

# Oregon State Board of Tax Practitioners

## Board Meeting Minutes

**Meeting Date:** July 10, 2008

**Time:** 9:00 a.m. – 2:35 p.m.

**Location:** Morrow Crane Building, Salem, Oregon

**Attendees:** Marilyn Johnston (Board Chair)  
 Alan Twombly (Vice-Chair)  
 Merry VanAtta  
 Toni Ellsworth  
 Jess Gutierrez  
 Dorothy Hudson  
 Janis Salisbury

**Guests:** Susan Parks, OAIA  
 Linda Thomas  
 Barbara Craven, ORSEA  
 Dale Marino  
 Nancy Hubbard, OSTC  
 Louis Wampler  
 John Bell  
 Donna Gilmour  
 Irene Gresick  
 Stan Gresick  
 Mamie Carter, Jackson Hewitt  
 Judith Wilkins, OATC  
 Michael Addington

**Staff:** Ron A. Wagner, Executive Director  
 Monica J. Walker, Senior Comp Specialist/Investigator  
 Jane A. Billings, Exam & Education Coordinator  
 Marika B. Dwyer, Licensing Specialist

ITEM	ACTION / DISCUSSION
Johnston called the meeting to order at 9:02 a.m.	
Janis Salisbury sworn in as an official Board member.	She replaces Donna Gilmour. The Board volunteered Salisbury to review the minutes and check all grammar before being distributed to the Board.
Roll called.	Board members present: Ellsworth, Salisbury, Hudson, Twombly, VanAtta, Gutierrez, and Johnston.
Introduction of new staff.	Ron Wagner introduced Jane Billings as the new Exam & Education Coordinator. She started in July and came from the Board of Chiropractic Examiners. He also introduced Marika Dwyer as the new Licensing Specialist. She started at the end of June and came from ODOT. He welcomed them both.
Approval of meeting minutes.	Board meeting minutes from May 8 <sup>th</sup> were not yet available to review due to staff shortage.  Board meeting minutes are located on the Tax Board Web site at: <a href="http://www.oregon.gov/OTPB/Meeting_Minutes.shtml">http://www.oregon.gov/OTPB/Meeting_Minutes.shtml</a>
<b>Licensing Report</b>	
Statistics reported by Marika Dwyer.	Compared with last year's statistics for June, overall the numbers have increased. Licensed consultants totals are down, but the shortage in staff is causing renewal processing delays. The numbers may not be a very accurate reflection of annual totals at

# Oregon State Board of Tax Practitioners

## Board Meeting Minutes

	this point in time.
<b>Administration Report</b>	
Budget reported by Ron Wagner.	<p>Because of staffing levels, there have been some personal services savings. There have been no unusual expenses.</p> <p>Wagner did a comparison of the projected revenues this far into the biennium (11 months into the 24 month period). The Board should have received \$461,500 year-to-date revenues vs. actual receipts of \$465,326, so exceeding projection by \$3826.</p> <p>Expenditures projected are \$495,000 vs. actual expenses of \$415,187, \$80, 313 less than projected expenditures. Together the status is \$84,139 to the good.</p> <p>Cash balance is \$347,377, according to VanAtta.</p>
Legislative Issues	<p>The legislative concept expands the jurisdiction of the Board to include the preparation of business returns, corporate returns, partnership returns, and estates and trusts. There has been an urgency to get the concept filed soon, or not be able to do so for two years. Submitting it now does not lock it in; there would be opportunity to revise if necessary. Wagner sent it in since it seems a “no lose” situation. If decided not to go forward at this time, it can be pulled. Wagner will be working during the next few months to get key support on board.</p>
Key Performance Measures	<p>There are six, one of which has to do with best practices. Over the last two years, agencies were supposed to be working on this and should report in 2008. There are fifteen standardized best practices for all agencies in the state. Wagner will work with Johnston and Twombly to revise and fit these to apply to the Board. This will be on the agenda for the September meeting.</p>
Board Member Orientation	<p>Training for new Board members is scheduled for September 9<sup>th</sup>.</p>
IRS Tax Forum Conference	<p>Wagner is scheduled to speak about unlicensed activity at the Tax Forum in Las Vegas in August.</p>
<b>Oregon Administrative Rules</b>	
Requirement of signature on returns and the posting of fee schedules.	<p>The Rules Advisory Committee will be meeting in September, and these two issues will be presented.</p> <p>The requirement of a signature on returns needs to be reviewed as software currently does not allow for both the preparer’s and Designated Consultant’s (DC) license numbers on returns. VanAtta feels that with electronic filing, the <b>state license number can be eliminated from the federal return</b>, but still remain on the state return. Having DC numbers listed in addition is helpful when the preparer is not cooperating, and adds validity to the</p>

