

TAX BOARD BULLETIN

Volume 29, Issue 2

October 2005

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Message from the Board Chair Donna Gilmour

I hope you all have had some vacation since 4/15 and 6/15 and, of course, 10/15. Guess what, TAX season is soon upon us, again!

Since our last bulletin the Board has met in July (when we had a work session; four days of preparer test questions, committee meetings, and the Board meeting.) In August we had a very successful instructor workshop. Teachers are ready again to hammer tax education into our upcoming preparers and consultants. Since the Board members were all in Salem anyway for the workshop, we met again. Then a hiatus until our just completed October meeting in Grants Pass. That was our outreach meeting for 2005.

We recently took on the task of reviewing all policies and procedures of the Board. This is an update, rewrite, and in some cases writing new policies to cover new situations. This had not been done since 2001, but we made swift work of the review so that we could close out the year with a clean slate.

Our January 19 and 20 meetings will be in Salem and you are enthusiastically invited to come to visit and join in on these meetings, express your opinions, and follow the activities of the Board.

From then on through tax season, the staff handles well and accumulates all sorts of things for us to resolve in May, 2006, after we have worn ourselves out along with the rest of you during tax season.

We wish you all a happy holiday season and a good tax season.

Board of Tax Practitioners

3218 SE Pringle Road #120, Salem, Oregon 97302

2005/2006 Annual Calendar

All meetings are open to the public unless otherwise stated. The Tax Board encourages interested licensees to attend any public meeting. Your input is appreciated!

Meeting notices and agendas are located on the Tax Board website www.oregon.gov/OTPB approximately two weeks prior to the scheduled meeting date. Map and directions to the Board of Tax Practitioners office, which is located in the Morrow Crane Building is available via our website. If notices and agendas have not been posted, please e-mail the Board office at tax.bd@state.or.us to find out when they will be posted.

Pursuant to ORS192.660(1), Executive Sessions are closed to members of the public.

Month / Time	Topic	Location	Comments
December 10 th "2005" 9:30 a.m.	Board Administered Examination	Winema Place NW Center Building 50 4061 Winema Place NE Salem, Oregon	Space availability is 250 candidates. Application deadline: November 11, 2005.
January 19 th & 20 th "2006" 9:00 a.m.	Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome
May 9 th & 10 th <hr/> May 11 th & 12 th 9:00 a.m.	Work Sessions <hr/> Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome
July 11 th & 12 th <hr/> July 13 th & 14 th 9:00 a.m.	Work Sessions <hr/> Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome
August 29 th & 30 th 9:00 a.m. August 28 th	Board & Committee Meetings <hr/> Instructor Workshop	Salem Morrow Crane Building To be announced	Public Welcome <hr/> Must register to attend
November 6 th & 7 th Outreach Meeting Licensee Luncheon 9:00 a.m.	Board & Committee Meetings	Newport <hr/> Location to be Announced	Public Welcome
December 9 th 9:30 a.m.	Board Administered Examination	Winema Place NW Center Building 50 4061 Winema Place NE Salem, Oregon	Space availability to be announced. Application deadline: November 8, 2006.
January 8 th & 9 th "2007" 9:00 a.m.	Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome

* Refer to Meeting Notice for the time and location.

** Locations are subject to change do to the availability of the Morrow Crane conference room and circumstances out of the Board's control.

Message from the Director

Well, another tax season is almost upon us. I would like to encourage all of you to help us stop unlicensed tax preparation in Oregon. Please contact the Board office if you suspect any unlicensed activity in your area. We have committed to respond to any complaints filed with the Board within an average of 12 hours. This means if you call, email or write us about an unlicensed tax preparer in your area, an investigation will begin within 12 hours. We recognize the need for an immediate response to these complaints.

We have just completed another legislative session. The Board did not ask for any fee increase for the next biennium. Therefore the license fees, business registration fees, examination fees and other miscellaneous fees will remain the same through June of 2007. The Board has made a commitment to its licensees to operate its business without a fee increase for the next two years.

