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For forms, applications, examination study references and licensing information, visit
www.oregon.gov/OBTP

If, after reading this booklet, you have questions, contact:
Oregon State Board of Tax Practitioners
Phone: (503) 378-4034, Fax: (503) 585-5797
E-mail: tax.bd@state.or.us

General Information

The Oregon Board of Tax Practitioners

The Oregon Board of Tax Practitioners was created by the Legislature in 1973 to issue tax preparer and tax consultant licenses, conduct examinations of candidates for licensure, and ensure that practitioners receive annual continuing education. Through these activities and compliance enforcement, the Board fulfills the consumer protection role for which it was created: helping prevent fraud against Oregon taxpayers and ensuring that tax practitioners understand state and federal income tax law and conduct their business competently and ethically.

About 4,000 tax preparers and tax consultants are licensed by the Oregon State Board of Tax Practitioners, which is funded entirely by fees collected from examinations, licenses, and civil penalties assessed by the Board for violations of rule or statute. The Legislature approves an expenditure limitation for the Board each biennium.

Types of Licenses

A **tax preparer** license from the Oregon Board of Tax Practitioners enables you to lawfully prepare personal income tax returns in Oregon for a fee or valuable consideration. A tax preparer must work under the supervision of a licensed tax consultant, a certified public accountant, a public accountant, or an attorney-at-law. All tax preparer licenses expire annually on **September 30** following initial application for license or renewal. It is the responsibility of the licensee to meet the requirements and apply for license renewal.

A **tax consultant** license enables you to lawfully prepare personal income tax returns in Oregon for a fee or valuable consideration as a self-employed or independent tax practitioner. All tax-consultant licenses expire annually on **May 31** following initial application for license. It is the responsibility of the licensee to meet the requirements and apply for license renewal.

Certain individuals are not required to be licensed by the Oregon Board of Tax Practitioners to prepare income taxes for a fee. These include attorneys-at-law, fiduciaries, certified public accountants and public accountants who hold a permit from the Oregon Board of Accountancy, and employees of these four entities.

Enrolled agents authorized to practice before the Internal Revenue Service may be licensed by the Oregon Board of Tax Practitioners by presenting a copy of their enrollment card with their application and passing an examination covering Oregon income tax statutes and rules.

Examinations

How to Become Licensed in Oregon

To be a licensed tax preparer or tax consultant in Oregon, you must pass an examination administered by the Board staff or a proctor authorized by the Board to administer exams.

Passing the tax preparer examination requires careful and comprehensive preparation, including successful completion of an 80-hour basic tax course or its equivalent. The tax consultant examination is based on experience and knowledge gained as a working tax consultant and through continuing-education courses, individual study and research.

Future applicants for licensure as a tax consultant should ensure that employers document hours worked on the “Verification of Work Experience,” form required by the Board. Only work hours directly related to tax preparation may be counted toward the work-experience requirement.

To become licensed as a tax preparer:

- You must be at least 18 years old and possess a high school or general equivalency diploma (GED).
- You must complete an 80-hour basic tax course or its equivalent, although you may apply to take the examination before your 80-hour basic tax course is completed. Tax preparer applicants must retake the basic tax course, if after three (3) years from basic course completion date; the applicant has not yet passed the preparer exam. Approved courses are listed in this booklet and on our Web site, www.oregon.gov/OBTP.
- You may submit transcripts and course summaries of college courses with your application in lieu of the 80-hour basic tax course; however, the acceptance of alternative tax-related courses will be at the discretion of the Board, per OAR 800-020-0015(3).
- You must pass the tax preparer examination administered by the Board with a score of 75 percent or higher.
- When you successfully complete the 80-hour basic tax course, you will receive a “Session Attendance Certification Form” signed by your course instructor. Sign and submit it to the Board office only when you apply for your license; **do not submit it with your examination application.**

To become licensed as a tax consultant if you are licensed as a tax preparer:

- Submit evidence on the Verification of Work Experience Form, signed by your employer(s) that you have worked as a licensed tax preparer not less than 780 (**total of 1100 effective 7-1-2012**) hours during at least two of the last five years.
 - You may substitute volunteer experience in lieu of up to 150 (**total of 212 effective 7-1-2012**) hours of the 780 (**total of 1100 effective 7-1-2012**) hours of required experience at a ratio of one hour for each five hours worked as a volunteer **only** if you volunteered with tax preparation programs such as VITA or AARP-TCE. Hours must be verified by your volunteer supervisor.

- You may substitute education credits in lieu of up to 260 (**total of 365 effective 7-1-2012**) hours of the 780 (**total of 1100 effective 7-1-2012**) hours of required experience at a rate of one classroom hour for each five hours of experience, provided the subject matter was related to taxation, you completed the course within a year before applying to become a licensed tax consultant, and you do not claim the same course credits to fulfill continuing education requirements. Education credits require transcripts and course summaries as evidence.
- Submit evidence of completion of a minimum of 15 hours of continuing education in personal income taxation in the past year.
- Pass the tax consultant examination administered by the Board with a score of 75 percent or higher.

To become licensed as a tax consultant if you are not licensed as a tax preparer:

- Submit evidence that you have completed at least 80 hours of basic tax education. Prior experience credit may be granted for up to 53 hours, but you must have completed 27 additional verifiable classroom hours, you must have been actively engaged in tax preparation within two years of application, you must have at least three years of tax preparation experience, and you must provide verification from employers or evidence of self-employment.
- Submit evidence on the Verification of Work Experience Form, signed by your employer(s) of a minimum of 780 (**total of 1100 effective 7-1-2012**) hours of work experience as a tax practitioner within at least two of the last five years.
 - You may use hours of employment as an income tax auditor or taxpayer service representative with the IRS or Oregon Department of Revenue toward fulfillment of the 780 (**total of 1100 effective 7-1-2012**) hours of work experience.
 - You may substitute volunteer experience in lieu of up to 150 (**total of 212 effective 7-1-2012**) hours of the 780 (**total of 1100 effective 7-1-2012**) hours of required experience at a ratio of one hour for each five hours worked as a volunteer **only** if you volunteered with tax preparation programs such as VITA or AARP-TCE. Hours must be verified by your volunteer supervisor.
 - You may substitute education credits in lieu of up to 260 (**total of 365 effective 7-1-2012**) hours of the 780 (**total of 1100 effective 7-1-2012**) hours of required experience at a rate of one classroom hour for each five hours of experience, provided the subject matter was related to taxation, you completed the course within a year before applying to become a licensed tax consultant, and you do not claim the same course credits to fulfill continuing education requirements.
- Submit evidence of completion of a minimum of 15 hours of continuing education in personal income taxation in the past year.
- Pass the tax consultant examination administered by the Board with a score of 75 percent or higher.

With out-of-state experience as a self-employed tax consultant:

- Submit evidence that you have completed at least 80 hours of basic tax education. Prior experience credit may be granted for up to 53 classroom hours, but you must have completed 27 additional verifiable classroom hours.
- Submit proof of tax-preparation experience on a “Self-Employment Petition” Form (see OTPB Web site.) along with supporting documentation, e.g., a Schedule C, business bank account, business registration or Form 1099. The form shall fully document pertinent experience and education that meets or exceeds the requirement for 780 hours of work experience within at least two of the last five years.
 - You may substitute volunteer experience in lieu of up to 150 (**total of 212 effective 7-1-2012**) hours of the 780 (**total of 1100 effective 7-1-2012**) hours of required experience at a ratio of

- one hour for each five hours worked as a volunteer **only** if you volunteered with tax preparation programs such as VITA or AARP-TCE. Hours must be verified by your volunteer supervisor.
- You may substitute education credits in lieu of up to 260 (**total of 365 effective 7-1-2012**) hours of the 780 (**total of 1100 effective 7-1-2012**) hours of required experience at a ratio of one classroom hour for each five hours of experience, provided the subject matter was related to taxation, you completed the course within a year before applying to become a licensed tax consultant, and you do not claim the same course credits to fulfill continuing education requirements.
 - Provide evidence of 15 hours of continuing education in personal income taxation completed within one year prior to making application for examination.

To become a licensed tax consultant if you are an enrolled agent:

- Submit a copy of your valid enrolled agent card (front and back). No other document will be accepted as a substitute for your enrollment card.
- Pass the Oregon Tax Law, Oregon Income Tax Service Law and the Code of Professional Conduct portions of the tax consultant examination administered by the Board with a score of 75 percent or higher.

Exam Application Process

Mail your exam application and fees to the Board office at least 30 days before the date on which you plan to take the exam. Applications are processed as quickly as possible. Exam applications received from February through September are likely to be processed more quickly, particularly if you pay by credit card and fax your application.

To better serve license applicants, the Board has agreements with proctor sites throughout the state to supervise examinations. If you choose to take your exam at a proctor site, include proctor fees with your exam application. You will find a list of proctor sites and fees in this publication.

You can make arrangements to take an exam at the Board office in Salem without a proctor fee, based on Board staffing and room availability. Contact the Board office for dates. Once a year, the Board administers a group examination (the annual Board-Administered Examination) at a site other than the Board office, and there is no proctor fee.

