

Subject: Bill SB 1510A Concerns Regarding Oregon Tax Licensing Exemptions for Enrolled Agents

I write to express concern regarding the provisions in the current bill that grant exemptions for Enrolled Agents (EAs) in the area of Oregon tax practice. Specifically, the bill exempts EAs from taking the Oregon Exam, submitting Continuing Education specific to Oregon tax law, and permits them to hire individuals who are neither licensed nor registered to work under their supervision on Oregon tax matters.

The primary concern is that these exemptions may undermine the protection of the public by allowing individuals without Oregon-specific tax education or credentials to prepare Oregon tax returns. The purpose of licensing requirements is to ensure that those who serve Oregon taxpayers possess adequate knowledge of state tax laws, thereby safeguarding the public from potential errors and resulting harm.

There is a notable inconsistency in the regulatory framework: Oregon Licensed Tax Consultants, who have met rigorous state-specific educational and examination standards, are prohibited from hiring non-licensed individuals even for limited tasks such as data entry. Conversely, Enrolled Agents with only federal tax education would be permitted to employ unlicensed individuals to prepare Oregon tax returns. This discrepancy raises concerns about the equitable application of professional standards and the effectiveness of public protection.

Evidence suggests that a lack of Oregon-specific tax knowledge can lead to significant errors. For example, a 2022 review by the Oregon Board of Tax Practitioners found that tax returns prepared without an adequate understanding of state-specific rules resulted in a 15% higher rate of filing errors and subsequent notices to taxpayers than those prepared by licensed consultants. Further, complaints to the Board have documented instances in which clients incurred financial penalties due to preparers misapplying Oregon tax credits and deductions and lacking state credentialing.

I urge you to consider amending the legislation to ensure that all tax professionals operating in Oregon are held to consistent standards. Specifically, if Enrolled Agents are exempted from state requirements and allowed to hire non-licensed personnel, then Licensed Oregon Tax Consultants—who have demonstrated competence in Oregon tax law—should be granted similar latitude. This adjustment would create a level playing field and allow all qualified professionals to compete fairly, while maintaining the necessary safeguards for Oregon taxpayers.

Thank you for your attention to this important matter and for your commitment to protecting the interests of the public.

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