Many bills were brought before the legislature this past session that would have affected the tax preparation industry. One that passed was a bill requiring people who offer refund anticipation loans to be licensed with the Board of Tax Practitioners or hold a license with the Board of Accountancy. This means any business offering refund anticipation loans must have a Licensed Tax Consultant, Licensed Tax Preparer, Certified Public Accountant or Public Accountant to facilitate a refund anticipation loan. If they do not, they will be subject to civil penalties not to exceed \$5000 per violation.

The Board office continues to look for ways to deliver its services to the licensees better and for a lower cost. An idea brought to the Board from a licensee was for the Board to email information to its licensees. The Board is currently constructing a service list to do exactly that. That means when there is information the licensees need, we will be emailing this information to you directly. No longer will there be a need for sending letters to the licensees. We will simply email you the information at little or no cost to the agency. This not only delivers the information better and timelier, but is also much less expensive. If the Board does not have your current email address, I would encourage you to contact the Board and give us your correct address. It is important that we keep this information current for this program to work. No longer will the licensees need to wait for a newsletter for information. No longer will the Board need to send letters to licensees about upcoming events in their area such as licensee dinners or instructor workshops. We will simply email you this information. The information will get to you immediately and the Board will not be required to spend the money on creating and mailing the information.

One last subject I would like to talk about is the administrative rules process. Whenever the Board changes an administrative rule, they open a time for public comment. These comments are important for the Board when making a decision on a rule change. The Board also will always hold a public comment hearing before any rule is adopted. The hearing is held here at the board office and anyone is invited to attend and give their comments on the proposed rule change. Again the Board considers these comments when making the decision on whether to adopt the rule change. It is vital that licensees comment on these rule changes. Without comments from the licensees, the board members do not know how the licensees feel about a particular change. If you cannot attend the hearing, you can make written comment to the Board. You can write the Board with your comments, or email us at tax.bd@state.or.us with your comments. I would encourage you to become involved in the process. You can check our web site at www.oregon.gov/otpb, and then go to OAR Rulemaking under the menu. This will give you up-to-date information on any proposed administrative rule changes the Board is considering. It will also give you the schedule of when your comments need to be received by the Board, and the date and time of the hearing. Again, I encourage you to become involved in this process.

Splitting Continuing Education Credits Between Renewal Cycles

Oregon Administrative Rule (OAR), **800-015-0010(4)** states: *“Education hours earned in excess of 30 hours annually cannot be carried over from one renewal period to the next, except extra hours earned during the month of renewal may be withheld by the licensee and submitted with the following year’s renewal.”*

What does this mean? This means that continuing education (CE) hours obtained during the month of renewal (May for consultants & September for preparers) can be carried forward from one renewal year to the next renewal year provided the board office receives qualified documentation from the licensee.

As the Board cannot waive the requirements of OAR 800-015-0010(4), it is the licensee’s responsibility to provide enough documentation to verify the CE hours they have earned are eligible for renewal credit. Licensees must clearly indicate they are withholding CE hours earned during the month of renewal. The licensee must clarify on their renewal form as well as their CE certificate, the number of hours they plan to use for each renewal cycle. In addition, the licensee must submit an identical CE certificate for each renewal cycle in which they are utilizing the carried forward CE hours. If the licensee does not submit a copy of the same identical CE certificate, no credit hours will be issued for the subsequent renewal per OAR 800-020-0030(4); Licenses – Renewals, which states: *“Renewal licenses shall be issued upon receipt of a signed renewal application notice, proof of required continuing education, and the appropriate fee.”*

When a licensee requests that a CE certificate, in which the hours earned were in the month of renewal (May for consultants & September for preparers), be applied between renewal cycles, Board staff will retain the certificate information on the Tax Board database. Again, it is the licensee’s responsibility to submit an identical copy of the CE certificate along with other CE certificates to receive CE credit for the hours completed. Submitting a CE certificate one-time, with one year’s renewal notice and fees, does not qualify a licensee to receive CE hours for both renewal cycles in which they plan to utilize the CE hours completed.

Continuing Education – Roundtable Discussions:

As we move into tax season, many chapters and organizations resort to roundtable discussions at monthly meetings or in-company continuing education.

Please review the following board rules regarding continuing education to be certain that all elements are covered when scheduling roundtables: Oregon Administrative Rule (OAR) 800-015-0010(9) – Continuing Education – “In-Company” instruction.

