

TAX BOARD BULLETIN

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June 2005

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Words from the Chair:

It has been a busy six months as it can always be when the Legislature is in session. It has been a year of learning for me, exciting to participate in budget sessions with Ron and very gratifying to lead this busy Board in many different aspects. We have not been idle.

We have just completed a 4-day session spending two days working on the Consultant examination before a day of committee meetings and the scheduled Board meeting day. In July we will go through the same process working on the Preparer examination.

In October we will travel to Grants Pass for our 2005 Outreach Board meeting and committee meetings. This brings your Board and its activities closer to your community and gives all practitioners an opportunity to participate.

WATCH THE WEB SITE - www.oregon.gov/OTPB

As a budget-saving move, we have reduced the Tax Board Bulletin to only two issues per year. We want to keep in touch with YOU 24/7 and we can only do this if you will practice the habit of tuning into the website. Current events, proposed rule changes, new board members, examination changes & updates, reports from the Compliance Specialist...all items of interest and concern to you, but you have to push the buttons to get the news.

The Instructor's Workshop (see other articles) is on the agenda for August. I think all instructors; basic, seminar speakers, and continuing education teachers will find this day of instruction helpful. Plan to attend and learn "How to Teach Taxes".

It's been a good year. We have resolved many issues in many different areas and moved forward. We have plans for another fulfilling year to come. Participate with us. Visit a board meeting or a day of committee meetings. Express your opinions during public comment time on the issues that interest you in your practice or as a tax employee. We welcome YOU.

Board of Tax Practitioners

3218 SE Pringle Road #120, Salem, Oregon 97302

2005 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
January 20 th & 21 st 9:00 a.m.	Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome
May 10 th & 11 th <hr/> May 12 th & 13 th 9:00 a.m.	Work Sessions <hr/> Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome
July 12 th & 13 th <hr/> July 14 th & 15 th 9:00 a.m.	Work Sessions <hr/> Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome
August 16 th & 17 th 9:00 a.m. August 18 th	Board & Committee Meetings <hr/> Instructors Workshop	Salem Morrow Crane Building Winema Place Salem, Oregon	Public Welcome <hr/> Must register to attend
October 19 th & 20 th 9:00 a.m.	Board & Committee Meetings	Grants Pass <hr/> Location to be Announced	Public Welcome
December 10 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 11, 2005.
January 19 th & 20 th "2006" 9:00 a.m.	Board & Committee Meetings	Salem Morrow Crane Building	Public Welcome

* Refer to meeting notice for the time and location: www.oregon.gov/OTPB

** 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

We are completing another biennium and the Board is facing many changes. The Board this past year retired Cheryl Brown from the Board after more than nine years service. Cheryl made numerous contributions to the Board, including many to the examination and education programs. Cheryl's contributions and experience will be missed. The Board has welcomed Michael Addington to the Board as her replacement. The Board is losing Barbara Wasson as the public member. Barb has served on the Board since November of 2001. She has been responsible for many improvements to our examinations as well as all of her other contributions. Barb will be missed.

The Agency submitted its 2005-2007 biennial budget. The Budget is still in the legislative process. This next biennium, the Board is not asking for any fee increases. The agency will operate within its current revenues. The agency has made a large effort to reduce its expenditures to prevent a fee increase this next biennium. The agency however, is predicting in the 2007-2009 biennium, needing a fee increase to fund its programs.

Many of you have heard of a national effort for tax professional registration. The Office of Professional Responsibility for the Internal Revenue Service is attempting to pass legislation that would require all tax professionals to register with their office. Certified Public Accountants, Public Accountants and Enrolled Agents would be exempt from this registration. This is an effort by the federal government to prevent unprofessional tax preparation throughout the country. I would encourage all the licensees to read and comment to their Senators and Congressman or Congresswoman on Senate Bill 832.

I want to encourage all the licensees to use the agency's website; www.oregon.gov/OTPB. This website will be your lifeline to the agency and the Board. The website includes all forms needed for renewal, registration of businesses, applications for examinations and all other information or forms you might need. The agency has made this information and forms available on our site for your convenience. You have immediate access to the agency 24 hours per day. I especially encourage everyone to look at the administrative rules portion of the website. This section will keep you informed of any changes to the administrative rules. It also explains how you can make public comments on the rule changes.

