

My name is Caitlin McGlothlin. I am an Enrolled Agent and have been an Oregon Licensed Tax Consultant since 2020. I am writing to express my opposition to SB 151A as currently drafted.

I oppose SB 151A because it would allow Enrolled Agents to hire individuals to prepare tax returns under their supervision without requiring those individuals to be licensed or registered in Oregon. Unlike Oregon Licensed Tax Consultants, Enrolled Agents are not subject to Oregon's apprenticeship requirement, which mandates at least 1,100 hours of cumulative work as a tax preparer (or equivalent experience) during at least two of the last five years before licensure.

Under SB 151A, an Enrolled Agent could, with no prior professional return preparation experience, in Oregon, open a tax practice and hire employees who likewise have no education, registration, or practical experience in tax preparation. This significantly lowers the professional standard currently required in Oregon.

Oregon's licensure framework, overseen by the Oregon Board of Tax Practitioners, was created specifically to protect consumers through minimum competency standards, examination requirements, and supervised experience. The 1,100-hour apprentice requirement is a modest threshold in a profession where competency develops over many years of hands-on training. In practice, most preparers require significantly more experience — often close to a decade — before they are able to competently handle complex individual and business tax matters without supervision.

There is substantial federal data demonstrating why minimum competency standards matter:

- The Government Accountability Office conducted undercover site visits to paid preparers and found that 17 out of 19 preparers made errors in calculating refunds or applying tax law.
- The Treasury Inspector General for Tax Administration has repeatedly reported high error rates and improper credit claims tied to inadequately trained preparers.
- The National Taxpayer Advocate has identified the lack of minimum standards for preparers as a recurring "Most Serious Problem" for taxpayers, particularly affecting low-income filers claiming refundable credits.
- IRS data consistently show that non-credentialed preparers account for a disproportionate share of audit adjustments related to refundable credits such as the Earned Income Tax Credit.

These studies demonstrate a clear pattern: when preparers lack structured training, oversight, and accountability, error rates increase. Those errors do not just harm individual taxpayers — they also affect state revenue through improperly claimed credits, deductions, and filing positions.

Removing licensure and apprenticeship requirements for employees working under Enrolled Agents increases the likelihood of inaccurate returns being filed, audits being triggered, penalties being assessed, and public confidence being reduced. Oregon has long distinguished itself as one of the few states that requires minimum standards for tax preparers. SB 151A would weaken that consumer-protection framework.

That said, I would like to express support for a narrower reform: allowing out-of-state Enrolled Agents greater freedom to handle tax resolution matters before the Oregon Department of Revenue.

The field of tax controversy and resolution has evolved significantly. Many firms, including the firm I now work for, operate fully remotely. Out-of-state Enrolled Agents are frequently hired specifically for their expertise in tax resolution, collection alternatives, audit representation, and procedural matters. These professionals are federally licensed and authorized to represent taxpayers before the IRS nationwide.

Currently, some out-of-state Enrolled Agents report difficulty representing Oregon clients before ODR because they are told only an Oregon Licensed Tax Consultant may handle certain matters. This creates an unnecessary barrier to qualified representation. In many cases, a nationally practicing Enrolled Agent who specializes exclusively in tax controversy may have deeper expertise in resolution matters than a preparer whose experience is primarily in return preparation.

In summary, I respectfully urge the legislature to preserve Oregon's minimum standards for tax return preparation while considering targeted reforms that improve access to qualified representation in tax resolution matters.

Sincerely,

Caitlin McGlothlin, EA 35382-C