Sponsors shall maintain for at least two years an outline of each program presented, keeping for this period of time a record of attendance for each program presented as well as a record of instructor names, addresses and qualifications. Programs must be conducted by a qualified instructor whose background, training, education or experience make it appropriate for

the person to lead a discussion on the subject matter of the particular program.

It could be suggested that a Moderator be chosen to conduct the roundtable and/or a panel of qualified practitioners to participate in the discussion. A quick survey could be taken prior to the meeting of subjects of interest so that the discussion could follow a prepared outline.

Roundtables can be very educational and sharing, particularly during tax season, new information and problems is highly recommended. Plan your meetings and take a few extra minutes to plan them with the continuing education rules in mind: OAR 800-015-0010; OAR 800-015-0020; and OAR 800-015-0030.

Editors Note: *Two (2) hours of education on Oregon Revised Statutes OR Oregon Administrative Rules would be an excellent topic for a roundtable discussion.*

2005 Board Administered Examination

Scheduled for: Saturday, December 10th

Where: Winema Place -NW Center
Chemeketa Community College
4061 Winema Place N.E. Bldg #50
Salem, Oregon 97305

Sign-In Time: 9:30 am through 10:30 am

Instructions: 10:30 am through 11:00 am

Examination Begin Time: 11:00 am

Please Note: Exams will be based on **2004** tax law.

Space available at the examination site is limited to 250 candidates. The first 250 individuals to make application and qualify for the examination will be granted a seat at the **December 10, 2005**, board administered examination.

Candidates wishing to take the board examination at the above listed location are required to submit all application materials and fees to the board office no later than: **5:00 p.m. - November 11, 2005**.

Photo Identification will be required at the time of sign-in. Only simple function calculators will be allowed - programmable/tape feed calculators are prohibited. All items brought to the examination must be placed in clear/see through containers and must be revealed to and approved by staff at the time of sign-in. No food items, cell phones or other un-approved electronic devices will be allowed in the examination room(s) and during the examination.

Examination Duration:

Preparer Examination = 5 hours

Consultant Examination = 5 hours

Consultant State Only Examination = 1.5 hours

The Board encourages all examination applicants to gain a copy of the General Information Booklet which is designed to assist candidates in studying and applying for the examination as well as provides candidates with insight on the outlay of the examinations, including a practice test. The updated General Information Booklets were released on September 1, 2005, and can be obtained from our website at: www.oregon.gov/OTPB

For additional information, questions regarding the board examination and/or to obtain application materials please visit our website at: www.oregon.gov/OTPB

Consultant Exam Changes

Change One:

On January 5, 2005, a permanent rule change regarding qualifications to take the consultant examination took effect. The new rule requires an applicant to submit, along with their examination application, verification that they have completed, within a year from submitting application, a minimum of 15 hours of continuing education (CE) in personal income taxation. This requirement is in addition to the existing requirement of receipt of 780 hours of work experience earned during at least two of the last five years.

CE verification submitted with your renewal can also be submitted to qualify for the consultant's examination, provided, it falls under the subject matter of personal income taxation and was completed within one year from the date of making application for the examination.

If you qualified for and took the consultants examination prior to the new rule change and wish to **retake** the examination after the effective date of the new rule, you will need to submit verification that you have completed a minimum of 15 hours of continuing education in personal income taxation in order to retake the examination.

Change Two:

As of August 1, 2005, the consultant examination has been administered as a **one-part / one-score** 180 question examination. This rule change was made permanent as it fosters an increase in a consultant examinee's chances of successful passage of the examination and allows for an increase in the number of consultants able to provide income tax services in Oregon.

The content of the consultant's examination has not changed. The consultant examination continues to test an individual's ability to provide advanced services to consumers concerning their personal income taxes and covers the subject matters of: Federal personal income tax law; Oregon personal income tax law; theory and practice; the provisions of ORS 673.735 and the Code of Professional Conduct.

