



**Mission:**

*Protecting consumers by ensuring that Oregon tax professionals are competent and ethical in their professional activities*

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**OREGON BOARD OF TAX PRACTITIONERS  
PUBLIC BOARD MEETING MINUTES  
Thursday, November 5, 2015**

**Board Members:**

Nutan Arora, LTC, Chair  
Susan Gallagher-Smith, LTC, Vice-Chair  
Michael Addington, LTC  
Jo Anne Vetter, LTC  
Glen Longworth, LTC

**Board Staff:**

Howard Moyes, Executive Director  
Heather Shepherd, Compliance Specialist  
Shari Barrett, Licensing Specialist  
Bethany Reeves, Exam & Ed Coordinator  
Catriona McCracken, Sr. Asst. Atty. General

1. Call to Order  
Chair Arora called the meeting to order at 9:10 a.m. Roll call was completed.
2. Swearing in of Glen Longworth  
Glen Longworth was sworn in as a Board Member.
3. Executive Session  
Chair Arora closed the public session at 9:11 a.m. to convene in Executive Session pursuant to ORS 673.730(3) and 192.660(2)(f). The Executive Session is closed to the public.
4. Public Session  
Chair Arora concluded the Executive Session and called the public meeting to order at 11:00 a.m.
5. Approval of September 19 Board Meeting Minutes  
Michael Addington made a motion to approve the September 19, 2015 minutes.  
**Motion passed 5-0**
6. Correction to July 9, 2015 Board Meeting Minutes  
Michael Addington made a motion to correct the July 9, 2015 minutes. In Section 12 of the minutes, the sentence "The Board expressed interest in this proposal" should state The OBTP Board expressed interest in this proposal." In addition, the following sentence incorrectly stated that the Oregon Society of Enrolled Agents was seeking legislation to exempt Enrolled Agents from Board oversight. The sentence should read "The National Association of Enrolled Agents is seeking legislation, H.R. 828 and S. 422, to clarify the use of credentials by Enrolled Agents."

Susan Gallagher-Smith made a motion to amend the July 9, 2015 minutes as stated above.

**Motion passed 5-0**

7. Administration Update

Mr. Moyes provided a status report on the Board's revenues and expenses for the first three months of the 2015-2017 biennium. Expenditures are in line with the Board's legislatively approved spending authority. Revenues are anticipated to be approximately \$213,000 below expenditures for the biennium.

Historical and projected budget trends were then discussed. Revenues in the 2009-2011 biennium were \$1,199,608. Projected revenue for the 2015-2017 biennium is \$974,151. This is a decline of \$225,457, or 18.79%. Expenses have increased from \$1,013,888 in 2009-2011 to a projected \$1,187,823 for 2015-2017. This is an increase of \$173,935, or 17.16%. The decline in revenue is directly tied to a 17.12% drop in the number of active licensees. Increased expenses are largely attributable to state cost-recovery charges and service fees for technology services, financial services, human resources, and legal services.

Mr. Moyes discussed annual licensing fees for various professions in Oregon, which range from \$45 per year for cosmetologists to \$200 or more for investment advisors, social workers and property appraisers. The annual licensing fees for tax consultants and tax preparers are currently below the average annual licensing fees for other professions in the state.

Mr. Moyes then presented the Board with a list of fees for licensing exams. The exam fees in Oregon range from \$35 per field of practice for cosmetologists to several hundred dollars for many professions. The Board's \$50 fee for the Licensed Tax Preparer exam was the 2<sup>nd</sup> lowest in the state and the \$85 fee for the Licensed Tax Consultant exam was 5<sup>th</sup> lowest. Mr. Moyes also discussed the Board's biennial exam fee revenue of approximately \$97,200 and the \$175,000 in estimated expenses for administering licensing exams.

The final item on Mr. Moyes's budget update was an estimated impact of repealing the \$10 licensing fee reduction implemented two years ago. Mr. Moyes estimated that a \$10 fee increase would generate approximately \$76,020 in additional revenue per biennium.

