they can take the Oregon exam. Twombly suggested that once the federal exam has been released, the Board might consider eliminating 20 or more federal exam questions from the Oregon exam.

Adjournment

Salisbury adjourned the Exam & Education Committee meeting at 1:35 p.m.