Please Note: For up-to-date information and to stay informed on upcoming/current proposed rule changes, retain the link above for your reference. The Board of Tax Practitioners is committed to keeping licensees informed and encourages all licensees to provide comment via attendance at scheduled rulemaking hearings and/or by written submission to the board office during the public comment period established for all proposed rule changes. Public comment periods and rulemaking hearings can be viewed on established rulemaking schedules located on our website: www.oregon.gov/OTPB



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2005 Instructor Workshop

by Marilyn Johnston

The Board again provided another great Instructor Workshop. The workshop was held at Winema Place, 4061 Winema Place N.E. – Building #50, Salem, OR on Thursday, August 18, 2005. This year the Board provided the workshop at no cost and lunch was on your own.

The workshop was attended by many Basic Course Instructors. There were also Consultant and Seminar Instructors in attendance for the one day seminar. This was an opportunity for the Instructors to come and talk to the board members and staff to get feedback about the State Board Exams. The workshop provided valuable information to help Instructors prepare to teach the Basic 80-hour Course as well as Continuing Education courses and Seminars.

The workshop included a session facilitated by Donna Gilmour and Marilyn Johnston on “How to Teach Taxes”, which included a section on test taking tips.

Both Donna and Marilyn have been teaching income taxes for many years including Basic Classes, Seminars, and Consultant Classes. This class was taught presenting very practical tips and information on teaching taxes. This session was geared toward the Basic Income Tax Course. We discussed problems and getting students involved in class discussions.

The next session was on “Feedback Skills” with Barb Wasson as the facilitator. Barb’s skills as a teacher are well known. Barb served as the public member on the Board for more than 3 years. She agreed to come back and share some more of her teaching skills. With Barb we learned many skills on getting students to participate in class. She also identified different styles of teaching. Everyone in the class learned something to help them with their teaching skills.

We finished up with a panel discussion and question and answer time with the Board and Staff. There were many questions concerning both the Preparers’ and the Consultants’ examinations. The workshop was very informative.

BOARD MEMBERS Their Terms of Office & Committees in which they serve

Donna Gilmour
Chair, Salem
6/1/02 - 5/31/05
6/1/05 – 5/31/08

Committee:
Administration* – Exam & Education

Merry VanAtta
Vice Chair, Lebanon
6/1/03 - 5/31/06

Committees:
Administration – Exam & Education

D. Sue Church
Bandon
12/1/00 - 11/30/03
12/1/03 - 11/30/06

Committees:
Business Practice* - Complaint

Gerald Zielinski
Salem
3/4/00 - 3/3/03
3/4/03 - 3/2/06

Committees:
Administration – Complaint*

Marilyn Johnston
Central Point
2/1/04 - 1/31/07

Committees:
Business Practice - Exam & Education*

Michael Addington
Bend
3/31/05 – 3/30/08

Committees:
Business Practice - Complaint

Public Member
Vacant

*Committee Chair

Unlicensed Staff What Duties They Can't Perform:

Often the Board receives calls from licensees asking what type of office functions can unlicensed staff perform and still remain in compliance.

Office staff may perform data entry as long as the information does not come from source documents or directly from the consumer's personal income tax return. They may verify the accuracy of the math on the returns. They can and also check that the amounts listed on a document for withholdings, property taxes, and other information has been transferred correctly.

If there is a discrepancy with data on any document, (original or copy) unlicensed staff is not allowed to make any changes and should give the document/data to a licensee to make the correction. Office staff should never use source documents when checking returns for accuracy.

The Board strongly recommends an office procedure be developed that specifically outlines the duties of unlicensed staff and that the procedure is shared with unlicensed staff before they begin working in the office.

The intentions of having unlicensed office staff maybe to help the consumer and avoid delays, but the results of preparing, advising, or assisting in the preparation of personal income tax returns could result in a civil penalty for staff as well as the consultant and owner of the business if the business is not in compliance with Oregon Revised Statutes (ORSs) governing tax practitioners.

If you have any questions please contact Duane M. Hunter, Senior Compliance Specialist, at 503-378-4860 or by e-mail: duane.m.hunter@state.or.us.

Compliance Report

This year several licensees have contacted the Board to alert me that there could be a problem involving possible unlicensed activity. I can be more effective when

licensees contact me as soon as they become aware of someone who is preparing, advising, or assisting in the preparation of personal income taxes for valuable consideration without being licensed. Licensees have been very cooperative in helping me resolve other issues such as return of records and identifying returns that have been prepared incorrectly.

