



OREGON  
DEPARTMENT  
OF REVENUE

Tax Professional  
Liaison Meeting  
May 19, 2023

Hosted by: Daron Prara

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### How to participate

Your camera and microphone will **not** be on.

Audio Settings Click the carat to adjust the sound.

Use Q&A to ask questions for presenter to answer.

Click thumb to upvote questions. Lisa Robins 03:04 PM  
Can I join a Zoom meeting by phone?

Use chat function to communicate with other attendees.

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### Presenters



Laura Kardokus

Oregon Board of Tax Practitioners



Jackie Hovey  
Robert Oakes  
Jesus Flores  
Favi Morales  
Daron Prara

Personal Income Tax

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# Board of Tax Practitioners

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Tax Professionals Meeting – Department of Revenue  
May 19, 2023

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## Board Overview

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### History

- Established in 1973 by the Oregon Legislature
- First state in the nation to require education and licensing for paid tax prepares

### The Board Mission

- To protect Oregon consumers by ensuring that Oregon tax Practitioners are competent and ethical in their professional activities

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## Board Employees and Licenses

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### Board Employees

- Laura Kardokus – Executive Director
- Gretchen Boyer – Licensing Specialist

### Board Members

- 6 Consultants with 5+ years of experience
- 1 Public Member – Currently Vacant

### Licenses

- 3,000 Licensed Consultants and Prepares
- 1,000 Business and Branch Licenses

### Revenues

- Completely self-funded through licensing fees, exam fees and civil penalties
- Legislature approves budget every two years

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## Board Location, Address and Phone Numbers

### Fully Remote Office

- Reaching more out of State Practitioners
- Focused on having the best customer service
- Walk ins did not warrant the footprint used
- More economically and environmentally conscious

### Mailing Address

- 550 Airport Rd. SE, Suite A. Salem OR 97301
- 971-701-1544

### PSI and Exams

- Exams can now be administered throughout the US
- Exams can now be administered year round
- Working on the Exams annually to create the clearest and most concise version possible.

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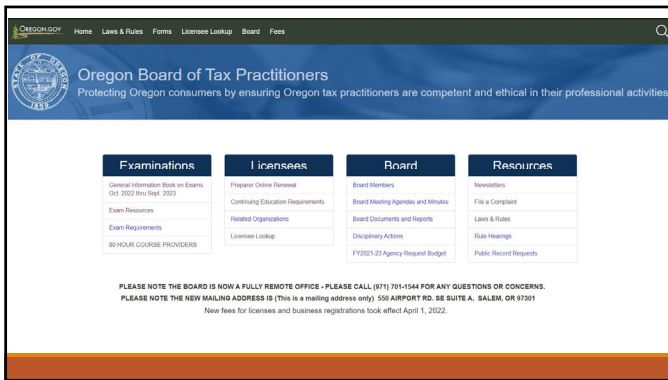
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## Types of Exams

### Tax Preparer Exam

- 80 Hour Course
- College Degree in either Accounting or Taxation
- 4 Hours – 163 Questions

### Tax Consultant Exam

- 1,100 Hours (not in one year only) Can use up to 5 years prior
- Other hours: Volunteer Hours - 220 hours/College Credits -375 hours or 2 - 4 credit hour courses.
- Out of State – PTIN printout, A W2, Schedule C, and if they ran a business their business registration.
- 5 Hours – 200 Questions

### Consultant State Only Exam

- Enrolled Agents Card – Issued by the IRS
- 1 ½ Hour – 50 Questions

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**OBTP Licensing Stats**

December 31, 2022	Active
Licensed Preparers	1,472
Licensed Consultants	1,525
Businesses & Branches	1,078

New Preparers that started in 2021 (this would run from August 2021 thru August 2022) – 123  
 New Preparers that did not renew in 2022 – 24.  
 New Preparers that started in 2022 (this would run from August 2022 thru August 2023) – 169

December 31, 2021	Active
Licensed Preparers	1,582
Licensed Consultants	1,747
Businesses & Branches	1,304

New Consultants that started in 2021 (this would run from April 2021 thru April 2022) – 47  
 New Consultants that did not renew in 2022 – 1.  
 New Consultants that started in 2022 (this number runs from April of 2022 thru April of 2023) – 119.