After the Board staff processes exam applications, it mails examination-approval notices, which tell applicants how to schedule their examination at the proctor site they have chosen. When the examination-approval notices are mailed to applicants, examination packets are sent to proctor sites. Do not schedule your appointment with the proctor site *until you receive your approval notice*; the proctor site will not have an examination for you to take. You will be required to show your examination-approval notice and government issued photographic identification before being allowed to take the exam.

Please note: Your examination site selection is *final* upon making application to the Board office. For security reasons, you may apply for only one examination; you may re-apply if you do not receive a passing score. If a problem arises regarding your ability to sit for your scheduled examination, contact the Board immediately.

Fees

Exams ~ Initial Licensing	Preparers	Consultants	Other
Exam Fees	\$50	\$85	Proctor fee, as applicable
Initial license	\$50	\$95	
If you are a licensed tax preparer (practitioner license only)		\$65	
Combination license, including business (if already licensed as a preparer)			\$125
Combination license, including business (if not already licensed as a preparer)			\$155

Annual License Renewal	Preparers	Consultants	Other
Active	\$80	\$95	
Inactive	\$35	\$50	
Reactivation of inactive license	\$80	\$95	
Reactivation of lapsed license	\$35 plus \$80 (active fee)	\$35 plus \$95 (active fee)	
Tax business, registration only			\$110
Branch office registration			\$20
Tax business reg./tax consultant/preparer license combination			\$155

Refunds

Unless you fail to meet the legal requirements to take the examination or have an emergency beyond your control (documented to the Board's satisfaction), no refund of the exam fee will be made. In the case of eligible refund, a \$10 processing fee will be retained by the Board. Written requests for emergency refunds are required and must include your name, mailing address, phone number, reason for the request, and your acknowledgment that a \$10 processing fee will be retained by the Board.

Candidates who do not take the exam ("no-shows") or who take exams but do not pass will **not** receive refunds of exam fees.

Exam Content and Procedure

The Board updates and administers licensing examinations throughout the year. Examination consultants retained by the Board regularly review exam questions and develop new ones. Consultant comments and new exam questions are reviewed by the Board. All questions used on the examinations receive *at least* five reviews for clarity and legal accuracy prior to their use in annual examinations.

Updated **consultant** examinations are released each August 1; updated **preparer** examinations are released each September 1. Examinations cover Oregon and federal tax laws and the preparation of personal income-tax returns.

Subject matter:

If the date on your exam application is June 2011, the exam will cover 2009 tax law.

If the date on your **consultant** exam application is July 2011, the exam will cover 2009 tax law.

If the date on your **consultant** exam application is August 2011, the exam will cover 2010 tax law.

If the date on your **preparer** exam application is August 2011, the exam will cover 2009 tax law.

If the date on your **preparer** exam application is September 2011, the exam will cover 2010 tax law.

Exams cover personal income tax, law, theory and practice. The consultant exam may include questions on corporation or partnership income tax as it relates to personal income-tax returns. Preparer and consultant exam questions contain true-and-false, multiple-choice questions and scenario-based mini-problems. In both preparer and consultant exams, approximately 75 percent of the questions will be on federal law and 25 percent on state law.

Preparer exams consist of 200 questions divided into four parts. Parts I, II, and III include 176 questions covering Oregon tax laws; code of professional conduct; and federal income tax law, theory and practice. These questions cover basic material. Part IV (24 questions) is a series of scenario-based mini-problems related to state and federal forms and schedules. All schedules, worksheets, and forms needed for solving the mini-problems will be provided.

Consultant exams consist of 200 questions. Applicants will be tested on Oregon and federal personal income tax law, theory, and practice; the Oregon tax practitioners' law; the code of professional conduct (Oregon Administrative Rules, Chapter 800, Division 10); and rules for tax preparation businesses (Oregon Administrative Rules Chapter 800, Division 25). Questions are more complicated than those in the preparer examination.

Enrolled agent exams (which cover *only* Oregon law) consist of 50 questions, testing the applicant on Oregon income tax laws; the code of professional conduct (Oregon Administrative Rules, Chapter 800, Division 10); and rules for tax preparation businesses (Oregon Administrative Rules Chapter 800, Division 25). Tax law questions may cover any Oregon topics listed on the examination indexes.

Applicants are allowed five hours to complete the preparer and consultant examinations. Enrolled agents taking only the state-law portion of the consultant exam are allowed 1½ hours to complete the examination. Exam schedules vary, depending on the location; see proctor site information in this booklet for specifics.

Please note: For security reasons, you may apply for only one examination; you may re-apply if you do not receive a passing score.

Options for Scheduling Your Examination

Proctor site examinations

Proctored examinations are available throughout Oregon. You must make an appointment to take an examination at a proctored site after you have received your examination-approval notice from the Board.

Mail complete exam applications and fees to the Board office at least 30 days before the date on which you plan to take the examination.

After you receive an examination-approval notice, contact your chosen proctor site to schedule your exam. **Do not** schedule an examination until you receive your examination-approval notice; the proctor will not have an examination for you to take. If your exam will be at a proctor site, the Board office will send all examination materials to the proctor site at that time. Board staff will mail to each examinee their examination-approval notice and I.D. number. A procedural information sheet will also be sent to you that includes complete instructions along with a list of acceptable and unacceptable items. It is important that you read this prior to taking the exam. Consumption of food or beverages varies depending on the proctor site. Food is generally not allowed at proctor sites; check when you schedule your examination.

Proctored preparer exams based on 2010 tax law begin September 1, 2011, and consultant exams based on 2010 tax law begin August 1, 2011. Preparer examinees who want to take the most recently updated examination must submit applications to the Board office on or after September 1. Consultant examinees who want to take the most recently updated examination must submit applications to the Board office on or after August 1.

Annual Board-administered examination:

Once a year, a large-group examination is offered on a Saturday at a community college or other site. There is no proctor fee for this Board-administered examination, which will be based on **2010** tax law.

This year's Board-administered examination will be held on:

Saturday, December 10, 2011
Chemeketa Community College, 4061 Winema Place NE, Building 50,
Salem, Oregon

The **deadline** for applications to take the Board-administered examination is **5 p.m., Nov. 10, 2011.**

What to Bring to the Exam

The following items must be brought to the exam room in a transparent container or transparent bag or as loose items.

- For this exam **only** it is not necessary to bring your examination-approval notice. If you do bring it you will be required to relinquish it to staff prior to entering the testing area.
- Government-issued picture identification such as a driver license, official state photo identification or a passport is mandatory. No exceptions will be made. If you do not bring appropriate ID you will not be allowed to take the exam.
- Two or three No.2 pencils and a pocket pencil sharpener (or mechanical pencils). You **must** use #2 pencils or mechanical pencils on the answer sheets. See answer-sheet instructions and the example of a completed answer sheet in this booklet.
- Simple-function calculators: battery or solar noiseless, non-printing, non-programmable calculators. Calculators will be inspected by Board staff prior to entering the testing area.
- If you are taking the preparer examination, you may bring acceptable source documents. Acceptable source documents must be official publications or copies downloaded from the official Web sites of the IRS and the Oregon Department of Revenue. Consultant examinations are not open book.
- If you have a medical or other condition requiring accommodation, please make arrangements Board staff when you schedule your examination. Diabetic supplies may be brought to the exam; however, such supplies must be declared to and examined by Board staff at sign-in.
- Soft drinks and protein drinks are allowable at the Board-administered examination.

Items Not Allowed in the Exam Room

- Cellular phones or other communication devices are **not** allowed.
- Backpacks, purses, non-transparent bags and containers are **not** allowed.
- Programmable calculators are **not** allowed.
- Source materials for consultant examinees are **not** allowed.
- Solid food is **not** allowed during the annual Board-administered examination.

Getting Your Exam Results

Proctor sites are required to return completed examinations to the Board office within five days, whereupon exams are graded as soon as possible. Examinees receive written notification of their scores from the Board office through the U.S. Postal Service no later than 30 days after taking the examination. **Examination results are not given over the phone or at the Board office.**

Passing scores:

Preparer examinees must correctly answer 75 percent of the 200 questions and mini-problems.

Consultant examinees must correctly answer 75 percent of the 200 questions.

Enrolled agent examinees must correctly answer 75 percent of the 50 questions.

Examinees who receive passing scores have **60 days** in which to apply for a license. If they do not do so, they must re-test. Candidates who do not receive passing scores may sit for the next examination upon filing to re-take the examination and submitting payment of fees to the Board office.

Please note: No review of the examination questions by any applicant will be granted (OAR 800-020-0020(7)).

If you do not pass the preparer or consultant examination in four tries, the Board strongly recommends that you enroll in an 80-hour basic tax course or an examination-preparation course for consultants. **A tax preparer must re-take the basic course if, after three years from basic course** completion, the applicant has not yet passed the preparer examination (OAR 800-020-0020(9)).