In the upcoming tax season I plan on traveling throughout the State to address compliance concerns. I'm committed to make every effort to shorten the response time when complaints are received at the office. I have found that one of the most effective ways to resolve unlicensed activity is to contact the person in that particular area and speak with them face to face. I also follow up with licensee in the area to address any concerns they might have or to just introduce myself. Often licensees are my eyes and ears and help me become aware of possible compliance issues in their area.

There are two articles posted on the Board's web page that could help business' possibly avoiding identity theft and how to improve office security, along with what type of duties unlicensed staff may perform and still remain in compliance. Please review them on the Board's webpage located at www.oregon.gov/OTPB/news/News_bulletins

Remember it is never too early to prepare your offices for the tax season by making sure current licenses are posted in your office along with a current business registration.

It helps me when contacting licensees if they are in compliance with Oregon Administrative Rule (OAR) 800-010-0041 which requires you to notify the Board immediately of any changes in either their residence or business addresses along with phone numbers. In addition, licensees are required to provide a year round telephone number and address where clients and the Board may contact the licensee.

Have a great tax season and if you have any questions or concerns regarding compliance issues please telephone me at the board office (503) 378-4860 or e-mail me at duane.m.hunter@state.or.us I look forward to seeing you this season.

Board News

THE NEW GUY

By Michael A. Addington, LTC, EA

Hi there, I'm the newest board member and was challenged to write an article on the "positive aspects of being on the board". Oh, I just love a good challenge.

It's been about four months now, and, although I was quite nervous at first, everyone involved has made the transition quite pleasant. The Board and Staff all encourage my participation and respect my opinions. Really, the only negative so far is that I've spread myself a little thin. Many of you know that I'm also the President of the Oregon Society of Enrolled Agents and on top of everything else my tax practice in Bend keeps me hoppin'. Tight schedule and all, as I reflect, even this has a positive twist.

I started my business in 1991 and as with most endeavors it takes a few years to build up confidence. I joined the OSTC and the OATC early on so I could network with my peers. In 1997 I became an EA, joined OrSEA, and in 1998 became a Registered Representative with HD Vest. This year I've been to Washington, DC, Las Vegas and all over Oregon for meetings and education. Before tax season begins, I'll be back to Washington, DC once again and to Portland, Eugene and Salem for more of the same. I enjoy the travel and as an added benefit, I'm getting more comfortable and confident expressing myself at meetings.

You are all very blessed to be preparing taxes in the State of Oregon. I have interacted with tax professionals in Washington, DC from all

over the country and I think they all wish they had a system in their state like we have in Oregon. National Registration is probably on the horizon. However, in the near future I think we will first see other states developing their own versions of licensing and regulation. In my opinion, Oregon's system is the best in the country.

In Oregon, we all work in an industry mostly protected from unscrupulous and unethical fly-by-nights. Other states don't have this luxury. By far the most positive aspect of being on the Board is the realization that the dedicated Board and Staff works very hard to uphold and protect our profession. After all, the Board, except for the public member, is made up of consultants just like you and I. As a consultant in the field I didn't give much thought to our system or the Board. I just grumbled "ho-hum" when I had to pay for education and fees to renew my license. I salute the current and past volunteers and employees for getting us to the current level.

If there is one thing I would like to pass on, it would be for everyone to get involved at some level. A perfect starting point would be to volunteer for a committee assignment with one of the state associations, OATC, OSTC, NATP or OrSEA. I find it very satisfying to give back to my profession by volunteering. It enhances my professionalism and gives me the opportunity to share ideas and make new friends. We all need balance between our family, our spirituality and our work. Volunteering within your field of expertise paves the way for future generations and helps mold the future of our industry.