I have just returned from the IRS Nationwide Tax Forum in San Francisco. The IRS afforded the agency an opportunity to speak about Oregon's licensing program at the forum. I also spent several days, at the Agency's booth, talking with tax practitioners from throughout the country. The interest in Oregon's licensing program is at an all time high. Practitioners and states are realizing the need for regulation on tax professionals. The future of our agency looks bright, with the country looking towards Oregon for a model of licensing.

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

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.

Compliance Update

We have seen an increase in reports from licensee's regarding possible unlicensed activity. The ability to resolve unlicensed tax preparation successfully is greatly increased if we are able to contact the individual during the tax season. The Board will continue to post the final notices that have resulted from violations on the Boards web page and would encourage you to go to our website at www.oregon.gov/OTPB

We have had two hearings since the last news letter. The first hearing was held in March and involved unlicensed activity when preparing amended returns for the last three years as well as preparing current year returns. Sharon Bartu would change the consumer's returns to self employed instead of being a wage earner which resulted in a much larger refund for the client. Sharon Bartu cost her clients thousands of dollars in penalties and interest along with having to pay back their refund.

A second hearing was held in April regarding John Fuller who prepared 1,333 personal income tax returns while being unlicensed over a period of two years in Yamhill County. The Board was able to notify the consumers in Yamhill, County by issuing a press release encouraging all taxpayers to use a licensed tax professional. An article was published in the local paper and resulted in the Board receiving many calls from consumers. The Board will continue to use press releases as a tool to notify consumers of unlicensed activity in their area.

This season I was able to investigate violations in Ontario involving unlicensed persons coming to Oregon from Idaho to prepare personal income taxes for compensation. An unlicensed person outside the State of Oregon may prepare returns in their state but they are not allowed to solicit or advertise in Oregon without first being licensed.

I would like to once again urge you to contact me if you have concerns or questions. I am available at (503)378-4860 or e-mail at duane.m.hunter@state.or.us. Remember, our website: www.oregon.gov/OTPB

Paid Advertisement:



Are you ready to be an LTC? Need more Hours?

*Here's an exciting class opportunity for you!
Choose One Class or the Entire Series!*

Easy Access — ONLY 10 minutes from I-5 in Downtown Lebanon.

LTC EXAM PREPARATION CLASS SERIES

Date	Topics Covered (subject to some variation)
10/8	The Basics: Filing requirements, filing status, dependents/exemptions, gross income, deductions, Schedule "A"
10/15	Basis of Assets & Depreciation, Filing due dates, estimated taxes, penalty for IRA's and Form 5329, Advanced EIC payments.
10/22	Sales and exchanges, involuntary conversions, repossessions, and like-kind exchanges, installment sales, sale of personal residence, tax credits, education.
10/29	Schedule C & F and related forms, plus adjustments to income (Part 1).
11/5	Schedule "E" Rentals, royalties & K-1's passive activities, NOL's, AMT, IRA, and adjustments to income (Part 2).
11/12	Code of professional conduct, final exam review, and misc..

Debra McKinney is a Licensed Tax Consultant and has taught Basic Income Tax for several years. She has had pass ratios of 80% and 100%. (The state average is 68%). She teaches at the Chapter level for continuing education and LTC Prep Class.

She served as 2nd VP of the Mid-Willamette Chapter of OATC for four years, and was 1st VP for two years. Currently she is *State Education Chair* for the Oregon Association of Tax Consultants (OATC).

Debra owns her own tax preparation business with locations in Lebanon and Corvallis. She was awarded the *Exemplary ERO* for Oregon in 2000 by the IRS, as well as being asked by IRS to sit on a Panel of Experts at their seminars.

**FOR COMPLETE INFO: CALL OR EMAIL
DEBRA MCKINNEY**
Call (541) 258-4829 or Email: taxpros@qwest.net

Web Update...

The Board's migration to the new website is now complete!!!

