

Oregon State Board of Tax Practitioners

Board Meeting Minutes

Meeting Date: November 5, 2009

Time: 9:08 a.m. – 3:55 p.m.

Location: Morrow Crane Building, Salem, Oregon

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

Guests: Nancy Hubbard, OSTC
 Judith Wilkins, OATC
 Eric D. Smith, DOR
 Kelly M. Gabliks, DOJ

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

ITEM	ACTION / DISCUSSION
Twombly called the meeting to order at 9:08 a.m.	
Roll called	Board members present: Hudson, Johnston, Ellsworth, Gutierrez, Salisbury, and Twombly. VanAtta excused. Twombly reminded attendees of Board meeting protocol.
Approval of meeting minutes	The minutes for September 23 rd will be approved at the next Board meeting. Board meeting minutes are located on the Tax Board Web site at: http://www.oregon.gov/OTPB/Meeting_Minutes.shtml
Administration Report	
Budget reported by Ron Wagner	BRIO reports were included in the Board binders that covered the actual and projected revenues through the biennium. The ending balance as of 06/30/09 is \$634,580. There was an ending balance as of 09/30/09 of \$603,098. There was a large charge in August for the Department of Administrative Services (DAS) assessment. Board expenses are where expected to be. In September Wagner completed the process to hire an intern. Amit Mehta was hired to work on the communication plan. He has been coming in a couple days a week for about four weeks now.
Outreach and Communication Reported by Amit Mehta	Mehta described the three phases of the communication plan. Phase 1 – Research to understand what the need is. A structured questionnaire will be sent to a random list of 1000 taxpayers, focusing on “what is the need?” and “what is the concern?” in regards to tax. There will be three focus groups of 10-12 people, including those who use professional help, those who do not, and one group will be consultants themselves.

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	<p>Phase 2 – Analysis of the information gained from the questionnaire and the focus groups. Based on findings here, a communication plan is developed for the target audiences.</p> <p>Phase 3 – Prepare the communication plan. During the time while waiting for the questionnaire to be returned (two weeks), Mehta’s plan is to jump into social media – Facebook, Twitter, Linked In, etc., with real time questionnaires. Having interviews during lunchtime in downtown Portland with some kind of incentive would also give some real time feedback.</p> <p>Gutierrez questioned how the Board could elicit a response with the questionnaire, and suggested partnering with the Department of Consumer Affairs. Mehta responded that first the questions are being developed and later the introduction will be created. He has also corresponded with CTEC, the California Tax Education Council. Wagner is looking to check awareness now and possibly every two years in the future to measure progress.</p>
Computer Issues	<p>Wagner explained that DAS had things rewired, and that this should have been done years ago. Now the staff is keeping stats individually to see how long connectivity takes.</p> <p>The fax machine wasn’t working during the crucial time at the end of the preparer renewal grace period. This caused problems and delays in combination with the mandatory furlough day and the weekend.</p>
Board Meeting Break 9:41 a.m.-9:47 a.m.	
Administrative Rules	
Reported by Jane Billings	<p>Billings hoped that Board members had time to review the proposed changes, and is planning to get the hearing notice out this week. The Board reviewed and discussed changes and amendments suggested by the Rules Advisory Committee.</p>
Board Meeting Break 10:50 a.m.-10:55 a.m.	
<p>Pilot Project Reported by Eric Smith Oregon Department of Revenue (DOR)</p>	<p>Smith shared that House Bill 3082 authorizes the DOR to work with up to three different licensing boards to require tax compliance for licensees prior to renewing their licenses. Because of lack of time this pilot program will look at personal income taxes only for those renewing a license. Renewing licensees can be made aware of compliance well in advance of the renewal. Tax compliance is described as filing your prior three years tax returns as well as being on an approved payment plan with DOR. Because they realize that boards have limited resources they are trying to have minimal impact.</p> <p>The process is simple. DOR gets information from a board about licensees, and then does a baseline compliance check. Then each licensee will get information about what is required well before the renewing timelines. Then within three weeks of receiving this information, those who are not in compliance will get a separate letter.</p> <p>Motion: Hudson made a motion that the Board agree to participate in the HB 3082 pilot program partnering with DOR. Motion passed. Ayes: Salisbury, Gutierrez,</p>