Mr. Moyes then provided the Board with an update on the database migration project. Mr. Moyes noted that the state had just concluded a licensing agreement with BES technologies that would allow state boards to begin using the database purchased and currently used by the Health Licensing Office. Based on recent discussions with BES Technologies, Mr. Moyes is confident that the Board will be able to transition to the new database in early 2016 to allow for online license renewals by May 2016.

The Board then discussed potential dates for future public Board Meetings. The following dates and locations were selected:

Date	Location
January 7, 2016	Salem
May 12, 2016	Salem
July 14, 2016	Salem
September 14, 2016	TBD
November 3, 2016	Salem
January 12, 2017	Salem

Mr. Moyes concluded his update by thanking the Board staff for their hard work, dedication and excellent customer service.

8. Licensing Update

Ms. Barrett presented data on the number of licensees and registered businesses. As of July 2015 there were 1,744 active Tax Consultants and 1,882 active Tax Preparers. There were also 1,062 registered businesses and 209 registered branch offices. The number of active licensees and businesses in July 2014 totaled 1,782 Tax Consultants, 1,896 Tax Preparers, 1,091 registered businesses, and 217 registered branch offices.

The Board asked staff to send a reminder letter in the future to licensees who did not submit their renewal by the deadline.

9. Exam & Education Update

Ms. Reeves presented reports showing the pass rate on the Board's preparer and consultant exams. Between October 2014 and September 2015, the overall pass rate for the preparer exam was 36%, the pass rate for the consultant exam was 19%, and the pass rate for the consultant state only exam was 66%.

The preparer exam was shortened from 200 questions to 163, effective September 1, 2015. Data was not yet available on pass rates for the 163-question exam.

Ms. Reeves then provided the Board with an update on the continuing education audits. Audit letters were sent to 183 randomly selected Tax Consultants on September 19, 2015, and to 154 randomly selected Tax Preparers on October 28, 2015. Responses were due to the Board office within 30 days.

Of the 164 Tax Consultant records reviewed thus far, 39 licenses provided documentation for more hours than reported on their 2015 renewal form; 8 licensees provided documentation for fewer hours than reported, but still had documentation for at least 30 hours; 4 licensees provided documentation for less than 30 hours; and 10 licensees did not provide documentation of completing at least two hours of professional conduct and ethics training. Licensees with deficiencies were given 30 days to submit documentation and/or complete the missing coursework. Licensees who did not respond to the Board, or who did not complete 30 hours of relevant coursework before expiration of their license, may receive disciplinary action from the Board.

The Board asked staff to provide an update on the CE audits at the January 7, 2016 Board Meeting, including a list of licensees who did not provide documentation for the required 30 hours and/or those who did not complete the required 30 hours prior to the license expiration date, i.e. May 31 for Consultants or September 30 for Preparers.

10. Lunch Break

Chair Arora called a lunch recess at 12:30p.m. Chair Arora reconvened the public session at 1:05 p.m.

11. Compliance Update

Disciplinary Cases/Votes

**Case # 531**

Motion #1

Moved by Vice-Chair Gallagher-Smith that the Board withdraw the decision made on May 14, 2015 to issue a Notice of Intent to Impose Discipline in Case # 531.

**The motion passed 5-0.**

Motion #2

Moved by Vice-Chair Gallagher-Smith in Case # 531 that the Board issue a Notice of Intent to Impose Discipline and Rights to a Hearing (Civil Penalties) for:

Place in Inactive status until Respondent provides proof of completion certificates for the outstanding 2013 continuing education credit hours for violation of ORS 673.655 and 673.700(6);

Two (2) violations of OAR 800-015-0015(2) and (6), documentation and misrepresentation at \$ 1,000 per violation; and

One violation of OAR 800-010-0042, failing to respond to Board communication at \$500 per violation

**The motion passed 5-0.**

**Karen Liebert – Milwaukie, Oregon**

Moved by Vice-Chair Gallagher-Smith that the Board enter into a Settlement Agreement and Stipulated Final Order with Karen Liebert of Milwaukie, Oregon to reprimand for violation of ORS 673.700(1), ORS 673.615 and ORS 673.643, preparing taxes without the supervision of a Licensed Tax Consultant.