Change from 2021	Active
Licensed Preparers	(110)
Licensed Consultants	(222)
Businesses & Branches	(226)

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**Phone Numbers, E-mails and Address**

Main Phone and E-mail:  
 • 971-701-1154  
 • [tax.bd@tax.oregon.gov](mailto:tax.bd@tax.oregon.gov)

Gretchen Boyers E-mail:  
 • [gretchen.boyer@tax.oregon.gov](mailto:gretchen.boyer@tax.oregon.gov)

Laura Kardokus Line and E-mail:  
 • 971-701-1139  
 • [laura.kardokus@tax.oregon.gov](mailto:laura.kardokus@tax.oregon.gov)

Mailing Address:  
 • 550 Airport Rd. SE, Suite A – Salem, OR 97301

Questions? ... Thank you

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Personal Tax and  
Compliance Updates

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Presented by: Jackie Hovey

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### Changes to Form OR-65

Short year checkbox:

- Use the available form but **do not** cross out the year or write in a different year.
- Fill in year beginning and end dates.
- Mark short year box.

DBA field added.

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### Changes to vouchers

Vouchers for returns that can be filed on extension:

- "Original return" payment type will now be "Original return or extension."

Field labels and ordering:

- Goal: match voucher fields to fields on corresponding return.

Composite voucher:

- Ending date only, for tax year used by most owners.

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Fraud Prevention and Reporting

Presented by: Robert Oakes

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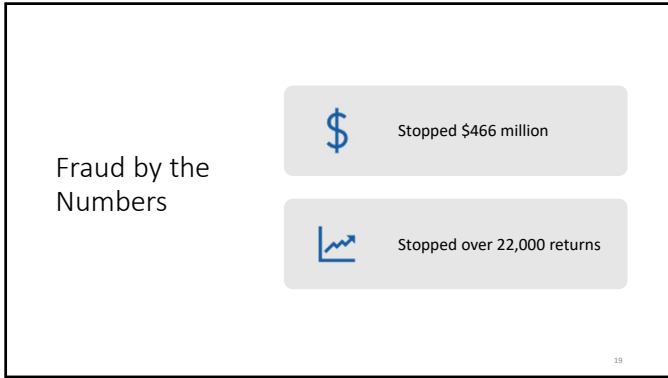
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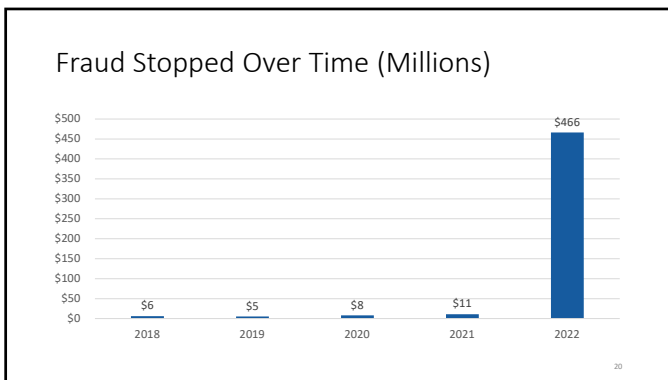
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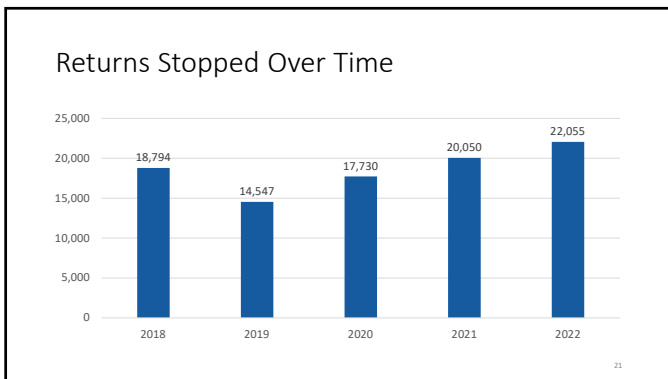
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Notice of data and security breach

-  The sooner DOR can learn about a data security breach, the better we can protect both your client and state resources.
-  ORS 305.804 (2021 Legislation) requires tax professionals to notify DOR within 5 days of a breach.