BOARD OPENING

The Board would like to inform all constituents there is an opening for a public member on the Board. To qualify for this position on the Board per ORS 673.725 (3)(b), you must be a member of the general public. If you know someone who may be interested in applying for this Board opening, please direct them to the Governor's website at www.oregon.gov. Once on the front page, click on "Governor's office". Once there, click on the left side where it says "Boards and Commissions". Scroll down on this page to the section that explains how to apply. The Board encourages all tax consultants to promote application for this opening. The Board meets approximately 17 days per year. Board members are paid expenses, including meals, mileage and lodging, plus a \$30.00 stipend for each day worked. Each term is for three years with a maximum of three terms served. If you have any questions, please contact the board office at (503) 378-4034.

2005 SB/SE Tax Professionals Base Survey

The 2005 SB/SE Tax Professionals Base survey is expected to begin on October 17, 2005. Letters inviting participants are in the process of being mailed now. The survey will be conducted via a telephone interview and the caller will identify themselves as a member of Pacific Market Research. Pacific Market Research is the vendor who is conducting the survey. Please disseminate this information to your association members. For questions regarding the survey, please contact Brian Wozniak, Senior Stakeholder Liaison, IRS SB/SE CLD SL by phone at (503) 326-3343 or by e-mail at Brian.Wozniak@irs.gov

IRS Change: Hogue to Wozniak

Recent e-mail from IRS advises that Brian Wozniak, Senior Tax Specialist, will serve as the primary point of contact to the tax community. Brian replaces Steven Hogue (Eugene) who has been the IRS liaison to associations and the Tax Board.

Brian is located in the Portland office and can be reached by telephone at: (503) 326-3343, fax at: (503) 326-5957 or e-mail at: brian.wozniak@irs.gov

This is the important link to education provided by the IRS. Requests should no longer be directed to Steve Hogue in Eugene, but instead to Brian Wozniak in Portland. For education available contact Brian.

For **Tax Talk Today** broadcasts and detailed information regarding offerings go to the following link: <http://www.taxtalktoday.tv/viewpage.cfm?pgname=8.746&pro=65>

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Permanent Rules Effective September 1, 2005...

The following permanent rules were filed and became effective on September 1, 2005:

Rules Adopted: 800-020-0022 – Examination Conduct; Disqualification

Rules Amend: 800-001-0005; 800-010-0015; 800-010-0025; 800-015-0005; 800-015-0010; 800-020-0015; 800-020-0020; 800-020-0025; 800-020-0030; 800-025-0010; 800-025-0020; 800-025-0025; 800-025-0027; 800-025-0030; 800-025-0040; 800-025-0060; 800-030-0025; 800-030-0035

Details regarding the permanent adoption and amendment of these OARs can be viewed via the following URL:

http://egov.oregon.gov/OTPB/oregon_administrative_rulemaking.shtm

As with all Oregon Administrative Rule filings a hearing date and request for public comment period was established. The hearing took place on **July 22, 2005, at 9:00 a.m.** in the large conference room located at the board office.

The permanent **adoption** of OAR 800-020-0022 – Examination Conduct; Disqualification was to provide the Board of Tax Practitioners guidance and recourse when handling disciplinary actions pertaining to an applicants conduct during an examination.

The permanent **amendments** to the OARs stem from Ad-hoc Rules Committee and Board staff recommendations and were for general “housekeeping” & “maintenance” as well as to change language to better reflect the “norm” in industry standards and the practices of other state agencies.

2005 Examination Work Session – Update & Outcome...

The Board is committed to the further development of avenues and making adjustments to procedures for improvement in all areas of the examination process. Over the last year, the Board has made several changes to the examination process, including but not limited to:

- Establishing a better rapport with sponsors through improved communication.
- Administration of a one-part/one-score consultant’s examination which took effect on August 1, 2005.
- Permanent Oregon Administrative Rule (OAR) changes to the qualifications required to sit for the consultant’s examination.

Additional improvements to the examination process were established during the 2005 Examination Work Session. The improvements made are as follows:

- Addition of a reference guide to the examination materials provided to examination candidates for both the consultant’s and preparer examinations.

Comparison of the basic course curriculum to the Boards’ examination index/outline and item bank questions. This comparison revealed areas that examination candidates are tested on which sponsors *may* wish to expand on in their curriculums for the benefit of their students who will be taking the Tax Board examinations.

Your Comments are Valued...