**The motion passed 5-0.**

**Mary Wohler – Milwaukie, Oregon**

Moved by Vice-Chair Gallagher-Smith that the Board accept admission of fault and payment of civil penalty of \$100 and enter into a Settlement Agreement and Stipulated Final Order with Mary Wohler of Milwaukie, Oregon for:

One violation of ORS 673.700(7) and OAR 800-010-0050, for advertising in the form of printed, broadcast or electronic material that makes known professional tax services.

**The motion passed 5-0.**

**Case # 542**

Moved by Vice-Chair Gallagher-Smith that the Board dismiss Case #542.

**The motion passed 5-0.**

**Case # 543**

Moved by Vice-Chair Gallagher-Smith that the Board issue a Cease and Desist Order to include a Notice of Intent to Impose Discipline and Right to a Hearing (Civil Penalties) for:

One hundred forty (140) violations of ORS 673.615(2) and OAR 800-010-0030(4), preparing taxed without the supervision of a Licensed Tax Consultant at \$250 per violation (\$35,000);

Two (2) violations of ORS 673.643(1)(a) and OAR 800-025-0020(1), failure to register business 2014 and 2015 at \$100 per violation (\$200);

Two violations of ORS 673.643(1)(b) and OAR 800-025-0040(1), no Designated Consultant 2014 and 2015 at \$100 per violation (\$200);

Two violations of ORS 673.673(1)(b) and OAR 800-025-0060(1), no Consultant in Residence 2014 and 2015 at \$100 per violation (\$200);

Two violations of OAR 800-010-0050(3),(6) and (7) advertising 2014 and 2015 at \$100 per violation (\$200); and

Pursuant to ORS 673.730(8), the Board's costs associated with the disciplinary or other actions by the Board in this matter.

**The motion passed 5-0.**

**Case # 544**

Moved by Vice-Chair Gallagher-Smith that the Board issue a Cease and Desist Order to include a Notice of Intent to Impose Discipline and Right to a Hearing (Civil Penalties) for:

Seventy-eight (78) violations of ORS 673.615(1), unlicensed activity at \$1,000 per violation (\$78,000);

One (1) violation of ORS 673.643(1), failure to register business at \$100 per violation (\$100); and

Pursuant to ORS 673.730(8), the Board's costs associated with the disciplinary or other actions by the Board in this matter.

**The motion passed 5-0.**

**Case # 548**

Moved by Vice-Chair Gallagher-Smith that the Board issue a Notice of Intent to Impose Discipline and Right to a Hearing (Civil Penalties) for:

Three (3) violation of ORS 673.643(1), failure to register business 2012, 2013 and 2014 at \$150 per violation (\$450); and

Pursuant to ORS 673.730(8), the Board's costs associated with the disciplinary or other actions by the Board in this matter.

**The motion passed 5-0.**

**Delinquent/Uncollectible Accounts**

Ms. Shepherd provided the Board with a listing of delinquent accounts (Civil Penalties) that have gone through the collection process and returned to the Board office as uncollectible. The listing included 22 accounts. After Board discussion, the Board directed staff to further review two (2) of the cases on the list to ensure the delinquent accounts are uncollectible.

Moved by Vice-Chair Gallagher-Smith that the Board adopt and approve as uncollectible debt and subject to write-off of the 20 remaining accounts. The accounts are attached and made a permanent part of these minutes.

**The motion passed 4-1.**

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## Waiver Requests

Richard Harris submitted a request to be the Consultant in Residence for Harris Accounting & Tax Solutions, LLC of Eugene, Oregon; and Sondi & Associates dba Jackson Hewitt Tax Service of Eugene, Oregon. The request is based on the two businesses sharing the same office space.

Moved by Vice-Chair Gallagher-Smith that the Board **approve** the request for waiver by Richard Harris for Consultant in Residence pursuant to OAR 800-025-0060(1-8).

