

Oregon State Board of Tax Practitioners

Board Meeting Minutes

Meeting Date: September 4, 2008

Time: 9:00 a.m. – 2:15 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: Nancy Hubbard, OSTC
 Judith Wilkins, OATC
 Susan Parks, OAIA
 Mamie Carter, Jackson Hewitt

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 9:00 a.m.	
Roll called.	Board members present: Hudson, VanAtta, Salisbury, Gutierrez, Ellsworth, Twombly and Johnston.
Approval of meeting minutes.	<p>Motion: VanAtta made a motion to approve the May 8, 2008 Board meeting minutes as reviewed by the Board. Motion passed. Ayes: Ellsworth, Gutierrez, Salisbury, Hudson, VanAtta, Twombly and Johnston.</p> <p>Motion: VanAtta made a motion to approve the July 10, 2008 Board meeting minutes as reviewed by the Board. Motion passed. Ayes: Twombly, Gutierrez, Hudson, Ellsworth, VanAtta, Salisbury and Johnston.</p> <p>Board meeting minutes are located on the Tax Board Web site at: http://www.oregon.gov/OTPB/Meeting_Minutes.shtml</p>
Administration Report	
Budget reported by Ron Wagner.	<p>July financial reports were not available at this time. Total revenues for the biennium \$512,733. Expenses were at \$448,048, with revenues exceeding expenses of \$68,685. Cash balance \$386,387.</p> <p>Expenses are normal other than an unemployment charge of \$6,019 for the quarter. Some years back a decision was made that the Tax Board would pay the claims as they arrived. The Board has paid \$2,800 and \$6,019 for the first two quarters. "Other</p>

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	<p>services and supplies” noted on the handouts were described as DAS (Department of Administrative Services) assessments. The income listed in month 13 of \$168,122, Wagner will look into, as he is already finding out what is included under each heading on the report. He will also check into what the flexible benefit is as well.</p> <p>Ellsworth asked about fee increases. By rule the Board has the right to increase when necessary.</p>
Agency Request Budget	<p>The preliminary Agency Request Budget needed to be in to DAS by September 1, 2008. Wagner passed out copies for the Board members. This is not drastically different from previous years. Our accountant, Suzanne Primm, has projected numbers for the next biennium. There are no unexpected red flags or changes.</p>
Key Performance Measures Affirmative Action Plan	<p>There are six. Five have been tracked by the Board for years, and the new one on best practices was added by the Legislature. There are 15 best practices to be reported on by all agencies in the state. Wagner reports that all 15 have been accomplished. These will be replacing old records posted on the Web.</p> <p>Affirmative Action Plan was also due on September 1, 2008.</p>
Shortage of Licensed Preparers	<p>Wagner has been working with licensees in the industry as well as with the media to try to get the news out about the lack of preparers and to get people to look at becoming licensed. Although willing to assist, he believes that the push for licensure needs to come from the industry rather than the Board, as the Board has a consumer protection focus. Wagner shared a story that was on the front page of the business section of the Oregonian. Gutierrez suggested the Board be more proactive and do more than just press releases, to reach some of the out lying areas. He also suggested a protection campaign be run to raise awareness as the season begins. Ellsworth volunteered to work with April Gutierrez to promote this and develop contacts to write stories. It was also suggested to add an option to contact the Board for more interesting stories at the bottom of the press releases.</p>
IRS Tax Forum, Las Vegas	<p>Wagner reported it was a great time and a busy schedule with 4,700 attendees. Maryland folks just set up a licensing program which will take effect in tax year 2010. Wagner spoke with representatives from California and learned some more about their program. There was a lack of questions about national licensing.</p>
National Licensing	<p>Ellsworth was concerned that it seems too complex of a networking effort for the IRS, and that most people would write it off as something that is not going to happen. Michael Addington sent an e-mail with the beginning of his position paper, and he will have a finished version by November. Johnston feels that with the</p>

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	<p>election, we won't see anything on national licensing until next year, and then it will take time and not happen instantly. Wagner reported that people are misreading what is written in the Kiplinger Tax Letter article about the bill already having passed.</p>
Board Member Training	<p>The training is scheduled for September 9th from 8-12. There will be three members attending, Dorothy Hudson, Jess Gutierrez and Janis Salisbury.</p>
SQL (Structured Query Language) Serve Program	<p>Wagner spoke with IT folks and this will be our next priority to get done. The project needs to go out for bid since it was scheduled for this biennium.</p>
Licensee Luncheon	
<p>November 5, 2008 Hood River, Oregon</p>	<p>The agenda is being developed for this. The tradition is to break from 11:30 a.m. to 1:30 p.m. with the lunch first and the hour of CE after.</p> <p>It was recommended to give committee updates of 5-10 minutes.</p> <ul style="list-style-type: none"> • Wagner – Introductions/Concerns • Johnston – Administration Committee • Gutierrez – Business Practices Committee • Hudson – Posting Fees/Offering Discounts • VanAtta – Complaint Committee • Twombly – Education Committee • Salisbury – Renewal Attestation Process/Auditing • Question/Answer Discussion - Roundtable • Ellsworth – Handout/What's the 1040 All About? <p>There was a discussion about which counties should be invited for the lunch, and it was decided to include all counties in Oregon.</p> <p>There will be a separate area for the lunch with a set up of round tables, but conference style set up for the Board meeting with a head table.</p>
Licensing Report	
Statistics reported by Marika Dwyer.	<p>There has been a significant increase in the number of consultants, but a decrease in initial preparers. There is an increase in business registrations. The numbers may be misleading because of the timing of processing renewals.</p>
Board Meeting Break 10:21 a.m.-10:31 a.m.	
Exam and Education Report	
Reported by Jane Billings.	<p>The preparer's exam development process is complete and the new exam was released on September 1, 2008. On August 15th four volunteer test takers and the exam consultant worked on completing the process. The suggested changes were minimal. The General Information Booklet has been updated and posted on the</p>