Continuing Education

Tax preparers and tax consultants are required to complete 30 hours of continuing education related to tax law and tax preparation per year. To renew their licenses each year, licensees must attest to having completed a minimum of 30 hours of acceptable continuing education during the 13 months prior to each license year.

The Board audits licensees on a random basis to verify compliance with continuing-education requirements (OAR 800-015-0015). Continuing education is waived for the first renewal of a tax preparer or tax consultant license.

Tax preparers and consultants who allow their licenses to lapse or be inactive *for less than three years* must attest to 30 hours of acceptable continuing education for each lapsed or inactive year to qualify for license renewal or reactivation.

Example: License expiration date is Sept. 30, 2011, and the licensee is making application for renewal on or before Sept. 30, 2013. The licensee must attest to 90 hours of continuing education (30 hours per year) to qualify for license renewal or reactivation.

A license that has been placed in inactive or lapsed status, or combination thereof, *for three (3) consecutive years or more*, shall not be reactivated to active status. If a tax preparer or consultant has allowed his or her license to lapse or remain inactive, *for three (3) consecutive years or more*, he or she must make application for and successfully complete the preparer examination with a score of 75 percent or higher.

Tax courses, seminars and Webinars acceptable for continuing education are offered by community colleges, industry associations, company schools, and private firms in Oregon. Continuing-education credit will be accepted only if sponsors and course material comply with OAR 800-015-0010, OAR 800-015-0020 and OAR 800-015-0030.

Acceptable continuing education is that which contributes directly to the expertise of the individual in the preparation of income tax returns, and is presented by a sponsor who meets the requirements of all Rules.

Correspondence and self-study courses must be Board approved if not already approved by California Tax Education Council (CTEC), Internal Revenue Service (IRS), National Association of State Boards of Accountancy (NASBA), National Association of Tax Professionals (NATP), Quality Assurance Services (QAS) or courses by such other sponsors as may be approved by the Board.

BASIC COURSE SPONSORS: Sept. 1, 2011 - August 31, 2012

***List subject to change.
Sponsors in gray pending.***

Sponsor/Address	Phone	Fax	E-mail	Web site	More info.
Annette Saarinen AccountTax of Oregon, Inc. ** 8050 SW Pfaffle St., Suite 110 Tigard, OR 97223	(503) 619-1040	(503) 619-1045	reception@accounttaxoforegon.com	Accounttaxoforegon.com	<i>Offering live course</i>
Peggy Hudson Blue Mt. Comm. College * 3275 Baker Baker City, OR 97814	(541) 523-9127 Ext. 3200	(541) 523-9128	peggyhudson@bluecc.edu	www.bluecc.edu	<i>Offering live course</i>
Scott Wallace Blue Mt. Comm. College * 2411 NW Carden / PO Box 100 Pendleton, OR 97801	(541) 278-5736	(541) 278-5177	swallace@bluecc.edu	www.bluecc.edu	<i>Offering live and on-line courses</i>
Nancy Jumper Central Oregon Comm. Col. * 2600 NW College Way Bend, OR 97701	(541) 383-7270	(541) 383-7503	class inquiries: ceinfo@cocc.edu personal: njumper@cocc.edu	http://noncredit.cocc.edu	<i>Offering live course</i>
Malia Sathrum Chemeketa Community Col. * 4000 Lancaster Drive NE Salem OR 97309	(503) 399-5048	(503) 365-4785	socialscience@chemeketa.edu	www.chemeketa.edu	<i>Offering live and on-line courses</i>
James Stekelberg Clackamas Comm. College * 19600 Molalla Ave. Oregon City, OR 97045	(503) 594-3861 or (503) 594-3071	(503) 650-6659	jamess@clackamas.edu	www.clackamas.edu	<i>On-line course only</i>
Alan Twombly H & R Block Income Tax School – Oregon Coast ** PO Box 331 Florence, OR 97439	(541) 997-7725 (541) 264-7270 (541) 888-2878	(541) 997-7092	atwombly@hrblock.com		<i>Offering live course</i>
Randy Shimek H & R Block Income Tax Sch. ** 1371 Lancaster Dr. NE. Salem, OR 97301	(503) 279-1877	(503) 362-8560	rshimek@hrblock.com	www.hrblock.com	<i>Offering live course</i>
Kristen VanKeulen Heald College * 6035 NE 78 th Court Portland, OR 97218	(503) 505-5479	(503) 505-5558	kristine_vankeulen@heald.edu	www.heald.edu	<i>Offering live course</i>
Sheila Clark The Income Tax School ** 10120 West Broad St., Ste. A Glenn Allen, VA 23060	(800) 984-1040 or (804) 204-1040	(804) 213-4248 or (877) 787-1040	sclark@theincometaxschool.com cmcabe@theincometaxschool.com	www.theincometaxschool.com	<i>On-line courses only</i>
Mamie Carter, LTC Jackson Hewitt Tax Service ** 516 SE Chkalov Dr. No. 15 Vancouver, WA 98683	(503) 251-5442	(360) 750-5567	mcarter@jhtaxnw.com scross@jhtaxnw.com	www.jacksonhewitt.com	<i>Offering live and on-line courses</i>
Christina Phillips Fastax, Inc. PFS Tax School ** Jackson Hewitt Tax Srv #0975 4676 Commercial St SE / PMB 373 Salem, OR 97302	(503) 585-4663 Outside Salem: 1-866-634-1040	(503) 362-5972	N/A	N/A	<i>Offering live course</i>
Katherine Sue Hewitt Klamath Community College * 7390 South Sixth Street Klamath Falls, OR 97603	(541) 880-2261 or (541) 331-1047	(541) 885-7758	Hewitt@klamathcc.edu	www.klamathcc.edu	<i>Offering live course</i>

Kirkwood Donavin Lane Community College * 4000 E. 30 th Ave. Eugene, OR 97405	(541) 485-8581		donavink@lanecc.edu	www.lanecc.edu	Offering live course
Heather Smith Liberty Tax Service ** 1716 Corporate Landing Pkwy Virginia Beach, VA 23454	(800) 790-3863 X 8053	(800) 880-6432	Heather.smith@libtax.com	www.libertytax.com	Offering live and on-line courses
Barbara Bessey Linn Benton Comm. College* 6500 Pacific Blvd., SW Albany, OR 97321	(541) 917-4930	(541) 917-4831	Barbara.bessey@linnbenton.edu	www.linnbenton.edu/go/sbdc	Offering live course
SanDee M. Tharp Pacific Northwest Tax Service ** 13405 NW Cornell Road Portland, OR 97229	(503) 646-5600	(503) 350-0265	pnwtaxschool@aol.com	www.pnwtaxschool.com	Offering live, on-line and correspondence courses
Daphna Lauren Zago Platinum Professional Services 12340 Seal Beach Blvd., #271B Seal Beach, CA 90740	(877) 315-1772	(877) 315-2725	admin@platinumprostudies.com	www.platinumprostudies.com	Offering on-line courses
Phillip Seder Portland Community College – Sylvania Campus * 12000 SW 49 th Ave. Portland, OR 97219	(503) 977-8274	(503) 977-4959	phillip.seder@pcc.edu	www.pcc.edu	Offering live and on-line courses
Karen Helland Southwestern Oregon Community College * 1988 Newmark Coos Bay, OR 97420	(541) 888-7212	(541) 888-1590	khelland@socc.edu	www.socc.edu	Offering live course
Sammie Olson Tillamook Bay Community College* 4301 3 rd Street Tillamook, OR 97141	(503) 842-8222	(503) 842-8334	olson@tillamookbay.cc	www.TillamookBay.cc	Offering live course

- * **Denotes an accredited college/university or educational service district**
** **Denotes a private firm licensed as a vocational school by the Oregon Department of Education**

Check the following URL frequently for updates to the sponsor listing:
http://www.oregon.gov/OBTP/docs/Forms/GEN_INFO.pdf

Preparer Examination Index

Course Guide for Basic Course Instructors

Description/course topics	References used
Tax Practitioner Oregon Law	Oregon Administrative Rules Oregon Revised Statutes
Federal Filing Requirements/Federal Filing Dates	Publication 17, Chapter 1
Federal Filing Status	Publication 17, Chapter 2
Personal and Dependent Exemptions	Publication 17, Chapter 3
Gross Income	Publication 17, Chapters: 6-9 & 12
Standard and Itemized Deductions Medical, Taxes, Interest	Publication 17, Chapters: 21-25 Publication 970
Itemized Deductions Contributions, Casualty, Car and Employee Business Deductions, Work-related Deductions, Miscellaneous Deductions	Publication 17, Chapters: 26-30
Adjustments to Income IRA, Moving, Alimony Miscellaneous Adjustments	Publication 17, Chapters:18-20 1040 Instructions Publication 970
OREGON Form 40 ERA Program (Elderly Rental Assistance)	Publication 17½ Oregon Instructions 40 & 40S
Other Income Rental Income and Expense Retirement Plans, Pensions, Annuities Other Income	Publication 17, Chapters:10-11 & 13
Mid-term examination	
Schedules C, F, and SE	Publication 225 and 334
Basis of Assets and Depreciation	Publication 17, Chapters: 10 & 14 Publication 225 and 334
Sale & Exchange of Capital Assets Personal Residence, Bad Debts, Installment Sales	Publication 17, Chapters:15-17
Supplemental Gains and Losses Form 4797	Publication 225 and 334 Form 4797 Instructions
OREGON Part Year and Non-Resident	Publication 17½ Oregon Instructions 40N and 40P
Credits	Publication 17, Chapters: 33-38 Publication 970
Other Taxes and Payments Alternative Minimum Tax Minor Children Estimated Tax, Excess FICA	Publication 17, Chapters: 4-5, 11 and 31-32
Review Final Examination Review Final Examination Interviewing Techniques Amended Returns	