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Notice of data and security breach

-  OAR 150-305-0481 (2022)
-  If information is not available – ransomware attack
-  You must contact DOR within 15 days of recovery of data.

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Notice of data and security breach

-  Contact DOR if you experience a data security breach, or suspect one occurred
-  DOR Identity Theft Hotline: 503-947-2000
-  Email: [Fraud.help@dor.oregon.gov](mailto:Fraud.help@dor.oregon.gov)

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Earned Income Credit  
Updates

Presented by: Jesus Flores

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Agricultural Worker  
Overtime Project  
House Bill 4002 (2022)

Presented by: Favi Morales

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Background

- House Bill 4002 established mandatory overtime pay for certain employees working more than the maximum allowable hours per week.
  - The Legislature extended overtime pay to employees working in the agricultural industry.
  - The measure includes almost every sector of the industry.
  - Includes a tax credit for employers.
  - The credit is not offered to labor contractors.
- \$55 million total credit per year
- Application process, not a certification process



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### Background (cont.)

- Automatic filing extension for all applicants
- Six-year phase-in period
- SB 1524 (2022)
  - Three-year net operating loss (NOL) for personal income and corporation tax programs
- Exceptions:
  - Family members
  - Administrative employees
  - Individuals described in ORS 653.020(1)

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### Background (cont.)

#### Agriculture Employer Overtime Tax Credit

Tax credit as a percentage of overtime costs					
Year	Overtime threshold	More than 50 FTE*	26 to 50 FTE* & dairies with more than 25 FTE*	Not more than 25 FTE*	Dairies with not more than 25 FTE*
2023	55 hours	60%	75%	90%	100%
2024	55 hours	60%	60%	80%	100%
2025	48 hours	45%	60%	80%	100%
2026	48 hours	30%	50%	60%	100%
2027	40 hours	15%	50%	60%	100%
2028	40 hours	15%	50%	60%	100%

\*FTE is full-time equivalent

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### DOR Responsibility

- Create an application approval process
  - Electronically through Revenue Online
- Develop unit to process applications
  - Review application
  - Deny or approve
  - Work appeals
  - Monitor amount of credit requested
  - Apportion credits
  - Mail notices to eligible applicants of allowable credit

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### DOR Responsibility (cont.)

- Create administrative rules
  - Phase 1
  - Phase 2
- Partner with external agencies for rules and reporting
  - Bureau of Labor Industries (BOLI)
  - Oregon Department of Agriculture (ODA)
  - Oregon Business Development Department
  - Oregon Employment Department (OED)

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### Application Filing Timeline 2024

- January 1 to January 31 - Tax credit application filing period.
- January to February - Department reviews tax credit applications.
- February 15 – Denial letters mailing deadline.
- February to March - Taxpayer appeal process.
  - Appeal process to be determined (Phase 2)
- June 1 - Tax credit approval letter mailed with allowed credit amount.
- October 15 - Extension filing due date (an automatic tax return filing extension granted to all applicants).