New and current events that have been posted to the web are as follows:

(To access; copy the link provided into your Internet address bar – spaces indicate underscores i.e. “_”)

- Proposed Rulemaking:
 - http://egov.oregon.gov/OTPB/oregon_administrative_rulemaking.shtml
- Permanent Rule Filings:
 - http://egov.oregon.gov/OTPB/oregon_administrative_rulemaking.shtml
- 2005 Instructor Workshop:
 - www.oregon.gov/OTPB
- New Consultant Examination Requirements:
 - <http://egov.oregon.gov/OTPB/Forms.shtml>
- Consultant Examination Change scheduled for August 1, 2005:
 - <http://egov.oregon.gov/OTPB/Forms.shtml>
- Examination Information & Statistics:
 - http://egov.oregon.gov/OTPB/General_Information_Booklet.shtml
- Current Events & Newsletters:
 - http://egov.oregon.gov/OTPB/news/News_Bulletins.shtml
- Upcoming Public Meetings & Events:
 - http://egov.oregon.gov/OTPB/Gen_Board_Info.shtml
- List of Approved Correspondence Courses:
 - http://egov.oregon.gov/OTPB/Approved_Corresp_Courses.shtml
- Press Releases:
 - http://egov.oregon.gov/OTPB/press_releases.shtml

Please note: All sites listed above can also be accessed via our home page: www.oregon.gov/OTPB
You may need to download Acrobat Reader **OR** disable any “blocks” you have established on your computer to view some materials.

Acrobat Reader – Free Download: <http://egov.oregon.gov/OTPB/Forms.shtml>

Licensees are encouraged to check the Boards website frequently for any changes.

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 you inquiry to: tax.bd@state.or.us.

The Board welcomes your input in the continuous development of the website.

Permanent Rule Change – Consultant Examination Requirements

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.

The actual rule can be found on our website under Oregon Administrative Rule **800-020-0015(7)**; Application for Examination and states: “*Applicants for the tax consultant examination must have completed, within a year prior to submitting application, a minimum of 15 hours of acceptable continuing education in personal income taxation to meet the requirements of*

OAR 800-015-0010 to 800-015-0030. This requirement is in addition to the required 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.

Please note: 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.

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 will be 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

Proposed Rule Changes & Rulemaking Schedules...

Proposed rules are currently open for public comment regarding the following Oregon Administrative Rules (OARs):

Proposal to Adopt: 800-020-0022

Proposal to 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 proposed adoption and amendment of these OARs can be viewed via the following URL:

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

As with all proposed changes to the OARs a hearing date and request for public comment period has been established. The hearing date/time is scheduled for **July 22, 2005, at 9:00 a.m.** Last day/time for public comment, whether written or via testimony at the hearing, is **July 22, 2005, 5:00 p.m.**

The proposed **adoption** of OAR 800-020-0022 is to provide the Board of Tax Practitioners guidance and recourse when handling disciplinary actions pertaining to an applicants conduct during an examination.

The proposed **amendments** to the OARs stem from Ad-hoc Rules Committee and Board staff recommendations and are 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.

Licensees are encouraged to provide public comment and to check the Boards website **frequently** for updates on any proposed OAR changes: www.oregon.gov/OTPB

Paid Advertisement:

Place Your Paid Advertisement Here!!!

2005 Instructor Workshop

The Board is again providing you with another great Instructor's Workshop.

Date: Thursday, August 18, 2005

Time: 8:00 am – 5:00 pm (*Lunch at 11:45 am to 1:15 pm*)

Location: Winema Place, 4061 Winema Place N.E. – Building #50, Salem, OR

Cost: No Cost but Lunch is on your own.

The Board would like to invite all Instructors: Basic, Consultant, and Seminar Instructors to attend this one day seminar. This is an opportunity for you to come and talk to the board members and get feed back about the Board of Tax Practitioner Examinations. The workshop will provide valuable information to help you prepare to teach the basic 80-hour course as well as consultant's courses and seminars.

The workshop will include a session which will be facilitated by Donna Gilmour and Marilyn Johnston on "How to Teach Taxes", which will include a section on test taking tips. Access our website to gain a registration form and to check out the agenda: www.oregon.gov/OTPB

Donna Gilmour is Chair of the Board of Tax Practitioners; she is a native-born Portland, Oregonian and has been doing tax returns since 1952. Donna and her husband Gayle live in Salem. Marilyn Johnston has been a member of the Board of Tax Practitioners since February, 2004. Marilyn is also a native Oregonian and has been preparing income taxes since 1971, and lives in Central Point. Both Donna and Marilyn have been teaching income taxes for many years including basic classes, seminars, and consultant classes. This class will be a good time to discuss problems and getting information concerning how to teach taxes.