**The motion passed 5-0.**

Janet Surgue submitted a request to be the Designated Consultant and Consultant in Residence for Liberty Tax Service of Roseburg, Oregon; and D & S Bookkeeping and Tax Service of Roseburg, Oregon. The request is based on D & S Bookkeeping and Tax Service not having a current Licensed Tax Consultant on staff.

Moved by Vice-Chair Gallagher-Smith that the Board **deny** the request for waiver by Janet Sugrue for Designated Consultant pursuant to OAR 800-025-0040(5-8) and Consultant in Residence pursuant to OAR 800-025-0060(1-8).

**The motion passed 5-0.**

Desiree Hernandez submitted a request to be the Designated Consultant and Consultant in Residence for DR Taxes, Inc. of Winston, Oregon; and Christi's Bookkeeping Services Inc. of Winston, Oregon. The request is based on the two businesses sharing the same office space.

Moved by Michael Addington that the Board **approve** the request for waiver by Desiree Hernandez for Designated Consultant pursuant to OAR 800-025-0040(5-8) and Consultant in Residence pursuant to OAR 800-025-0060(1-8).

**The motion passed 5-0.**

## 12. Rulemaking Update

Ms. Shepherd presented the Board with suggestions for rule changes from the Rules Advisory Committee and Board comments. The Board was also presented with a work plan and schedule for adopting proposed rules based on the requirements all state agencies are required to follow. Ms. Shepherd advised the Board that rule making can happen at any time of the year, as long as the requirements are followed. The Board members discussed the proposed changes in a very general manner. Due to the number of suggestions received, the Board Members said they need more time to fully review and consider them. Staff recommended that the Board establish a subcommittee to review the suggested changes and then bring recommendations to the full Board at a future meeting. Susan Gallagher-Smith and Michael Addington agreed to serve as the members of the rule review subcommittee.

Due to the projected budget deficit of \$234,000 in the current biennium, the Board discussed repealing the \$10 reduction in licensing fees implemented in 2013. Michael Addington moved that the Board authorize the Executive Director to seek approval from the Director of DAS (Department of Administrative Services) to increase annual licensing fees by \$10, and that the Executive Director be authorized upon receipt of approval from DAS to move forward with the rule making process. The proposed fee increase is in the redline version of rule OAR 800-020-0025, which is made a permanent part of these minutes.

**The motion passed 5-0.**

13. Public Comment

Randy Shimek asked the Board to consider clarifying in its rules the dates in which continuing education needs to be completed for Licensed Tax Consultants and Licensed Tax Preparers. Michael Addington responded by pointing out that the OARs state that Tax Consultant Licenses expire on May 31 and Tax Preparer licenses expire on September 30. Therefore, any continuing education completed after those dates may not be claimed on renewal applications received after May 31 and September 30, respectively, for the new licensing year. For example, a CE course completed on October 2, 2015 cannot be claimed on a Tax Preparer renewal form submitted on October 3 for the 2015-2016 licensing year. However, that course could be claimed on a renewal form submitted by September 30, 2016 for the 2016-2017 licensing year. Mr. Shimek appeared to agree with Mr. Addington's explanation.

Mr. Shimek also commented that the licensees who volunteered their time to serve on the Rules Advisory Committee worked very hard and took their role seriously. Mr. Shimek encouraged the Board to consider all the comments and suggested rule changes received from the committee. The Board established a sub committee comprised of Ms. Gallagher-Smith and Mr. Addington to review the comments and suggestions received and report back to the full Board at a future meeting.

14. Adjournment

With no other business or public comments, Chair Arora adjourned the Board Meeting at 3:00 p.m.

