

Oregon Protects Consumers from Fraud by Requiring Tax-Preparer Licensing

Tax time can be stressful, and harried taxpayers may not think to ask if a tax preparer is licensed, as required by state law.

The Oregon Board of Tax Practitioners is working to change that.

“If taxpayers don’t take advantage of the protections we offer,” said OBTP Executive Director Ron Wagner, “the damage may be done before we find out they’ve been defrauded. We not only license tax practitioners but also investigate individuals who pass themselves off as tax practitioners, but who are actually committing tax fraud. We look for these folks, but we also rely on the public to help us find them.”

People offering income-tax preparation for a fee (with the exception of CPAs, lawyers and their employees) must possess a license issued by the Oregon Board of Tax Practitioners, and it must be posted in their place of business – whether that is in their home or a more traditional office.

As clients of the unlicensed Lane County tax preparer now know, they should have ensured that the woman they entrusted their tax business to held an active license. The woman prepared taxes for as many as 400 individuals over a decade, taking illegal deductions that eventually put the tax returns she filed into audit status.

It only takes a minute to check the Oregon Board of Tax Practitioners’ online [Licensee Look-Up](#), which is easy and free to use. Those who don’t have computers can always call the Board at (503) 378-4034, and ask if the person they are considering using is licensed.

A tax preparer license indicates tax practitioners have successfully completed at least 80 hours of tax law and ethics instruction from a qualified provider (sponsor) and passed a rigorous five-hour exam. It also means he or she gets at least 30 hours each year of additional training on tax-law changes.

Licensed tax preparers work for licensed tax consultants, who must have 780 hours of work experience before they can sit for the exam to become licensed tax consultants. Licensed tax preparers and consultants are required by law to follow an ethical code of conduct outlined in Oregon rules and statute.

Tips to help consumers protect themselves at tax time

- Make certain the preparer is [licensed](#).
- Never agree to pay a percentage of your refund as the preparer’s fee. Request a fee schedule that lists tax-preparation fees separate from other services.
- Never allow your refund to be mailed to the tax preparer.
- If you owe taxes, make your payments directly to the IRS or Oregon Department of Revenue.
- Make certain the tax preparer returns all of your paperwork (W-2s, receipts, and other information) to you.
- Never sign a blank return; tax professionals must sign any tax returns they prepare (and provide a copy to you).
- Because the taxpayer is responsible for information entered on tax filings, *always* review your preparer’s work before you sign.
- Report unlicensed income-tax preparers by calling the Board at (503) 378-4034.