Preparer Examination Subject Outline

and approximate percentage of coverage

FEDERAL

How to file -- 13.5%

- Filing status
- Dependents
- Personal exemptions
- Filing requirements

Income -- 11.5%

- Earned income
- Tips
- Interest
- Dividends
- Business, farm
- Retirement, pensions
- Rentals
- Depreciation
- Social Security
- Investment
- Other income

Assets -- 8.5%

- Capital/ordinary
- Basis
- Sale of capital assets
- Sale of business assets (Form 4797)
- Installment sales (Form 6252)
- Personal residence

Adjustments -- 5%

- IRA, SEP, Keogh, simple
- Alimony
- Self-employed health insurance
- Moving

- Education related
- Self-employment tax
- Penalty on early withdrawal

Itemized deductions -- 15%

- Medical
- Taxes
- Interest
- Contributions
- Casualty
- Continuing education
- Employee business expense
- Miscellaneous
- Limitations

Credits -- 5%

- Child care
- Elderly, disabled
- Earned income
- Education
- Child tax
- Adoption
- Other credits

Other Taxes -- 2.5%

- Self employment
- Alternative minimum
- Averaging/lump sum
- Tax computation
- IRAs and other retirement plans
- Other

Payments -- 2.5%

- Estimated
- Excess FICA
- Other

Preparer Examination Subject Outline, continued

OREGON

How to file -- 4%

- Filing status
- Filing requirements
- Non resident status

Additions -- 3%

- Interest
- Taxes
- Other

Subtractions -- 6%

- Taxes
- Interest
- Military
- Federal pensions
- Social Security/ railroad retirement
- Oregon refunds
- American Indian
- Lottery winnings
- Domestic partner benefits
- Higher education expense
- Other

Deductions -- 1.5%

- Standard
- Itemized
- Special medical

Credits -- 3%

- Child care
- Elderly or disabled
- Retirement income
- Political
- Working family
- Earned income
- Exemptions
- Long-term care
- Residential energy
- Other

Payments -- 1%

- Estimates
- Tax computation

License law, rules of conduct -- 6%

Mini-problems (Federal and Oregon) -- 12%

Approximately 64 percent is on federal law, 24 percent on state law and 12 percent is a combination of Federal and Oregon mini-problems. There are 200 questions on the exam.

Sample Preparer Test with Frequently Missed Questions

Sample questions extracted from 2010-2011 exam based on 2009 tax law
Referenced to 2009 publications

These questions serve as examples only.

Answers, subject matter and references can be found on the attached pages

1. When a parent purchases a US Savings Bond and names his child as co-owner, he may choose between having himself or his child report the interest.
 - A. True
 - B. False

2. John and Jane received the following interest and dividends. Prepare a Schedule B.

Interest:
\$165 Willamette Savings (early withdrawal penalty \$160)
\$400 Series E bonds
\$56 IRS interest on 1040X refund
\$1,000 State of Oregon municipal bonds

Dividends:
\$1,900 Credit union
\$190 Hilton Hotel ordinary dividends and \$10 capital gain distributions
\$4,150 Union Oil
\$ 26 Dividends on Veterans Insurance
\$1,600 PGE (\$400 was reinvested in common stock)

What is the amount on Line 6 of Schedule B?

 - A. \$5,940
 - B. \$5,966
 - C. \$7,840
 - D. \$7,866

3. The 2008 First Time Home Buyers Credit is up to \$7500 and must be repaid over 15 years.
 - A. True
 - B. False

4. If a person's only income is self-employment, they are required to file a Schedule C.
 - A. True
 - B. False

5. Tommy Trucker, a long haul truck driver, incurred \$5,000 in meal expenses. What is his allowable meal deduction on the Form 2106 (Employee Business Expense):
 - A. \$0
 - B. \$2,500
 - C. \$4,000
 - D. \$5,000

Preparer Frequently Missed Questions Cont...

6. Which dependent is required to file a federal return?
- A. Sheila earned \$800 in interest
 - B. Karen earned \$200 in interest and \$4900 in wages
 - C. Phil earned \$350 in interest and \$2000 in wages
 - D. Bob earned \$5100 in wages
7. Uncle Bert, a union member, drove 5 miles a day to the union hall for 150 days to get his work assignments. He then drove 800 miles total, for the year, from the union hall to the job sites. How many miles can qualify for a business deduction?
- A. 0
 - B. 750
 - C. 800
 - D. 1550
8. The federal excise tax on fuels is treated as a payment.
- A. True
 - B. False
9. Commercial real estate held long term was sold at a gain. This gain is taxed at what maximum capital gain rate:
- A. 5%
 - B. 15%
 - C. 25%
 - D. 28%
10. The expense paid to a housekeeper hired to care for children ages 8 and 11 and to do some of the housework must be allocated for child care expenses.
- A. True
 - B. False
11. Travel expense deductions for a trip that was primarily personal, but some business was conducted at the destination, may be prorated as to time spent on business versus time spent on personal.
- A. True
 - B. False
12. In 2006 taxpayer had a \$6,700 federal tax liability. His Oregon federal tax subtraction for 2006 was limited to \$5,000. This year he amended his 2006 and received a \$2,000 federal refund. How much of this refund must he include as an addition on his 2009 Oregon return?
- A. \$0
 - B. \$300
 - C. \$1700
 - D. \$2000
13. Mr. Snyder files married filing separate. He paid \$2,800 in child care for his qualifying dependent. The decimal amount for the federal child and dependent care credit, based on his taxable income is .06. Mr. Snyder has an Oregon credit of:
- A. \$0
 - B. \$120
 - C. \$168
 - D. \$280

14. **Mini Problem #5 – No Form Needed to Complete**

Amy (single) moved from Montana to Portland, Oregon to take a job in Vancouver, Washington. After becoming an Oregon resident, Amy paid her moving expenses. Amy paid the following:

Storage for 30 days - \$80
Rented moving truck (\$55 each trip) - \$110
Meals - \$35
Gas, oil for personal vehicle \$70
To disconnect utilities - \$50

Amy may deduct moving expenses on her Oregon return in the amount of:

- A. \$0
- B. \$260
- C. \$310
- D. \$345

15. **Mini Problem – Form 2441 and Form 1040 provided**

Latifa has two dependent children under the age of five. She works as a cook in the commissary at Intel. Latifa's husband died suddenly on January 13th of the current tax year. Intel provides Latifa with an annual child care allowance of \$2,500 for each child. Her W-2 wages were \$33,500. Latifa had no other income from any source and does not itemize deductions.

What is Latifa's federal taxable income?

- A. \$9,500
- B. \$11,150
- C. \$13,150
- D. \$16,200

16. **Mini Problem #4 – Form 40 provided**

Bruce is filing as married, filing separate. He has the following entries on his federal return. He did not itemize this year or last.

Taxable Railroad Retirement TIER I	\$8,000
Federal Tax Liability	\$3,000
Wages	\$12,000
Oregon Refund	\$300

He does not have any adjustments to income.

What is Bruce's federal adjusted gross income?

- A. \$12,000
- B. \$12,300
- C. \$20,000
- D. \$20,300

17. What is the total of Bruce's subtractions?

- A. \$3,000
- B. \$8,300
- C. \$10,925
- D. \$11,000

**STATE BOARD OF TAX PRACTITIONERS
PREPARER EXAMINATION**

**LIST OF ACCEPTABLE SOURCE DOCUMENTS ALLOWED DURING THE
TAX PREPARER OPEN-BOOK EXAMINATION**

All questions in the Preparer Exam are derived from the following source documents

FEDERAL:

- Pub. 17
- Pub. 225 - Farmer's Tax Guide
- Pub. 334 - Tax Guide for Small Business
- Pub. 521 – Moving Expenses
- Pub. 527 – Residential Rental Property
- Pub. 850 – English-Foreign Language Glossary of Words and Phrases
- Pub. 946 – How to Depreciate Property
- Pub. 970 – Tax Benefits for Education
- Federal Form 1040 Instructions (not forms booklets)
 - ❖ Form 4797 Instructions – Sale of Business Property
- Form 6252 Instructions – Installment Sales

OREGON:

- Pub. 17-1/2 (Oregon)
- Oregon Forms 40S & 40 With Instructions
- Oregon Forms 40N & 40P With Instructions
- Oregon Administrative Rules, Chapter 800: *800-010-0015 through 800-030-0050*
- Oregon Revised Statutes, Chapter 673: *673.605 through 673.990*

❖ Donates any new publications added for the 2010-2011 season

As extra reference material, Publication; 553 – Highlights of (current year) tax changes, Publication; 596 – Earned Income Credit (EIC) & Publication; 587 – Business Use of Home may be helpful to students, but are not considered by the Tax Board to be required.