Uncollectable debt  
Write-off  
November 5, 2015

	Case Number	Final Order Date	Civil Penalty Amount + Costs	Interest	Civil Penalty Collected	Date Sent to Collections	Collection funds received	Date Returned from Collections	
Carey, Kathleen M	261	11/16/1996	\$ 1,000	\$ 840.49	n/a	12/19/2011	n/a	July 2013	
Eppler, Paula M	305	4/26/2002	\$ 134,850	\$ 111,362.60	n/a	12/19/2011	n/a	April 2013	
Eppler, Thomas J	305	4/26/2002	\$ 805,700	\$ 649,049.24	n/a	12/19/2011	n/a	July 2014	
Smith, Donna L	312	8/27/2001	\$ 59,500	\$ 54,464.05	n/a	Unknown	n/a	Unknown	
Slack, Nancy	319	8/28/2002	\$ 28,950	\$ 27,847.84	n/a	12/20/2011	n/a	February 2013	
(McLean) Bacon, Neva J	325	3/6/2003	\$ 3,000	\$ 2,517.43	n/a	12/19/2011	n/a	July 2012	
Dillree, Karina	337	8/24/2005	\$ 740.60	\$ 431.12	n/a	12/19/2011	n/a	Unknown	
Kellar, Bryan C	396	8/17/2009	\$ 5,189	\$ 1,206.35	n/a	11/16/09 & 12/19/11	n/a	August 2012	
(Fawcett) Iverson, Kathryn A	400	2/8/2008	\$ 12,500	\$ 2,436.49	n/a	12/19/2011	n/a	January 2013	
Wagar, Roxanne J	359	1/16/2008	\$ 655,064.40	\$ 247,912.06	n/a	12/19/2011	n/a	Unknown	
Bedell, Kathllen E	418	5/13/2010	\$ 1,200	\$ 57.27	n/a	12/19/2011	n/a	January 2013	
Bower, Jay L	417	5/13/2010	\$ 147,350	\$ 7,032.14	n/a	12/19/2011	n/a	August 2012	
Jones, Carol May -1	398	11/5/2008	\$ 68,879.40		n/a	12/19/2011	n/a	Unknown	
Jones, Carol May -2	398	2/25/2010	\$ 326,486.95		n/a	12/19/2011	n/a	Unknown	
Jones, Carol May-3	398	3/2/2010	\$ 194,460.84		n/a	12/19/2011	n/a	Unknown	
Mohamud, Abdkiadir	452	1/24/2014	\$ 500	\$ 5.90	n/a	Unknown	n/a	June 2015	
Chambers, Amalee	475	5/29/2014	\$ 2,000		n/a	n/a	n/a	n/a	
(Brown) Carson, Tina	350	8/4/2006	\$ 7,000		n/a	Unknown	n/a	Unknown	
Nelson, Marcela L	467	1/24/2014	\$ 3,000	\$ 35.42	n/a	5/13/2014	n/a	June 2015	
Benfield, Steven	411	10/7/2009	\$ 4,425.40		n/a	12/19/2011	n/a	Unknown	
<b>Total</b>			<b>\$ 2,461,796.59</b>	<b>\$ 1,105,198.40</b>					
				<b>Total</b>	<b>\$ 3,566,994.99</b>				

OREGON ADMINISTRATIVE RULES  
CHAPTER 800  
BOARD OF TAX PRACTITIONERS

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**800-020-0025**  
**Fees**

The fees for licenses and registrations issued, renewed, reactivated or otherwise, shall be prescribed by the State Board of Tax Practitioners by rule but shall not exceed the following:

- (1) The fee for application for examination for a tax preparer's license is \$50.
- (2) The fee for application for examination for a tax consultant's license is \$85.
- (3) The fee for issuance of a tax preparer's initial license is \$50.
- (4) The fee for a combination tax preparer's initial license/tax preparation business registration is \$100.
- (5) The fee for renewal of a tax preparer's active license is ~~\$70~~ **\$80**.
- (6) The fee for issuance or renewal of a tax consultant's active license is ~~\$85~~ **\$95**.
- (7) The fee for an initial consultant license, if an applicant holds an active preparer's license is \$55.
- (8) The fee for a combination tax consultant's initial license/tax preparation business registration, if an applicant holds an active preparer's license is \$115.
- (9) The fee to place a tax preparer's license in inactive status is \$35.
- (10) The fee to place a tax consultant's license in inactive status is \$50.
- (11) The fee for reactivation of a tax preparer license in inactive status is \$70.
- (12) The fee for reactivation of a tax consultant license in inactive status is \$85.
- (13) The fee to reactivate a tax preparer or tax consultant license in lapsed status is \$35, plus payment of all unpaid renewal fees.
- (14) The fee for a duplicate practitioners license is \$10.
- (15) The fee for a duplicate business/branch registration is \$10.
- (16) The fee for a replacement tax consultant's certificate is \$15.
- (17) The fee for issuance or renewal of a tax preparation business registration is \$100.
- (18) As provided by subsection (a) and (b) of this section, the fee for issuance or renewal of a combination tax consultant's or tax preparer's license and tax preparation business registration is ~~\$445~~ **\$155**:
  - (a) For Consultants – If postmarked on or before June 15<sup>th</sup>.

OREGON ADMINISTRATIVE RULES  
CHAPTER 800  
BOARD OF TAX PRACTITIONERS

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(b) For Preparers – If postmarked on or before October 15<sup>th</sup>.

(19) The fee for issuance or renewal of a branch office registration is \$20.

(20) The nonrefundable processing fee retained for all refunds issued is \$10.

(21) Dishonored Check or Electronic Payment. Pursuant to ORS 30.701, whenever a bank check, credit or debit transaction in payment of an obligation due for fees, penalties, copies of records or materials, or other services to the agency, is dishonored by the bank upon which the check is drawn, the applicant or authorization holder will be assessed and must pay an administrative processing fee in the amount of \$25. The Board may take any other disciplinary action against an authorization holder or payer and may seek other legal remedies in pursuing to effect collection of the returned items. If a check is returned for Non-Sufficient Funds (NSF) or uncollected funds the Board will attempt to collect payment by other means.

Commented [SHL\*T1]: This should be plural

Stat. Auth.: ORS 673.310(1), 673.730(10) & 673.685

Stats. Implemented: ORS 673.685, ORS 673-605-ORS 673.990

Hist.: TSE 4(Temp), f. & ef. 11-20-75 through 3-19-76; TSE 8, f. & ef. 5-19-76; TSE 14, f. 10-25-77, ef. 11-1-77; TSE 1-1979, f. 6-14-79, ef. 6-15-79; TSE 3-1979, f. 11-28-79, ef. 11-30-79; TSE 1-1985, f. & ef. 1-15-85; TSE 2-1986, f. & ef. 7-14-86; TSE 1-1987(Temp), f. 6-30-87, ef. 7-1-87; TSE 5-1987, f. & ef. 10-2-87; TSE 7-1987(Temp), f. & ef. 11-17-87; TSE 1-1988, f. & cert. ef. 2-19-88; TSE 4-1990, f. & cert. ef. 5-3-90; TSE 3-1991(Temp), f. 8-14-91, cert. ef. 9-29-91; TSE 5-1991, f. & cert. ef. 10-28-91; TSE 12-1991(Temp), f. & cert. ef. 11-25-91; TSE 3-1992, f. 5-15-92, cert. ef. 6-1-92; TSE 3-1997, f. & cert. ef. 9-4-97; BTSE 1-2001, f. & cert. ef. 4-19-01; BTSE 1-2002(Temp), f. & cert. ef. 8-6-02 thru 1-1-03; Administration correction 4-16-03; BTP 1-2003, f. & cert. ef. 9-23-03; BTP 3-2005, f. 8-31-05, cert. ef. 9-1-05; BTP 3-2007, f. 7-30-07, cert. ef. 8-1-07; BTP 1-2008, f. 1-14-08, cert. ef. 2-1-08, f. & ef. 2-1-10, f. & ef. 2-1-11, f. & cert. ef. 7-1-11, f. & ef. 2-1-12; BTP 2-2013(Temp), f. 7-22-13, cert. ef. 8-5-13 thru 2-1-14; f & cert. ef. 2-1-14