# Oregon State Board of Tax Practitioners

## Board Meeting Minutes

	<p>designation. The state forms do not have enough room to capture information for both license numbers. Queries can be generated based on the preparer license number, but not the DC license number. The <b>DC number should be dropped from the state returns</b>. Walker suggested that the <b>DC license number be included on all advertising</b> as well. She will conduct further research into how this would apply in national advertising.</p> <p>Checking for fee postings is part of the field visits. Licensees are not clear on the expectations. The rule is under Advertising and Solicitation, Chapter 800-010-0050(5). It sounds like the posting of the basic fee schedule is in conjunction with offering discounts. The Board needs to make this clearer. The fee schedule only needs to be posted if there are discounts offered. The Board should use the opportunity to educate what discounts mean and what posting in public view means. Wagner suggested providing examples in the rules for clarification. Others thought examples are not needed.</p>
<b>National Licensing</b>	
<p>Reported by Michael Addington.</p>	<p>Addington thanked the Board for its service. The Board reviewed a report that Addington put together and provided before the meeting. The National Association of Enrolled Agents helped him prepare for his position on the panel with the Federation of Tax Administrators. This was the first time they requested someone from Oregon to attend, perhaps indicating they are finally getting serious about national registration. Position papers suggest the focus is on what won't be accepted, rather than what needs to be done to prepare the IRS and create the changes necessary for national registration. They don't want any grandfathering. Addington feels it will come, but that it's just a matter of time. Congress is not certain that it's a revenue neutral program. There may be 800,000 tax preparers and a \$40 million budget. There are 40,000 enrolled agents with a \$6 million budget. He feels it should be regulated at the state level. California and Maryland now have their own programs, and Alabama is looking into it. Addington thinks the hard part will be getting the administrative rules passed and set up for each state. He believes the Board needs to be more proactive, and he will put together a comprehensive position paper by October.</p> <p>The Senate Bill can be found on Congressman Becerra's Web site. This will go under the Office of Professional Responsibility (OPR). Addington mentioned that the IRS recently passed three notices in Circular 230 (governing enrolled agents), saying that anyone who is paid to prepare tax returns, must sign the return. He thinks this is trying to bring others, who are not enrolled agents, under the regulations.</p>

# Oregon State Board of Tax Practitioners

## Board Meeting Minutes

	<p>Addington received a nice follow up letter from the Chair of the Oversight Committee giving good feedback. The NAEA, NATP, and the NSA all have position papers on their Web sites. He feels Oregon should have one as well. He is planning to submit his position paper to the Board. Entry level preparers need to be addressed. He feels that Oregon's system works exceptionally well, and we should be sharing our success with everyone.</p> <p>There was discussion over Earned Income Tax Credit emphasis and free tax programs for seniors.</p> <p>The position paper's goal is to be an instruction manual for the IRS to move forward in developing a program to look like Oregon's. There should be one person that is the contact for all inquiries. Addington would like his name and number noted in the Board newsletter as a contact.</p> <p>It was agreed that Addington would develop a position paper, submit it to the Board, and once the Board provides feedback, have Gabliks assess whether the Board can legally issue a position. Ellsworth suggested having licensees surveyed to give feedback as well.</p>
<p>Board Meeting Break 11:30 a.m.-11:47 a.m.</p>	
<p><b>Public Comment</b></p>	
<p>Donna Gilmour</p>	<p>The Government Accountability Office (GAO) met with the Board and staff in January at the Morrow Crane Building. Wagner will be attending the IRS Tax Forum in Las Vegas and giving a presentation on "The Oregon Story" explaining Oregon's current licensing program and how it got started. This is an opportunity for employees of the IRS and other states to learn more about how things are done in Oregon. Gilmour feels it's a protection to the licensee that the Board stay involved in the issue of national licensing. She gave her personal thanks to Michael Addington for representing the Board before the Oversight Committee in Washington D.C. in February 2008.</p>
<p><b>Executive Session</b></p>	
<p>To discuss information exempt from public disclosure under ORS 673.730(4). Pursuant to 192.660(2)(f). This Executive Session is closed to members of the public.</p>	
<p>Executive Session 11:52 a.m.-1:39 p.m.</p>	
<p><b>Lunch</b></p>	
<p>Johnston reconvened the Board meeting at 1:39 p.m.</p>	
<p><b>Compliance Report</b></p>	
<p>Reported by Monica J. Walker.</p>	<p>There were twenty-four open cases. Eleven pending further investigation, four new complaints, four existing complaints, and three responses received to record inquiries.</p>