Source documents in languages other than English are acceptable. Translating dictionaries are currently not allowed. All source documents must be official publications or copies downloaded from the official websites of the IRS and/or the Department of Revenue

Answers, Subject Matter and References Frequently Missed Questions

References can be found in 2009 tax law publications, booklets & instructions

PREPARER

- | | |
|--|--|
| 1.) Correct Answer: False (B)
Subject Matter: Federal Income
Reference: Pub. 17 | 10.) Correct Answer: False (B)
Subject Matter: Federal Credits
Reference: Pub. 17 |
| 2.) Correct Answer: \$5,940A
Subject Matter: Mini Problem
Reference: Pub. 17 | 11.) Correct Answer: False (B)
Subject Matter: Federal Itemized Deductions
Reference: Pub 17 |
| 3.) Correct Answer: True (A)
Subject Matter: Federal Credits
Reference: Pub. 17 | 12.) Correct Answer: \$300 (B)
Subject Matter: Oregon Additions
Reference: Pub 17 1/2 |
| 4.) Correct Answer: False (B)
Subject Matter: Federal How to File
Reference: Pub. 17 | 13.) Correct Answer: \$0 (A)
Subject Matter: Oregon Credits
Reference: Pub. 17 1/2 |
| 5.) Correct Answer: \$4,000 (C)
Subject Matter: Federal Itemized Deductions
Reference: Pub. 17 | 14.) Correct Answer: \$310 (C)
Subject Matter: Mini Problems
Reference: Pub 17 1/2, Pub 521 |
| 6.) Correct Answer: 50 (C)
Subject Matter: Federal How to File
Reference: Pub. 17 | 15.) Correct Answer: \$9,500 (A)
Subject Matter: Mini Problems
Reference: Pub. Form 1040 |
| 7.) Correct Answer: 0 (A)
Subject Matter: Federal Itemized Deductions
Reference: Pub. 17 | 16.) Correct Answer: \$20,000 (C)
Subject Matter: Mini Problems
Reference: Oregon Instructions |
| 8.) Correct Answer: True (A)
Subject Matter: Federal Payments
Reference: Pub. 17 | 17.) Correct Answer: \$10,925 (C)
Subject Matter: Mini Problems
Reference: Oregon Instructions |
| 9.) Correct Answer: 25% (C)
Subject Matter: Federal Assets
Reference: Pub. 17 | |

Consultant Examination Index and Study Guide

DESCRIPTION/STUDY TOPICS	REFERENCE USED
Filing Requirements	Pub 17
Filing Status	
Dependents/Exemptions	
Gross Income	
W-2s, Interest, Dividends, Refunds, Alimony	Pub 525
Pensions, IRAs, Clergy, Unemployment,	Pub 575
Social Security, and Other Income	Pub 590
Excludable Income	
Oregon	Pub 17½ Oregon booklet
Code of Professional Conduct	OARs Chapter 800
Standard Deduction	Pub 17
Schedule A	
Medical, Taxes, Interest, Investment Interest,	Pub 502
Contributions, Casualty Losses, and	Pub 936
Misc including Form 2106	Pub 463
	Pub 970
Oregon	Pub 17½
Basis of Assets	Pub 17 Pub 551
Depreciation	Pub 946
Sec 179, Bonus Depreciation, MACRS,	Pub 225
Listed Property	Pub 334
Oregon	Pub 17½ 1040 booklet
Schedule C	Pub 334
Business vs. Hobby, and Home Office	Pub 535 Pub 587
Schedule F	Pub 225
Schedule SE	Pub 463
Oregon	Pub 17½
Schedule E Rentals	Pub 17
Royalties and K-1's	Pub 925
Passive Activities	
NOLs	Pub 536
Oregon	Pub 17½

Additional study topics on back.

DESCRIPTION/STUDY TOPICS	REFERENCE USED
Sales and Exchanges	Pub 544
Sch D, Form 4797, Involuntary Conversions, Repossessions, and Like-Kind Exchanges	Pub 551
Installment Sales and Form 6252	Pub 537
Sale of Personal Residence	Pub 523
	Pub 17
	Pub 225
	Pub 334
Oregon	Pub 17½
Adjustments to Income	Pub 17
Education, Student Loan Interest, Tuition & Fees	Pub 970
IRA	Pub 590
Moving Expense	1040 booklet
SE Tax	
SE Health Insurance	
SE Retirement Plans	
Penalty for Early Withdrawal	
Alimony	
Personal Property Rental Expenses	
Oregon	Pub 17½
	Oregon booklets
AMT	Pub 225
Tax Credits	Pub 17
EIC, Child Care, Child Tax, Additional Child Tax, Foreign Tax Cr, Education, Retirement Savings, Adoption, Gas Tax, and Excess SS Tax and RRTI Tax	Pub 970
Oregon	Pub 17½
	Oregon booklets
Filing due dates	Pub 17
Estimated taxes	1040 booklet
Penalty for IRAs and Form 5329	Pub 590
Advance EIC Payments	
	Pub 225
	Pub 334
Oregon	Pub 17½
	Oregon booklets
Review for Final Exam	
Final Exam and Review of Answers	

This outline represents 10 three-hour class periods reviewing material that will be covered on a consultant exam. Each class incorporates discussion of Oregon resident and non-resident information, as required. Quizzes may be given at the beginning or end of class to reinforce material taught.

Consultant Examination Subject Outline

and approximate percentage of coverage

Federal

How to file -- 5%

- Filing status
- Personal exemptions
- Filing requirements
- Dependents

Earned income -- 2.5%

- Wages
- Tips
- Fringe benefits

Interest -- 2%

- Taxable
- Exempt
- OID

Dividends -- 2%

- Ordinary
- Nontaxable
- Capital gain

Business income, deductions -- 5.5%

Passive activities, rentals -- 3%

Farms -- 1.5%

Pensions and annuities -- 3%

Social Security -- 1%

Depreciation -- 4%

Sales of property -- 15%

- Basis
- Capital assets
- Business property
- Residence
- Installment and repossessions
- Depreciation recapture
- Involuntary conversions
- Nontaxable exchanges

Miscellaneous income -- 3%

Itemized deductions -- 9.5%

- Medical
- Taxes
- Interest
- Contributions
- Casualty losses
- Miscellaneous deductions
 - a. Employee business
 - b. Production of income
 - c. Education

Credits -- 3.5%

- Child care
- Child tax
- Earned income
- Education
- Mortgage interest
- Other

Estimated payments -- 1%

Self-employment tax -- .5%

Alternative minimum tax -- 1.5%

Other taxes -- 2.5%

- Lump sum distributions
- Penalties
- Tips
- Household employment

Net operating losses, at-risk amounts -- 1%

Amended returns -- 1.5%

Other areas -- 2.5%

Adjustments -- 4%

- IRA, SEP, KEOGH
- Alimony
- Moving expenses
- Other

Consultant Examination Subject Outline, continued

OREGON

How to file -- 3%

- Filing status
- Requirements
- Non-residents
- Exemptions

Additions -- 3%

- Municipal bonds
- Other

Subtractions -- 4%

- Taxes
- Interest
- Military pensions
- Other pensions
- Other subtractions

Deductions -- 2.5%

- Standard deduction
- Itemized deductions
- Oregon medical

Credits -- 4%

- Child care
- Political
- Exemption credits
- Retirement
- Working family
- Other

Payments -- 1%

- Estimated

Part year/non-resident -- 2%

License law -- 5.5%

Sample Consultant Test with Frequently Missed Questions

Sample questions extracted from 2010-2011 exam based on 2009 tax law
Referenced to 2009 publications

These questions serve as examples only.

Answers, subject matter and references can be found on the attached pages

1. Which statement regarding Code Section 179 depreciation is true?
 - A. Maximum amount deductible is \$24,000.
 - B. Amount disallowed due to taxable income limitations can be carried forward.
 - C. Maximum deductible amount is reduced if property placed in service during the tax year exceeds \$250,000.
 - D. Amount expensed cannot exceed the taxable income derived only from Schedule C or Schedule F.

2. Investment income does not include qualified dividends or net capital gain unless you choose to include them.
 - A. True
 - B. False

3. You can claim 75% of the use of a car or light truck as business use without any records if you used the vehicle during most of the normal business day directly in connection with the business of farming.
 - A. True
 - B. False

4. Which income is taxable on your Federal income tax return?
 - A. State sickness or disability fund
 - B. Veteran's disability pay
 - C. Interest from New York City bonds
 - D. Gift

5. Grandma contributed \$1200 to her granddaughters Coverdell ESA, the parents contributed \$700 and then the godmother also contributed \$2000 as a gift for the future. What is the additional tax on the excess contribution?
 - A. 114
 - B. 950
 - C. 190
 - D. 0

Consultant Frequently Missed Questions Cont...