The next session will be 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, November, 2001 through May, 2005. She has agreed to come back and share some more of her teaching skills. Barb recently retired as an instructor at Chemeketa Community College in Salem. She now divides her time between Florida and Oregon.

We will finish up with a panel discussion and question and answer time with the board members and staff.

Plan to come; we have great speakers, great topics and there is no cost for this workshop. Be sure to send in your registration form **no later than 5:00 p.m. July 18, 2005**

Burgundy License Certificates...

If you're a licensed tax consultant (LTC), you may have already received your new 2005 license certificate. As license colors are rotated annually, this year, consultant and preparer licenses will be printed with a **burgundy** background color to show a differentiation from last year's license.

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

Donna Gilmour
Chair, Salem

6/01/02 - 5/31/05

6/01/05-5/31/08

Committee:

Administration (C) – Exam & Education

Merry VanAtta
Vice Chair, Lebanon

6/01/03 - 5/31/06

Committees:

Administration – Exam & Education

D. Sue Church
Bandon

12/01/00 - 11/30/03

12/01/03 - 11/30/06

Committees:

Business Practice (C) - Complaint

Gerald Zielinski
Salem

3/04/00 - 3/03/03

3/04/03 - 3/02/06

Committees:

Administration – Complaint (C)

Marilyn Johnston
Central Point

2/01/04 - 1/31/07

Committees:

Business Practice-Exam & Education (C)

Michael Addington
Bend

3/31/05 - 3/30/08

Committees:

Business Practice - Complaint

Public Member
Position

VACANT

Consultant Exam Change

As of August 1, 2005, the consultant examination will be administered as a **one-part / one-score** 180 question examination. This rule change 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.

Content of the consultant's examination will not change. The consultant examination will continue to test an individual's ability to provide advanced services to consumers concerning their personal income taxes and cover 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.

The rule schedule for this rule change as well as the April 26, 2005, rule hearing outcome can be viewed by accessing the following URL:

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

***** If you have passed one-part of the consultant's examination.*****

If you have previously taken the **two-part/two-score** examination and passed one part (A or B) you only have until August 1, 2005, to successfully complete the part in which you previously failed. As of August 1, 2005, the new rule will be in effect and you will be required to successfully complete the entire 180 question **one-part/one-score** consultant examination to be able to apply for licensure as a consultant in the State of Oregon.

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 rule 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.

BOARD MEMBER NEWS

With every change, there is a "welcome" and a "farewell".

We have said "farewell" to two of our board members:

CHERYL BROWN of La Grande served your Board for three terms. She served as Board Chair and her passion was the Education Committee. We do not have room to relate nine years of accomplishments. We can only send Cheryl back to her practice with a little more time now for her clients and say "thank you" for those years of devotion and service to the tax practitioner community of Oregon.

BARBARA WASSON has been a Public Member to the Board who will be difficult to replace. Barb has recently retired from teaching at Chemeketa Community College and will spend retirement with her husband Dick in their new home on the Oregon coast as well as lots of time with her parents in Florida. Barb has been a real asset to the Board with her specialty in testing. She has served this past year as Chair of the Education Committee and increased the proficiency of the state examinations.

MICHAEL ADDINGTON receives a warm "welcome" as he replaces Cheryl for the next three years. Michael's practice is in Bend and he will represent Central and Eastern Oregon on the Board. Check the website to learn more about our new board member, Michael Addington.

The Public Member seat on the Board has not been filled at this time.

National Registration.....