# Oregon State Board of Tax Practitioners

## Board Meeting Minutes

	<p>Seven pending additional information, one pending a fully executed settlement agreement, two pending responses to record inquiry, and two have requested hearings and possible settlement. There were six cases closed, two settled and paid, and two had no violations found, one had no jurisdiction, and one did not have enough evidence to proceed. Eight cases were mediated, two regarded errors on returns, and six regarded return of records.</p>
<p><b>Waiver Requests</b></p>	
<p>Steven C. Benfield Newport, Oregon</p>	<p><b>Motion:</b> VanAtta moved that the Board refuse to renew Steven Benfield’s license until the legal issue has been resolved and expunged from his record per ORS 673.700 for violation of ORS 673.705. Motion passed. Ayes: Gutierrez, Twombly (with bias – former employee), Ellsworth, Salisbury, Hudson, VanAtta, and Johnston.</p>
<p>Virginia Griffiths Sandy, Oregon</p>	<p><b>Motion:</b> VanAtta moved that the Board allow Virginia Griffiths to be the Resident Consultant for Facts and Figures and Sandy Income Tax Service until 05/31/09. Motion passed. Ayes: Hudson, Ellsworth, Gutierrez, Salisbury, Twombly, VanAtta, and Johnston.</p>
<p><b>Exam and Education Report</b></p>	
<p>Reported by Jane Billings.</p>	<p>The Board held a successful and productive work session for the tax preparer exam. Billings gave recognition to the volunteers for the Item Writing Committee—Donna Hines, Rene Burkett, Sheila Martin, and Anita Robinson, as well as Monica J. Walker for her instruction and assistance.</p> <p>There was a thorough review of the current item bank. Thirty new questions were added to the federal portion of the examination, and eighteen new questions to the Oregon portion. Publication 587, Business Use of Home, was also added as an additional reference source.</p>
<p><b>Continuing Education Course Reviews</b></p>	
<p>Members shared their opinions about courses offered for CPE.</p>	<p>Johnston reviewed Surgent McCoy, Inc. and Ellsworth reviewed the ClientWhys, Inc.</p> <p><b>Motion:</b> Twombly made a motion to accept the continuing education hours as recommended by the Board reviewers. Motion passed. Ayes: Hudson, Ellsworth, Gutierrez, Twombly, Salisbury, and Johnston. Nays: VanAtta.</p>
<p><b>Licensee Luncheon</b></p>	
<p>Hood River, Oregon November 5, 2008</p>	<p>Topics for discussion. The Committee Chairs should discuss what they would like to talk about, for example, Exam &amp; Education—</p>

# Oregon State Board of Tax Practitioners

## Board Meeting Minutes

	<p>Twombly might share how things are going in the Committee.</p> <p>Last year the panel discussion turned out really well.</p> <p>Ellsworth volunteered to do a piece on next summer's Instructor's Workshop.</p> <p>It was suggested that Michael Addington share on national licensing, and that Salisbury share her impression of being a new member on the Board.</p> <p>Hudson volunteered to do a discussion on advertising, discounts, coupons and posting of fees.</p> <p>Registration forms will be sent out to the licensees in the counties surrounding the area where the luncheon is being held.</p>
<b>Public Comment</b>	
John Bell	Over the last three years the Board has had a table at the IRS Tax Forum in Las Vegas to answer questions about the Oregon program. He would like to see this continue, and volunteered to help staff.
<b>Other Business</b>	
September Board Meeting Dates	The Board agreed to meet September 4 <sup>th</sup> . The Complaint Committee will meet on September 3 <sup>rd</sup> at 2:30 p.m.
E-mail from Edgar Numrich	<p>Walker passed around handouts to consider for the future regarding Numrich's feelings about how the instruction doesn't match the testing and the testing does not match the job experience or demands in the field.</p> <p>Hudson would like to see whether licensees understand the process and can follow through, rather than see how much they can memorize.</p>
Next Tax Board Bulletin Newsletter	Newsletter will be released on October 31 <sup>st</sup> , 2008, so be thinking about article suggestions to share at the next Board meeting. Walker will add this to the task list.
<b>Adjournment</b>	
Johnston adjourned the Board meeting at 2:35 p.m.	

**Next meeting:**  
September 4, 2008  
9:00 a.m.  
Morrow Crane Building  
Salem, Oregon