6. To qualify for Section 1231 gain treatment, a dairy cow must be held at least ___ months.
- A. 6
 - B. 12
 - C. 18
 - D. 24
7. Taxpayer Zeeke died during the current tax year. Zeeke had a capital loss carryover of \$8000. The remaining loss carryover will be claimed on his final return.
- A. True
 - B. False
8. Supplemental security income (SSI) may be taxable if income exceeds dollar limits for base amounts.
- A. True
 - B. False
9. Larry's only earned income is from his business, Larry's Plumbing. As a new business, his net income was only \$3000 resulting in self-employment tax of \$424. Larry paid \$3800 for health insurance. He is allowed to claim a maximum self-employed health insurance deduction in the amount of:
- A. \$2576
 - B. \$2660
 - C. \$2788
 - D. \$3800
10. Armed forces reservists are able to deduct travel as an adjustment to income when:
- A. attending guard meetings more than 50 miles away from home
 - B. attending guard meetings more than 75 miles away from home
 - C. attending guard meetings more than 100 miles away from home
 - D. driving to and from reserve meetings on a non-work day.
11. Which of the following is not an adjustment or a preference item for purposes of calculating Alternative Minimum Taxable Income (AMTI)?
- A. Property taxes
 - B. Home acquisition mortgage interest
 - C. Miscellaneous itemized deductions
 - D. State income tax
12. Mr. Cohen loaned \$1,000 to his cousin two years ago to buy a personal automobile. He received a note bearing interest at eight percent per annum. His cousin filed bankruptcy during the tax year without making any principal payments. How should Mr. Cohen treat the loss, if any, on his return?
- A. No loss allowed
 - B. \$1,000 short-term capital loss
 - C. \$1,000 long-term capital loss
 - D. \$1,000 business bad debt

Consultant Frequently Missed Questions Cont...

13. Taxpayer failed to pay taxes on her timely filed return. What is the maximum failure-to-pay penalty on your federal return?
- A. .5 percent on balance due
 - B. .5 percent per month on balance due
 - C. 25 percent on balance due
 - D. 100 percent on balance due

14. Maynard sold his feed store on a 10-year contract. The total sale price of \$159,000 was allocated to:

Fixtures	\$14,000
Goodwill	\$15,000
Inventory	\$30,000
Building	\$100,000

What, if any, portion of the sale can Maynard report using the installment method, if his adjusted basis was:

Fixtures	\$11,500
Goodwill	-0-
Inventory	\$28,000
Building	\$70,000

- A. Inventory, fixtures and building
 - B. Fixtures, goodwill and building
 - C. Entire sale
 - D. Fixtures and building
15. Mr. Jet acquired land adjacent to his business property for the purpose of expanding his customer parking area. Mr. Jet paid a total of \$70,000 for the property, which included a building valued at \$15,000. To make the property usable as a parking lot, the building was torn down at a cost of \$8,000. He received payment of \$3,000 for the salvageable material from the demolished building. What is Mr. Jet's basis in the land?
- A. \$55,000
 - B. \$60,000
 - C. \$75,000
 - D. \$78,000
16. Mr. Jones purchased a City of Seattle, Washington municipal bond with a face value of \$10,000 for \$10,250. The purchase price included \$250 of accrued interest. The total interest income reported for this bond was \$500. How much is taxable on his Oregon return?
- A. -0-
 - B. \$250
 - C. \$500
 - D. \$750.

Consultant Frequently Missed Questions Cont...

17. Oregon residential energy credits are available for all except:
- A. solar energy electrical system
 - B. energy efficient appliances
 - C. thermal pane windows
 - D. none of the above
18. A Taxpayer joined the military in Oregon. He does not have a personal residence in Oregon. His family travels with him. During the tax year, he spent 60 days in Oregon on a temporary assignment. How much of his military pay is taxable to Oregon?
- A. All of the military pay, without exclusion.
 - B. None of the military pay.
 - C. All of the military pay, minus \$6,000 active duty pay and all active duty pay earned outside Oregon.
 - D. All of the military pay, minus a \$6,000 active duty pay subtraction.
19. Tony owns and operates a restaurant as a sole-proprietor. Tony takes a tip credit of \$4500 on his federal return and reduced his payroll tax expense by \$4500. What is the effect on the Oregon return?
- A. \$4000 addition
 - B. \$4500 subtraction
 - C. \$4500 tax credit
 - D. No effect
20. Hannah, a farmer, must file her Oregon return and pay the entire balance due by March 1st if she does not make an estimated payment by January 15th.
- A. True
 - B. False
21. To ensure that proof of attainment of the required continuing education is available for audit or investigation by the Board, licensees shall maintain a record of attendance for how many years following each continuing education cycle and renewal of the tax practitioner license.
- A. one year
 - B. two years
 - C. three years
 - D. five years
22. John and Mary Smith are both in military reserve units stationed in Oregon. John earned \$6,000, of which \$2,000 was for active duty. Mary earned \$4,000, of which \$2,000 was for active duty. John and Mary filed a joint return. Their exclusion for military pay is limited to:
- A. \$4,000
 - B. \$6,000
 - C. \$10,000
 - D. \$12,000

**STATE BOARD OF TAX PRACTITIONERS
CONSULTANT EXAMINATION
LIST OF SOURCE DOCUMENTS**

All questions in the Consultant Exam are derived from the following source documents:

FEDERAL:

- Pub. 17
- Pub. 225 – Farmer’s Tax Guide
- Pub. 334 – Small Business Guide
- Pub. 463 – Travel, Entertainment, Gift, & Car Expenses
- Pub. 502 – Medical & Dental Expenses
- Pub. 519, Chapter 1 – U.S. Tax Guide for Aliens
- Pub. 521 – Moving Expenses
- Pub. 523 – Selling Your Home
- Pub. 525 – Taxable and Nontaxable Income
- Pub. 535 – Business Expenses
- Pub. 536 – Net Operating Losses for Individuals, Estates and Trusts
- Pub. 537 – Installment Sales
- Pub. 544 – Sales & Other Dispositions of Assets
- Pub. 550 – Investment Income & Expenses
- Pub. 551 – Basis of Assets
- Pub. 553 – Highlights of (current year) tax changes
- Pub. 575 – Pension and Annuity Income
- Pub. 587 – Business Use of Home
- Pub. 590 – Individual Retirement Arrangements (IRAs)
- Pub. 596 – Earned Income Credit
- Pub. 925 – Passive Activities
- Pub. 936 – Home Mortgage Interest Deductions
- Pub. 946 – Depreciation
- Pub. 970 – Tax Benefits for Higher Education
- Federal Form 1040 Instructions (not forms booklets)
- Federal Form 6251 Instructions – Form AMT Instructions

OREGON:

- Pub. 17-1/2 (Oregon)
- Oregon Forms 40S & 40 With Instructions
- Oregon Forms 40N & 40P With Instructions
- Oregon Administrative Rules, Chapter 800: **800-010-0015 through 800-030-0050**
- Oregon Revised Statutes, Chapter 673: **673.605 through 673.990**

❖ Donates any new publications added for the 2010-2011 season

Other publications and documents that you may find useful in assisting you in studying for the examination are: Form 2106, Form 4797, ❖Form 5695 and ❖Form 8853 Instructions.

Answers, Subject Matter and References Frequently Missed Questions

References can be found in 2009 tax law publications, booklets & instructions

CONSULTANT

- 1.) Correct Answer: Amount disallowed... (B)
Subject Matter: Federal Depreciation
Reference: Pub. 946
- 2.) Correct Answer: True (A)
Subject Matter: Federal Dividends
Reference: Pub. 550
- 3.) Correct Answer: True (A)
Subject Matter: Federal Farms
Reference: Pub. 225
- 4.) Correct Answer: State sickness... (A)
Subject Matter: Federal Misc. Income
Reference: Pub. 17, Pub. 525
- 5.) Correct Answer: 114 (A)
Subject Matter: Federal Misc. Income
Reference: Pub. 970
- 6.) Correct Answer: 24 (D)
Subject Matter: Federal Sales of Property
Reference: Pub. 225, Pub. 544
- 7.) Correct Answer: False (B)
Subject Matter: Federal Sales of Property
Reference: Pub. 17
- 8.) Correct Answer: False (B)
Subject Matter: Federal Social Security
Reference: Pub. 17
- 9.) Correct Answer: \$2788 (C)
Subject Matter: Federal Adjustments
Reference: Pub. 17
- 10.) Correct Answer: Attending guard ... (C)
Subject Matter: Federal Adjustments
Reference: Pub. 17
- 11.) Correct Answer: Home acquisition... (B)
Subject Matter: Federal AMT
Reference: 6251 Instr.
- 12.) Correct Answer: \$1,000 short-term...(B)
Subject Matter: Federal Sales of Property
Reference: Pub 17
- 13.) Correct Answer: 25 percent...(C)
Subject Matter: Federal Other Taxes
Reference: Pub. 17
- 14.) Correct Answer: Fixtures, goodwill...(B)
Subject Matter: Federal Sale of Property
Reference: Pub 225, Pub. 537
- 15.) Correct Answer: \$75,000 (C)
Subject Matter: Federal Sale of Property
Reference: Pub. 551
- 16.) Correct Answer: \$250 (B)
Subject Matter: Oregon Additions
Reference: Pub. 17 1/2
- 17.) Correct Answer: Thermal pane ... (C)
Subject Matter: Oregon Credits
Reference: Pub. 17 1/2
- 18.) Correct Answer: All of the military ... (C)
Subject Matter: Oregon How to File
Reference: Pub. 17 1/2
- 19.) Correct Answer: \$4500 subtraction (B)
Subject Matter: Oregon Subtractions
Reference: Pub. 17 1/2
- 20.) Correct Answer: False (B)
Subject Matter: Oregon Payments
Reference: Pub. 17 1/2
- 21.) Correct Answer: Two years (B)
Subject Matter: Oregon License Law
Reference: OAR
- 22.) Correct Answer: \$10,000 (C)
Subject Matter: Oregon Subtractions
Reference: Pub. 17 1/2