National Registration took a giant leap forward with the recent release of S. 832 (The Taxpayer Protection and Assistance Act of 2005). Senator Gordon Smith of Oregon is a co-sponsor of the bill. A house version of the bill should follow. Senate Bill 832 calls for;

- Up to \$10,000,000 annually allocated to Grants for low-income taxpayer "Return Preparation Clinics".
- Regulation at the federal level, under Circular 230, of all compensated preparers of tax returns, documents, and other submissions. This would include the preparation of payroll tax forms. Compensated Preparers include Attorneys, Certified Public Accountants, Enrolled Agents and a newly created level referred to as "Enrolled Preparers". Enrolled Preparers are defined as a "subset" of the Enrolled Agent Class. This legislation requires all paid preparers to become licensed.
- Regulation would include an eligibility examination designed to test knowledge and competency to prepare Federal individual and business tax returns. There would also be continuing education requirements for continuing eligibility.
- Provides for a "Public Awareness Campaign" to promote all Circular 230 practitioners and to encourage taxpayers to use only Federally Licensed Professionals who sign the return, document or submission.
- Provides for the regulation of Refund Anticipation Loan Facilitators.
- Gives the OPR (Office of Professional Responsibility) the tools and resources to eliminate and/or punish the untrained, unscrupulous, and unethical tax preparers. The licensed and unlicensed are now governed by the same division of the IRS.

The legislation is a result of the nationally publicized high profile ethics violations at large public companies, the unscrupulous promotion of illegal tax avoidance schemes, cases involving EITC tax fraud conspiracy, and the tax gap (the difference between reported and unreported taxable income) just to name a few.

We're very fortunate in Oregon to already have a system in place for the licensing and regulation of tax preparers, LTP's, LTC's and EA's. Our state level requirements for continuing education have always been just a little bit tougher than federal requirements for Enrolled Agents. As a result, Oregon regularly scores the highest marks nationally as set by the IRS for the state with the lowest error rate on returns prepared by professionals. We should all be very proud of this accomplishment.

The Oregon State Board of Tax Practitioners Compliance Division is in much better position to police the activities in our state. As a Tax Professional myself, I don't have to worry about competing with unethical or unscrupulous fly-by-nights as our compliance division looks out for us as well as the taxpayer. Also, the Tax Board's compliance division already works with the IRS to go after bad apples. I just can't imagine the IRS policing activities at the state level with much efficiency. Our board does a great job with compliance in Oregon.

California is the only other state with licensing requirements. Taxpayers in the 48 other states should benefit the most from this legislation as it improves the integrity of the tax filing system. We should all be proactive and write to our legislators either for or against national registration. Oregon is the leader in the professional tax preparation industry and our opinions are very valuable. As in Oregon, registration of tax professionals elevates our profession and sets us apart from some CPA's and Attorneys who don't always and are not required to get their continuing education in areas directly related to tax law.

National registration (s. 832) would require Oregon Licensed Tax Consultants to register at the federal level in addition to the Oregon requirement and would be regulated by both the IRS and the Oregon Board of Tax Practitioners. Enrolled Agents already register at both the federal and state levels. So far, there would be no exemption for Oregon or California Licensed Tax Consultants. LTC's would have to pass the federal exam to continue preparing federal returns in Oregon for a fee. There is talk of a phase in period for federal registration.

Licensed Tax Preparers in Oregon are not addressed in this legislation directly. They are not allowed to charge a fee so we're not sure if they would be required to pass the federal exam. Even if the preparer were to pass the federal exam, that person would still fall under the rules in Oregon. There is a lot of bipartisan support for this bill in the Senate. Look for the House version to come along shortly. I'm watching the progress of this bill very closely and the best information I've found comes from the NAEA website @ www.naea.org

Lapsed vs. Inactive Licensure

With consultant renewals underway and preparer renewals approaching, we felt it might be helpful for licensees contemplating whether to renew their license, go inactive or become lapsed, to explain what the difference is between placing your license into an **inactive** status **OR** allowing your license to go into **lapsed** status.

Inactive

Inactive status is when a licensee chooses not to work in the capacity of a tax preparer or tax consultant for a period of time – over one year but not to exceed three years. The fee for putting a license in inactive status is \$35 for preparers and \$50 for consultants. However, thirty (30) hours of continuing education for each renewal period will still be required upon license renewal.