Licensees are always encouraged to provide public comment during the established public comment period and to check the Boards website **frequently** for updates on any proposed Oregon Administrative Rule (OAR) changes: www.oregon.gov/OTPB

As the Board reviews and takes into consideration all comments submitted during the public comment period established for all OAR proposed changes, it is very important that licensees forward any comments concerning rule changes they may have. The public comment period is your only opportunity to voice your opinion(s) either **for** or **against** any proposed OAR changes before they become permanent. If no public comment is made, a proposed rule change that will affect your industry *may* become permanent. Once permanent, the rule making process would need to begin again in order for any changes to take place. In the mean-time the industry would need to abide by any current OARs filed.

Comments regarding proposed rulemaking may either be submitted verbally or in writing at an established rulemaking hearing **OR** submitted to the board office in writing by mail at: 3218 Pringle Road SE #120, Salem, Oregon 97302; e-mail at: tax.bd@state.or.us prior to the close date/time for public comment. The Notice of Proposed Rulemaking Hearing which will be listed on the Board’s website: www.oregon.gov/OTPB will provide a date/time in which a public comment period will close.

So, check the Board’s website (oregon.gov/OTPB) often for updates on rulemaking and voice your opinions whether **for** or **against** any proposed changes during the public comment period. Your comments are very much appreciated by the Board and Staff.

Are You Signing Your Federal Tax Returns Correctly?

During the November 2004 Compliance Committee meeting, there was a discussion revolving around whether a licensee should be including his/her state license number on the federal returns as well as the state returns he/she prepares. OAR 800-010-0040 Identification (2) states: *“Where the licensee’s signature appears on the tax return, there shall be included the state license number of the consultant responsible for the preparation and the state license number of the individual preparing the return.”* While all of our licensees have been including their state license number in the space provided on the state tax returns, many have not been including their number on the federal tax returns. The Compliance Committee has decided to launch a campaign to educate our licensees in this area.

If you follow a strict interpretation of OAR 800-010-0040 (2), a licensee’s number should be included on both the federal and state tax returns. It is recommended that, if you are not already doing so, you begin including your state license number on the federal tax returns you prepare as well as the state tax returns.

The minimum civil penalty range for a violation of this rule is fifty dollars (\$50) each violation. Ouch!

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PAID ADVERTISEMENT

Alternative Methods of Signing for Income Tax Returns Prepared

At the October 2004 board meeting, the Board adopted IRS Notice 2004-54, Alternative Methods of Signing for Income Tax Return Preparers, as our guideline for accepted signatures. The Board will permit our licensees to sign original returns, amended returns, or requests for extensions by rubber stamp, mechanical device, or computer software program.

There has been some confusion about using PIN numbers. That is an electronic filing procedure and not a part of this discussion.

Remember, if you use one of these alternative methods, you are still personally responsible for affixing your signature to the qualifying documents.

At the November 2004 board meeting, it came to our attention that the IRS would be accepting a printed name as an acceptable signature under this notice. After some discussion, the Board decided to limit our interpretation of an accepted signature because of concerns that a printed name could so easily be used without authorization. At the January 2005 board meeting, we had still another discussion revolving around this issue. The Oregon Department of Revenue will be accepting a printed name as an acceptable signature and they are asking us to join them in that interpretation. The Board has some real concerns about misuse of this privilege. However, the Board will be recognizing a printed (typed) name as an accepted signature.

Paid Advertisement:

Place Your Paid Advertisement Here!!!
 (See Article on Pg 13 for ad sizes/fee schedule)

Service List Development

The board office is currently in the process of establishing a service list to update licensee's of any current events or updates to information or items that may affect industry practices. The service list will allow the agency to communicate with licensees that have supplied their e-mail addresses to the board office.

It is very important to supply and register your current e-mail address with the board office so that you will be notified of any pertinent information. To register your current e-mail address, please go to the following Internet link and you will be directed to the forms page of the Board's website: <http://egov.oregon.gov/OTPB/Forms.shtml> . You will need to download the Address Change Form and either fax or mail the completed form to the board office.

The implementation of this service list is a step forward for the Board in providing quality customer service to our licensee's and constituents. The service list will be used to send; press releases, rulemaking updates/schedules, notices of proposed hearings as well as permanent rule changes among other important updates.

Web Update...