This reference guide will be provided with examination materials. You will NOT be able to bring a copy of this guide into the examination.

Federal

Mileage rates:

2010 Key tax amounts:

Exemption - \$3,650

Child tax credit - \$1,000 per child

Excess FICA - \$6,622

Date	Business	Charity	Moving	Medical
Jan-Dec	50 cents	14 cents	16.5 cents	16.5 cents

Standard Deduction

Filing Status	MFJ or QW	Single	HOH	MFS
Basic Deduction	\$11,400	\$5,700	\$8,400	\$5,700
Blind *	\$1,100	\$1,400	\$1,400	\$1,100
65 or over *	\$1,100	\$1,400	\$1,400	\$1,100
Dependent	Greater of \$950 or earned income plus \$300 but not to exceed \$5,700			

* Add to basic deduction amount. If married filing jointly and both taxpayers qualify, add \$2,200 to the basic deduction amount.

2010 Phase-Out Ranges:

Filing Status	MFJ	QW	Single	HOH	MFS
Education Savings Bond Interest Exclusion	\$105,100-\$135,000	\$105,100-\$135,000	\$70,100 - \$85,100	\$70,100 - \$85,100	N/A
Student Loan Interest Deduction	\$120,000-\$150,000	\$60,000-\$75,000	\$60,000-\$75,000	\$60,000-\$75,000	N/A
Tuition and Fees Deduction...\$4,000	\$130,000	\$65,000	\$65,000	\$65,000	N/A
Tuition and Fees Deduction...\$2,000**	\$160,000	\$80,000	\$80,000	\$80,000	N/A
Coverdell Education Savings Account ESA	\$190,000-\$220,000	\$95,000-\$110,000	\$95,000-\$110,000	\$95,000-\$110,000	\$95,000-\$110,000
Roth IRA	\$166,000-\$177,000	\$166,000-\$177,000	\$105,000-\$120,000	\$105,000-\$120,000	\$0-\$10,000
Traditional IRA	\$89,000-\$109,000	\$89,000-\$109,000	\$56,000-\$66,000	\$56,000-\$66,000	\$0-\$10,000
Child Tax Credit	\$110,000-\$130,000	\$75,000-\$95,000	\$75,000-\$95,000	\$75,000-\$95,000	\$55,000-\$75,000
Lifetime Learning Credit	\$100,000-\$120,000	\$50,000-\$60,000	\$50,000-\$60,000	\$50,000-\$60,000	N/A
American Opportunity Credit	\$160,000-\$180,000	\$80,000-\$90,000	\$80,000-\$90,000	\$80,000-\$90,000	N/A
Retirement Saver's Contribution Credit	\$55,500	\$27,750	\$27,750	\$41,625	\$27,750

*Phase-out begins at this amount

**No deduction allowed if taxpayer's AGI exceeds this amount

Reference guide continued on next 2 pages

Oregon

Oregon Basic Information 2010:

Exemption Credit - \$177

Standard Deduction 2010:

Filing Status	Standard Deduction	+ Age 65 or over, Blind (each)
Married Filing Joint	\$3,900	\$1,000
Qualifying Widow(er)	\$3,900	\$1,000
Single	\$1,950	\$1,200
Head of Household	\$3,140	\$1,200
Married Filing Separately	\$1,950	\$1,000
<i>If Spouse Itemizes Deductions</i>	NONE	
Dependent Children:	Greater of \$950 or the amount of earned income, plus \$300 (not to exceed \$1,950) * Blind dependent: Add \$1,200	

Oregon Filing Requirements:

Filing Status	Age	If gross income is more than:
Single, can be claimed on another's return	Any	\$950*
Single	Under 65	\$5,340
	65 or Over	\$6,540
Married/RDP joint return	Both under 65	\$10,700
	One 65 or over	\$11,700
	Both 65 or over	\$12,700
Married/RDP separate return	Under 65	\$5,340
	65 or over	\$6,340
Head of Household	Under 65	\$6,680
	65 or over	\$7,880
Qualifying Widow(er)	Under 65	\$7,440
	65 or over	\$8,440
In addition, file a return if: -- You are required to file a federal return -- You had \$1/more of OR inc. tax w/held from your wages. *The larger of \$950 or your earned income plus \$300, up to your standard deduction amount.		

Child & Dependent Care Credit:

Federal Taxable Income Form 1040, line 43 OR Form 1040A, line 27	Your decimal amount is:
Over ----- – But not over \$5,000	.30
Over \$5,000 – But not over \$10,000	.15
Over \$10,000 – But not over \$15,000	.08
Over \$15,000 – But not over \$25,000	.06
Over \$25,000 – But not over \$35,000	.05
Over \$35,000 – But not over \$45,000	.04
Over \$45,000 – But not over -----	.00

Oregon Exemption Credit Tables:

If your filing status is.... And Form 40, line 8 is less than or equal to.....	
Single	\$167,100
Married/RDP filing joint or qualifying widow(er)	\$250,650
Married/RDP filing separately	\$125,300
Head of household	\$208,850
...multiply your total exemptions on line 6e by \$177. Enter the result on Form 40, line 33. <i>Do not use the exemption credit worksheet</i>	

If your filing status is.... And Form 40, line 8 is more than...	
Single	\$249,600
Married/RDP filing joint or qualifying widow(er)	\$333,150
Married/RDP filing separately	\$166,550
Head of household	\$291,350
...multiply your total exemptions on line 6e by \$58. Enter the result on Form 40, line 33. <i>Do not use the exemption credit worksheet</i>	

Working Family Child Care Credit Tables

TABLE 1, HOUSEHOLD SIZE = 1		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$21,650	.40
21,651	22,750	.36
22,751	23,850	.32
23,851	24,900	.24
24,901	26,000	.16
26,001	27,100	.08
27,101	-----	.00

TABLE 2, HOUSEHOLD SIZE = 2		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$29,150	.40
29,151	30,600	.36
30,601	32,050	.32
32,051	33,500	.24
33,501	34,950	.16
34,951	36,450	.08
36,451	-----	.00

TABLE 3, HOUSEHOLD SIZE = 3		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$36,600	.40
36,601	38,450	.36
38,451	40,300	.32
40,301	42,100	.24
42,101	43,950	.16
43,951	45,800	.08
45,801	-----	.00

TABLE 4, HOUSEHOLD SIZE = 4		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$44,100	.40
44,101	46,300	.36
46,301	48,500	.32
48,501	50,700	.24
50,701	52,900	.16
52,901	55,150	.08
55,151	-----	.00

TABLE 5, HOUSEHOLD SIZE = 5		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$51,600	.40
51,601	54,150	.36
54,151	56,750	.32
56,751	59,300	.24
59,301	61,900	.16
61,901	64,500	.08
64,501	-----	.00

TABLE 6, HOUSEHOLD SIZE = 6		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$59,050	.40
59,051	62,000	.36
62,001	64,950	.32
64,951	67,900	.24
67,901	70,850	.16
70,851	73,850	.08
73,851	-----	.00

TABLE 7, HOUSEHOLD SIZE = 7		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$66,550	.40
66,551	69,850	.36
69,851	73,200	.32
73,201	76,500	.24
76,501	79,850	.16
79,851	83,200	.08
83,201	-----	.00

TABLE 8, HOUSEHOLD SIZE = 8		
Amount on Schedule WFC, line 15: At least:	but not more than:	Decimal, line 17
-----	-\$74,000	.40
74,001	77,700	.36
77,701	81,400	.32
81,401	85,100	.24
85,101	88,800	.16
88,801	92,550	.08
92,551	-----	.00

2011/2012 Examination Proctor Site Information

The following proctor sites offer Tax Board examinations. Please indicate only **one** location on your exam application form (Be sure to indicate the site code in Section 2 of your application). **Location selection is FINAL at the time of application** (Be sure to add the proctor fee to your total). You must take the test within **60 days** of the date on your examination approval notice or your application expires and you must resubmit a new application with all applicable examination fees. **Please note:** Once you receive your examination approval notice from the Tax Board, you may contact the proctor site to schedule an exam appointment. **DO NOT** contact the proctor site to schedule your examination prior to receipt of your examination approval notice as they will not have an examination for you to take. Proctor sites in gray are pending availability.