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	Hudson, Ellsworth, Johnston, and Twombly.
Board Meeting Break 11:45 a.m.-11:50 a.m.	
Licensing Report	
Reported by Marika Dwyer	Dwyer provided a handout to illustrate the trend in licensing with a comparison report including last year's and current statistics. There was an increase in the number of preparer licenses, and that is most likely due to the fact that staff are more caught up on processing compared to last year. There were a few more new preparers and consultants, less consultants in lapsed status, less retired consultants, and more preparers in lapsed and inactive status.
Lunch 11:55 a.m. Twombly reconvened the Board meeting at 12:25 p.m.	
Administrative Rules	
Rule Review	The Board continued to review and discuss changes to the rules and suggestions of the Rules Advisory Committee. There was also discussion about using background checks.
Public Comment	
Nancy Hubbard, OSTC	Hubbard feels there is a lot of confusion about discounts being defined, what is classified as advertising, word of mouth, referrals, and newsletter discounts. She feels it's best to make things simple and just post the basic fees. The Board clarified that advertising in the rule means any form of printed, broadcast, or electronic advertising.
Completed Rules Review	Motion: Hudson moved that the Board accept the changes as amended during the meeting today. Motion passed. Ayes: Hudson, Ellsworth, Gutierrez, Salisbury, Johnston, and Twombly. 2009 Oregon Administrative Rulemaking based on Rules Advisory Committee Recommendations is located on the Tax Board Web site at: http://www.oregon.gov/OTPB/oregon_administrative_rulemaking.shtml
Board Meeting Break 1:50 p.m.-1:58 p.m.	
Exam and Education Report	
Reported by Jane Billings	Billings provided the Board with the most recent monthly statistics for the exams. Exam applications are coming in steadily. She has contacted a number of people to help proctor the Board administered exam on Saturday, December 12, 2009. Twombly, VanAtta, and Salisbury will participate. Ellsworth is unsure if she can attend. Ellsworth voiced concern about the low passing rate, especially with the open book exam. All agreed we will have better statistics to review after the Board administered exam. The continuing education audit for the consultants is almost complete. Billings is just waiting for three more.

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	<p>Billings completed two more additional proctor site visits. She was impressed with the organization staff at these sites.</p> <p>Three CCH continuing education evaluations were given out to Board members for review.</p> <p>Billings received correspondence from a student that had not received his certificate of completion from Hera's Income Tax School. Upon contact with sponsor, the situation was remedied quickly and graciously.</p>
<p>Executive Session <small>To discuss information exempt from public disclosure under ORS 673.730(3). Pursuant to 192.660(2)(f). This Executive Session is closed to members of the public.</small></p>	
<p>Executive Session 2:10 p.m.-3:35 p.m.</p>	
<p>Compliance Report</p>	
<p>Reported by Monica J. Walker</p>	<p>Walker reported on 21 cases: 11 open cases, two being forwarded to DOR for collection, two notices of intent, two cases needing Board action, and four complaints closed.</p>
<p>Settlement Agreements & Stipulated Final Orders</p>	
<p>Douglas A. Everson, Sr., Salem, OR</p>	<p>Motion: Salisbury moved that the Board enter into a Settlement Agreement and Stipulated Final Order with Douglas A. Everson Sr. of Salem, Oregon to assess civil penalties in the amount of \$5,100 for violations of the provisions of Oregon Revised Statute 673.605 through 673.740 and the Oregon Administrative Rules adopted thereunder pursuant to 673.700(1)(7) & 673.735(1). Motion passed. Ayes: Hudson, Gutierrez, Johnston, Ellsworth, Salisbury, and Twombly.</p>
<p>Francis D. Wilson, Cottage Grove, OR</p>	<p>Motion: Salisbury moved that the Board enter into a Settlement Agreement and Stipulated Final Order with Francis Daniel Wilson of Cottage Grove, Oregon to assess a civil penalty in the amount of \$8,500 and retract the Boards intent to revoke preparer license #70147-P for repeated violations of the provisions of Oregon Revised Statute 673.605 through 673.740 and the Oregon Administrative Rules adopted thereunder pursuant to 673.700(1)(7) & 673.735(1). Motion passed. Ayes: Johnston, Ellsworth, Hudson, Gutierrez, Salisbury, and Twombly.</p>
<p>Waiver Requests</p>	
<p>Leroy Pittman, Gresham, OR</p>	<p>Motion: Salisbury moved to deny Leroy Pittman's waiver request to become a licensed tax preparer. Motion passed. Ayes: Gutierrez, Ellsworth, Hudson, Johnston, Salisbury, and Twombly.</p>
<p>William G. Reid, Grande Ronde, OR</p>	<p>Motion: Gutierrez moved to approve William G. Reid's waiver request to become a licensed tax preparer. Motion passed. Ayes: Johnston, Gutierrez, Salisbury, Hudson, and Twombly. Nays: Ellsworth.</p>
<p>Annual Calendar</p>	
	<p>The next Board meeting will be January 7, 2010, in Salem. May 11-12 work session for the consultant exam, and Board meeting on the 13th. July 27-28 we will have the work session for the preparer exam, and then the Board meeting on the 29th. September 23rd will be the Board outreach meeting, where will be determined in</p>

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	January. The next two Board meetings will be on the November 4, 2010 and January 6, 2011. The Board administered exam will be on December 11, 2010.
Other Business	
New Board Member	Ellsworth inquired as to the status on filling the Board member position. Wagner has an appointment to meet with the Governor's office to discuss this.
Newsletter Articles	Ellsworth wanted to verify what articles were assigned to Board members.
Adjournment	
Twombly adjourned the Board meeting at 3.55 p.m.	

Next meeting:

January 7, 2010

Morrow Crane Building, Salem, Oregon