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	<p>Web site. The 2008 Board administered exam and the Basic Course sponsors have also been updated and posted on the Web. Billings asked for volunteers to assist as proctors for the exam on Saturday, December 13, 2008 at Chemeketa Winema Place. Walker will e-mail Board roster. Once the Oregon Revised Statutes are updated, copies will be provided to the Board members.</p> <p>Proctor site renewals have been sent out. To date thirteen sites have responded positively.</p> <p>The Rules Advisory Committee will meet on September 15, 2008. VanAtta will attend as a member of the public.</p> <p>Continuing education evaluations Johnston reviewed a course called Valuation of Real Estate, requesting two hours of CPE. She did not give any credit because she felt it was a course for appraisers.</p> <p>CE materials from Drake, Client Whys, Tax Materials, CA Federal Differences, Jackson Hewitt were handed out to be reviewed by Board members.</p> <p>Motion: Twombly made a motion to accept the continuing education hours as recommended by the Board reviewers. Motion passed. Ayes: Gutierrez, Salisbury, Ellsworth, Hudson, VanAtta, Twombly, and Johnston.</p> <p>Use of ProMetric for consultant exams was discussed.</p> <p>There will be an Exam & Education Committee meeting on 11/04/08 at 7:00 p.m.</p>
<p>Executive Session 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 11:01 a.m.-11:45 a.m.</p>	
<p>Lunch</p>	
<p>Johnston reconvened the Board meeting at 12:45 p.m.</p>	
<p>Compliance Report</p>	
<p>Reported by Monica J. Walker.</p>	<p>There are currently thirty-one open cases. Twenty are pending further investigation, twelve new complaints, five existing complaints, and three responses received to record inquiries.</p> <p>Five cases are pending additional information, one pending a fully executed settlement agreement, two pending responses to record inquiry, and two have requested hearings and possible settlement, and one notice of intent drafted to deny licensure.</p> <p>There was one closed case for failure to register business and</p>

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	unlicensed activity. Five cases were mediated, one regarded errors on returns, and four regarded return of records.
Waiver Requests	
Sally Rainey	Motion: Twombly moved that the Board grant the waiver. Motion passed. Ayes: Ellsworth, Hudson, VanAtta, Gutierrez, Salisbury, Twombly and Johnston.
Public Comment	
Susan Parks, OAIA	She would like Board to entertain the possibility of holding the Complaint and Exam & Education Committee meetings at different times on 11/04/08 so that the public could attend both.
Other Business	
VanAtta reported on the Complaint Committee Recommendations	<p>A licensee had a minor violation, took corrective action right away, and the public was not harmed. The Committee felt they wanted to “educate into compliance” rather than have a monetary penalty as the rule requires. They would like to ask that the Rules Advisory Committee look at changing the wording in rule 800-030-0025(1) from “shall” to “may.”</p> <p>The Committee also felt in the Civil Penalty Matrix, the first and second groupings should remain the same, but in the third and fourth groups the minimum would be at the discretion of the Board, either a monetary penalty or a letter of reprimand. Gabliks said that a civil penalty cannot be a letter or a zero dollar amount, and discussed the pros and cons of the proposed changes, as well as how a policy might be problematic. The Rules Advisory Committee will determine the amount.</p> <p>In addition, the Committee would like to establish a policy to use as a guideline, to recognize and encourage cooperation. And to also bring in the idea of first offense and subsequent offenses, and different levels of penalty as with the Health Licensing Office.</p> <p>The Complaint Committee will not be meeting to discuss policy on November 4, 2008, which resolves the public comment issue.</p>
Designated Consultant’s License Number	It was considered to have advertising include the designated consultant’s license number, but the national ad campaigns would have trouble doing this. The Board will encourage this for those who can include the license number, and Hudson will write an article on this for the Tax Board Bulletin Newsletter.
Tax Board Bulletin Newsletter	<p>Newsletter articles need to be turned in to Dwyer by October 15, 2008. Included will be the standard columns from the staff.</p> <ul style="list-style-type: none"> • Johnston – Message from the Board Chair • Hudson – Including License Number in Advertising • VanAtta – Complaint Committee

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	<ul style="list-style-type: none">• Twombly – Outreach Meeting• Salisbury – Renewal Attestation Process/Auditing
Adjournment	
Johnston adjourned the Board meeting at 2:15 p.m.	

Next meeting:

November 5, 2008
Hood River Inn
Hood River, Oregon