TOWN & CODE	COLLEGE	SCHEDULE	EXAM TYPE	FEES
Albany Site Code for Application: LBCC	Linn Benton Community College 6500 Pacific Blvd. SW Albany, OR 97321 (541) 917-4781 Contact: Patty McMenamin OR *Please go to www.linnbenton.edu/go/campus-maps for directions & map to exam location	Every week: Mon, Wed. & Fri. at 10:00a.m. By Appointment ONLY No more than 5 appointments per day.	All exams	\$20
Astoria Site Code for Application: CLAT	Clatsop Community College 1653 Jerome Avenue Astoria, OR 97103 (503) 338-2426 Contact: Colleen Violette e-mail: cviolette@clatsopcc.edu *Please go to www.clatsopcc.edu for directions & map to exam location	By Appointment ONLY	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$25 \$40
Bend Site Code for Application: COCC	Central OR Community College 2600 NW College Way Bend, OR 97701 (541) 383-7539 Contact Kellie Smith *Please go to http://visitors.cocc.edu/visiting/directions for directions & map to exam location	Mon–Thurs By Appointment ONLY Hours: Mon. – Thurs. 8:30 a.m. – 4:30 p.m.	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$25 \$40
Brookings Site Code for Application: SOCC-B	Southwestern Oregon Community College 420 Alder Street Brookings, OR 97415 (541) 469-5017 Contact: Mary Whitaker	By Appt. ONLY: Mon. 9:00 am – 4:30 pm Thurs & Fri 9:00 am – 4:30 pm	All exams	\$30

Coos Bay Site Code for Application: SOCC-CB	Southwestern Oregon Community College 1988 Newmark Coos Bay, OR 97420 (541) 888-7405 Contact: Susan Anderson	By Appt. ONLY: Dec 17 & Jan 7 Saturday exam will be administered – call for details	All exams	\$35
Eugene Site Code for Application: UFOFO	Univ. of Oregon ~ Testing Center 1590 E 13 th Avenue Room 270 Eugene, Oregon 97403 (541) 346-3230 Contact: David Espinoza Lisa Montgomery *Please go to http://testing.uoregon.edu for directions & map to exam location	By appointment ONLY Mon. – Fri: 9:00 am – 4:00 pm	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$20 \$35
Grants Pass Site Code for Application: RCC	Rogue Community College Testing Center 214 SW 4 th Street Grants Pass, Oregon 97526 (541) 956-7494 Contact: Dana Wolff or Alina Brosio * Upon request - School will provide map & directions to exam site.	By appointment ONLY Mon. – Fri: 8:30 am – 4:00 pm <i>Subject to room availability-closed holidays</i>	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$15 \$40
Klamath Falls Site Code for Application: KCC	Klamath Community College Learning Resources Center 7390 S 6 th Street Klamath Falls, OR 97603 (541) 880-2258 Contact: Jacquelyn Ray * Upon request - School will provide map & directions to exam site.	By appointment ONLY Tues. – Thurs: 11 am – 7 pm Fri: 9 am – 4 pm Sat: 9 am – 4 pm	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$25 \$40
La Grande Site Code for Application: EOU	Eastern Oregon University Testing Services IH 104 One University Blvd La Grande, OR 97850 (541) 962-3582 Contact: Helen Moore * Upon request - School will provide map & directions to exam site.	By appointment ONLY Sat – 8a.m. to 2 p.m. (Nov 5, Nov 19, Dec 3, Jan 14, Feb 4, Feb 11)	All exams	\$40
Medford Site Code for Application: SOU	Southern Oregon University 101 S. Bartlett St. Medford, OR 97501 (541) 552-8300 Contact: Brigitte Nickel * Upon request - School will provide map & directions to exam site.	By appointment ONLY	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$30 \$40

Newport Site Code for Application: HMSC-GL	Hatfield Marine Science Center Guin Library 2030 S. Marine Science Drive Newport, OR 97365 (541) 867-0249 Contact: Janet Webster * Upon request - School will provide map & directions to exam site.	By appointment ONLY Every Week Monday - Friday Open from 8:30 to 4:30	All Exams	\$10
Newport Site Code for Application: OCCC	Oregon Coast Community Col 400 SE College Way Newport, OR 97366 Contacts: (P=Primary/A=Alternate) Cheryl Burkhart (541) 867-8538 e-mail: cburkhart@occc.cc.or.us * Upon request - School will provide map & directions to exam site.	By appointment ONLY ** minimum of 3 candidates to hold exam	All exams	\$40
Ontario Site Code for Application: TVCC	Treasure Valley Community College Testing Center 650 College Blvd. Ontario, OR 97914 (541) 881-5799 Contact: Debbie Jo Wilson e-mail: dwilson@tvcc.cc * Upon request - School will provide map & directions to exam site.	By appointment ONLY	All exams	\$40
Oregon City Site Code for Application: CLAC	Clackamas Community College 19600 Molalla Ave. Oregon City, OR 97045 (503)594-3283 or (503) 594-3193 Contact: Testing Center Wendy Imel & Maria Dickson * Upon request - School will provide map & directions to exam site.	Mon–Fri - By Appointment ONLY Hours: Mon. – Fri. 8:00 a.m. – 6:00 p.m.	All exams	\$40
Pendleton Site Code for Application: BMCC	Blue Mtn. Community College Testing Center 2411 NW Carden PO Box 100 Pendleton, OR 97801 Phone: (541) 278-5931 Contact: Wade Muller * Upon request - School will provide map & directions to exam site.	Tues. & Thurs. By Appointment ONLY Hours: Tues: 9am – 5:30 pm Thurs: 9am – 6:30 pm	All exams	\$25
Portland Site Code for Application: HEALD	Heald College Testing Center 6035 NE 78 th Court Portland, Oregon 97218 Phone: (503) 505-5464 or (503) 229-0492 Contact: Meredith Michand * Upon request - School will provide map & directions to exam site.	4th Friday of each month By Appointment ONLY	All exams	\$40

Portland Site Code for Application: PCC-SE	Portland Community College Southeast Center 2305 SE 82 nd Avenue MTH Room 107 Portland, OR 97216 (971) 722-6277 E-mail: testing.se@pcc.edu Contact: Jasmin Huskic Assistant: Ruslana Rozhanskaya * Upon request - School will provide map & directions to exam site.	BY APPOINTMENT ONLY Mon – 9 to 5 Tues – 9 to 5 Wed – 1 to 9 Thurs –9 to 5 Fri –9 to 2 Some Sat – 9 to 2	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$25 \$40
Roseburg Site Code for Application: UCC	Umpqua Community College Counseling & Testing 1140 College Rd. / P.O. Box 967 Roseburg, OR 97470 (541) 440-7659 Contact: Nancy Hart * Map & directions on-line at: www.umpqua.edu/maps-a-directions	By appointment ONLY 2nd Monday of each month at 9:00 a.m.	1.5 hrs - Consultant State Only 5 hrs - Consultant or Preparer	\$15 \$25
Salem Site Code for Application: CHEM	Chemeketa Community College Testing Ctr – Bldg. 2, 1 st fl. Rm. 110 4000 Lancaster Drive NE Salem, OR 97309 (503) 399-6556 / (503) 399-6552 Contact: Linda Abundis * Map & directions on-line at: www.chemeketa.edu/aboutus/locations/salem/direction.html	By individual appointment ONLY Weekly: Mon – 11 to 4 Wed – 9 to 8 Thurs – 9 to 8 Fri – 9 to 4	All exams	\$40
The Dalles Site Code for Application: CGCC	Columbia Gorge Community Col. Testing Center 400 E. Scenic Drive The Dalles, OR 97058 (541) 506-6014 or (541) 506-6011 Contact: Jessica Griffin-Conner * Upon request - School will provide map & directions to exam site.	By appointment ONLY 1st and 3rd Thursday of each month	All exams	\$40
Tillamook Site Code for Application: TBCC	Tillamook Bay Community Col. Testing Center - 4301 3 rd Street Tillamook, OR 97141 (503) 842-8222 x 1050 Contact: Linda Ashby * Upon request - School will provide map & directions to exam site.	By appointment ONLY Dec 15, 2011 – Jan 19, 2012 Minimum of 5 candidates to hold exam	All exams	\$25
Wilsonville Site Code for Application: CLAC-WTC	Clackamas Community College Wilsonville Training Center 29353 Town Center Loop East Wilsonville, OR 97070 (503) 594-0950 Contact: Joyce Gabriel Map & directions on-line at: www.clackamas.edu/campus	By Appointment ONLY	All exams	\$40