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### Outreach

- Continued in 2023
  - Conventions, conferences, fairs, and more
- Tax Professional Liaison meetings
- Webpage
- GovDelivery bulletins



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### Communicating with Ag OT Team

- Tax credit questions can be sent to [Ag\\_Overtime@dor.oregon.gov](mailto:Ag_Overtime@dor.oregon.gov)
- Project managers:
  - Daron Prara, PTAC Operations and Policy Unit
  - Favi Morales, PTAC Operations and Policy Unit
- External Webpage
  - [www.oregon.gov/dor/programs/businesses/Pages/ag-overtime](http://www.oregon.gov/dor/programs/businesses/Pages/ag-overtime)
  - (From our main page, click the *Businesses* section and follow the link under *Resources*)
- Subscribe to Agriculture Overtime Update emails
  - [www.oregon.gov/dor](http://www.oregon.gov/dor)
  - (Under *Contact and Follow Us* at the bottom of the page)
- Wage and hour questions can be sent to [Ag\\_Overtime@boli.oregon.gov](mailto:Ag_Overtime@boli.oregon.gov)




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### Pass-through Entity Elective (PTE-E) Tax

Presented by: Daron Prara

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### PTE-E Return Filing

- Electronic file only
- Register to file
- Late filing of the OR-21
- PTE with loss or no tax to pay
- Action item alert appears while logged into Revenue Online




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### PTE-E Payments

- Payments
  - Return payments
  - Estimated payments
    - First installment due April 18, 2023
    - Second installment due June 15, 2023
    - Third installment due September 15, 2023
    - Fourth installment due January 16, 2024
- Refunds
  - Overpayment
  - PTE-E election not made
- Payments not showing on account
  - Send email to [BusinessAlternative.IncomeTax@dor.oregon.gov](mailto:BusinessAlternative.IncomeTax@dor.oregon.gov)



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### Estimated Payment Interest

Underpayment of estimated tax interest applied during the first year



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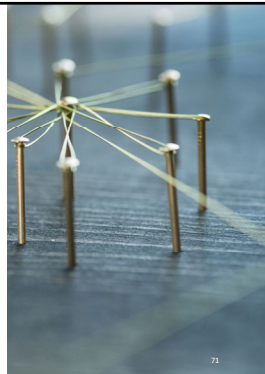
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### Payment Effects on Members

- Members receive credit if the PTE did not make estimated payments:
  - Additional tax owed at the entity level
  - Entity subject to underpayment interest
- Member received letter denying credit



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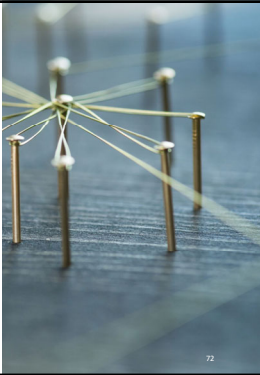
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### Payment Effects on Members

- Sufficient estimated payments made at member level:
  - Member withholding will not cover estimated payments
  - Member estimated payments considered for PTE requirement
- Waiver of underpayment penalties and interest:
  - PTE if election made and members made sufficient payments
  - Members if election not made and PTE made sufficient payments



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### Current Legislation Senate Bill (SB) 158

- Currently going through committees, not law yet:
  - Adding an addition to the PTE-E return
  - Adding trusts
  - Adding the ability to apply payments to the next tax year
  - Increase the PTE-E program from two years to four years



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### Communicating with PTE-E Team

- Questions can be sent to:
  - [BusinessAlternative.IncomeTax@dor.oregon.gov](mailto:BusinessAlternative.IncomeTax@dor.oregon.gov)
- External Webpage:
  - [www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Selective-Tax.aspx](http://www.oregon.gov/dor/programs/businesses/Pages/Pass-Through-Entity-Selective-Tax.aspx)
  - (From our main page, click the Businesses section and follow the link under Resources)
- Subscribe to Pass-Through Entity Selective Tax Updates emails:
  - [www.oregon.gov/dor](http://www.oregon.gov/dor)
  - (Under Contact and Follow Us at the bottom of the page)
- Revenue Online: [revenueonline.dor.oregon.gov](http://revenueonline.dor.oregon.gov)



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**Do you have questions or need help?**  
[www.oregon.gov/dor](http://www.oregon.gov/dor)  
503-378-4988 or 800-356-4222  
[questions.dor@oregon.gov](mailto:questions.dor@oregon.gov)  
Contact us for ADA accommodations or  
assistance in other languages.

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