The following website items have recently been updated:

- 2005/06 General Information Booklet
- 2005/06 List of College Proctors / Fee's
- 2005/06 Correspondence Course Approvals
- 2005/06 Basic Course Sponsors

Licensees are encouraged to check the Boards website frequently for any changes: www.oregon.gov/OTPB

If you have any comments and/or would like to see additional information listed on the site, please contact the board office by phone at: (503) 378-4034 or e-mail your inquiry to: tax.bd@state.or.us.

The Board welcomes your input in the continuous development of the web site.

Paid Ads in the Board Bulletin...

If you would like to place an advertisement, either for help-wanted, or something else related to the tax field in the Board bulletin, we welcome the opportunity to serve you. Below is a list of the fee schedule:

- \$10 per 3-3/8 inch line or part line of copy
- \$50 for a business card size ad
- \$100 for a quarter-page ad
- \$180 for a half-page ad
- \$350 for a full page ad

Please note: Submissions of articles and/or paid advertisements must be received forty-five (45) days prior to release date.

If you have any questions and/or would like to place an advertisement in the next Board bulletin, Give us a call at 503-378-4034, or e-mail us at tax.bd@state.or.us.

Newsletter Schedule

Newsletters will be prepared and released annually on the following dates:

June 30th
October 31st

If you would like to see articles concerning certain topics and/or updates included within our newsletters please contact the board office at (503) 378-4034.

EXAMINATION PASS RATES

Exams Taken Between 6/1/2005 and 9/30/2005 - Includes College Proctored & Board Admin. Exams

Overall

Exam Part	# Took Exam	Passed	Failed	Pass Rate
Preparer	15	2	13	13%
Consultant Exam (One Part – Beginning 8/1/05)	5	0	5	0%
Consultant Part A	19	6	13	32%
Consultant Part B	21	3	18	14%
Consultant State Only	10	6	4	60%
Total Consultant Exams - All Parts	55	15	40	27%
Total Consultant Examinees	36	11	25	31%

First Timers

Exam Part	# Took Exam	Passed	Failed	Pass Rate
Preparer	2	1	1	50%
Consultant Exam (One Part – Beginning 8/1/05)	5	0	5	0%
Consultant Part A	5	1	4	20%
Consultant Part B	5	0	5	0%
Consultant State Only	8	5	3	63%
Total Consultant Exams - All Parts	23	6	17	26%
Total Consultant Examinees	12	5	7	42%

Retakes

Exam Part	# Took Exam	Passed	Failed	Pass Rate
Preparer	13	1	12	8%
Consultant Exam (One Part – Beginning 8/1/05)	N/A	N/A	N/A	N/A
Consultant Part A	14	5	9	36%
Consultant Part B	16	3	13	19%
Consultant State Only	2	1	1	50%
Total Consultant Exams - All Parts	32	9	23	28%
Total Consultant Examinees	24	8	16	33%

Non-accepted Continuing Education (Seminars):

This list is NOT a complete list of non-accepted courses – It has been established only as a guide to assist licensees in choosing acceptable continuing education courses.

Sponsor Name	Course Title	Hours Denied
American Society of Tax Problem Solvers	Advanced Tax Problem Resolution Workshop (16 hrs Taxation accepted)	5 hrs. Management
Amer Soc of Tax Problem Solvers	Perfect Administrative Assistant Course	15
C.P.A. Credit	Transition Planning for the Family Owned Business	1
C.P.A. Credit	Long Term Care Insurance	1
C.P.A. Credit	New Health Care Opts 4 Emp: Consumer Driven Health Plans	1
CompuMaster	Discovering the Secrets of Microsoft Access	12
Intuit	Lacerte: Annual Update Seminar in Eugene, Oregon	4
ProSystem fx Engagement	Customer Training	16
Thomson / RIA	Checkpoint Getting Started	2
Top Murphy & Co LLP	MS Outlook Training	1

Non-approved Continuing Education (Correspondence/Self-Study):

Please refer to the website for the list of 2005/2006 approved correspondence courses: www.oregon.gov/OTPB

State Board of Tax Practitioners
3218 Pringle Road SE, Suite 120
Salem, OR 97302

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