The benefit for licensees who are considering inactive status might be that a licensee has had an emergency and was unable to complete their continuing education but they want to renew their license at a later date. If this or any other situation occurs the licensee may pay the \$35 preparer or the \$50 consultant inactive fee upon each renewal period. Once the licensee chooses to renew their license, all they need to do is submit the \$65 preparer license fee or the \$75 consultant license fee along with the required continuing education.

If a licensee allows their license to go into inactive status for over three years the licensing process will begin over. This means that, all consultants or preparers who are over the three year mark would have to qualify to take the exam and meet the minimum qualifications for licensure.

Lapsed

A licensee may go into lapsed status for up to three years. There is no fee for allowing a license to go into lapsed status. However, if a licensee decides to become licensed within the next three years, they will be required to pay each year's licensing fee plus a \$25 late fee and submit the required amount of continuing education for each year in lapsed status.

A licensee who allows their license to go into lapsed status **cannot**, at a later date, go into inactive status.

If you have any questions regarding your license renewal please contact, Karla Siclait, Licensing Specialist, at: (503) 378-4034.

We hope this information assists you in making positive decisions in the upcoming tax seasons.

Non-accepted Continuing Education (Seminars):

Sponsor Name	Course Title	Hours Denied
Best in the West Education Foundation, Inc. (NV Soc. of EAs)	No course name provided on certificate	None Provided
Continental Casualty Company	The AICPA Professional Liability Insurance Program	4
Inst. of Management Accountants	Sustainability The Next Wave	1
Inst. of Management Accountants	Trends in Health Care Cost Management	1
Intuit, Inc	Lacerte: e-file Solutions Webinar	2
Intuit, Inc	Lacerte DMS: "Less Paper" Webinar	2
Intuit, Inc	Lacerte: Annual Update Seminar	4
Intuit, Inc	Lacerte: Workflow Solutions	4
Intuit, Inc	Quickbooks Accountant Workshop	4
National Society of Accountants	Tips & Techniques for Working w/QuickBooks Clients	1
Oregon Rehabilitation Association	Wage and Hour Training	7
Payroll Associates	PayChoice Training	25
Perkins & Company, P.C.	ProSystems Webcast	1
Perkins & Company, P.C.	Adobe Training	1.5
Perkins & Company, P.C.	Mult/PDX Combined Report Forms & Mult-State Apport.	1
ProSystem fx Engagement	Customer Training	8
QuickTrain, Inc.	Beginning QuickBooks	8
QuickTrain, Inc.	Intermediate QuickBooks	7

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

All Sponsors are currently in renewal status – Please refer to the website for updates on the list of 2005/2006 approved correspondence courses: www.oregon.gov/OTPB

EXAMINATION PASS RATES

Exams Taken Between 9/1/2004 and 5/31/2005

Includes College Proctored and Board Administered Examinations

Overall

Exam Part	# Took Exam	Passed	Failed	Pass Rate
Preparer	741	342	399	46%
Consultant Part A	208	70	138	34%
Consultant Part B	199	61	138	31%
Consultant State Only	33	20	13	61%
Total Consultant Exams - All Parts	440	151	289	34%
Total Consultant Examinees	187	73	114	39%
Total # of Examinees Eligible for Licensure	777	378	399	49%

First Timers

Exam Part	# Took Exam	Passed	Failed	Pass Rate
Preparer	509	281	228	55%
Consultant Part A	97	35	62	36%
Consultant Part B	97	38	59	39%
Consultant State Only	22	15	7	68%
Total Consultant Exams - All Parts	216	88	128	41%
Total Consultant Examinees	118	42	76	36%
Total # of Examinees Eligible for Licensure	627	323	304	52%

Retakes

Exam Part	# Took Exam	Passed	Failed	Pass Rate
Preparer	232	61	171	26%
Consultant Part A	111	35	76	32%
Consultant Part B	102	23	79	23%
Consultant State Only	11	5	6	45%
Total Consultant Exams - All Parts	224	63	161	28%
Total Consultant Examinees	100	49	51	49%
Total # of Examinees Eligible for Licensure	271	109	162	40%

FOR:

INSTRUCTOR PASS RATES – PREPARER EXAMS

March 1, 2004 through February 28, 2005

Please refer to the examination information portion of our website at: www.oregon.gov/OTPB

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 newsletter please contact the board office at (503) 378-4034.