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2
3 **IN THE CIRCUIT COURT OF THE STATE OF OREGON**
4 **FOR THE COUNTY OF MARION**
5

6	Chad Mangum,)	Case No. 25CV08937
	_____)	
7	Plaintiff,)	
)	
8	-v-)	PLAINTIFF’S AMENDED COMPLAINT
)	FOR DECLARATORY JUDGMENT AND
9)	REQUEST FOR INJUNCTION
)	
10	State of Oregon, acting by and through the)	
	State Board of Tax Practitioners,)	
11	_____)	
	Defendant.)	
12)	
)	

13
14 **I. INTRODUCTION**

15 1.

16 Plaintiff, Chad Mangum, brings this action for a declaratory judgment and injunctive
17 relief to prevent Defendant, the Oregon Board of Tax Practitioners, from enforcing an *ultra vires*
18 licensing requirement that *exceeds* its statutory authority and improperly targets out-of-state tax
19 preparers.

20 2.

21 Plaintiff seeks a declaration that Defendant’s interpretation and enforcement of ORS
22 673.605–673.740 requiring *all* non-excepted out-of-state tax preparers to obtain an Oregon
23 license, for those who prepare even one Oregon return, is beyond statutory authority, and that the

1 phrases in the statute, “in this state,” and “within this state” refer to Oregon’s physical,
2 geographical boundaries.

3 3.

4 Plaintiff also seeks a preliminary and permanent injunction barring Defendant from requiring
5 out-of-state tax preparers to obtain Oregon licensure when they have no physical presence in
6 Oregon.

7 **II. PARTIES**

8 4.

9 Plaintiff, Chad Mangum, is a tax professional residing in the State of Utah who has been
10 providing tax preparation services, including Oregon personal tax returns, for clients remotely
11 for many years.

12 5.

13 Defendant, Oregon Board of Tax Practitioners, is an administrative agency of the State of
14 Oregon tasked with regulating Oregon tax professionals under ORS 673.605–673.740.

15 **III. JURISDICTION AND VENUE**

16 6.

17 This Court has jurisdiction pursuant to ORS 28.010 et seq. (Declaratory Judgments).

18 7.

19 Venue is proper in Marion County pursuant to ORS 14.080 because the Defendant is a
20 state agency headquartered in Marion County.

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1 **IV. FACTUAL ALLEGATIONS**

2 8.

3 The Oregon Department of Revenue does not require a Licensed Tax Consultant number,
4 or any OR license number, to electronically file Oregon tax returns.

5 9.

6 Defendant's published FAQ stated, "Anyone residing within the State of Oregon *or*
7 *outside* of the State must be licensed to prepare *any* Oregon personal returns." (emphasis added).

8 10.

9 There are no administrative rules stating that out-of-state taxpayers must be Oregon-
10 licensed to prepare Oregon personal tax returns.

11 11.

12 Plaintiff incurred direct financial harm by paying licensing fees to Defendant, under
13 duress, due to its published policy explicitly requiring licensure for out-of-state tax preparers.

14 12.

15 Defendant's published 2024-25 Strategic Plan includes initiatives affecting tax preparers
16 physically located outside of Oregon.

17 13.

18 ORS 673.605–673.740 does not *explicitly* grant Defendant licensing authority over tax
19 preparers wholly residing out of state.

20 14.

21 On September 25, 2024, Defendant's Executive Director, Laura Kardokus, stated that the
22 Board requires anyone to be licensed to prepare even one Oregon tax return.

1 15.

2 On October 4, 2024, Defendant’s legal counsel, Senior Assistant Attorney General
3 Catriona McCracken, stated that anyone practicing “in Oregon or another state,” must be
4 licensed to practice “in this state.”

5 16.

6 In the 2025-27 Governors Balanced report published on Defendant’s website, they
7 summarized that they are required, by statute, “to ensure all tax preparers and tax preparation
8 businesses *in the state* are properly trained and licensed” (emphasis added). This exact phrase
9 can be found in Defendant’s similar financial publications back to at least 2015.

10 17.

11 ORS 673.730 has long provided Defendant’s authority includes determining the
12 qualifications of applicants “in this state.”

13 18.

14 Plaintiff requested supporting information for the “legal basis” of Defendant’s licensing
15 requirements related to the FAQ statement that anyone within or without Oregon has to be
16 licensed to prepare any Oregon personal returns. Plaintiff also requested relevant documents for
17 the settlement with H & R Block. After nearly two months, Defendant produced an estimate of
18 64 hours of Agency time and 16 hours of Attorney time, for a total cost of \$6,000, before
19 Defendant could obtain this information.

20 19.

21 Plaintiff incurred costs in challenging Defendant’s actions.

22

23

V. CLAIMS FOR RELIEF
FIRST CLAIM FOR RELIEF
DECLARATORY JUDGMENT

20.

Plaintiff seeks a declaratory judgment that Defendant’s interpretation of ORS 673.605–673.740 requiring out-of-state preparers to obtain Oregon licensure is unlawful, ultra vires, and unenforceable.

21.

Plaintiff seeks a declaration that OBTP's published FAQ constitutes an improper rule under ORS 183.400 and must be abolished.

22.

Plaintiff seeks an award of costs and fees incurred in bringing this action pursuant to ORCP 68 and other applicable laws.

23.

Defendant’s enforcement exceeds its statutory authority as ORS 673.605–673.740 only applies to practitioners operating “*in this state.*”(emphasis added).

24.

Defendant’s interpretation *unlawfully* expands Oregon's jurisdiction *extraterritorially* beyond statutory authority, as the plain reading of "in this state" and “within this state” must be understood as referring strictly to geographical boundaries.

1 25.

2 Defendant's interpretation lacks statutory support, as ORS 673.605–673.740 does not
3 contain language extending its authority beyond Oregon's borders. Oregon courts have
4 consistently held that administrative agencies have only those powers expressly conferred by
5 statute and those *reasonably* implied as necessary to carry out their statutory responsibilities.

6 26.

7 Defendant's licensing requirement exceeds its statutory jurisdiction by imposing
8 regulatory obligations on tax professionals with no physical presence in Oregon, an overreach
9 that is unsupported by the statutory text and contrary to legislative intent.

10 **SECOND CLAIM FOR RELIEF**
11 **INJUNCTIVE RELIEF**

12 27.

13 Plaintiff seeks a preliminary and permanent injunction enjoining Defendant, its agents,
14 officers, employees, and all persons acting in concert with it, from enforcing or attempting to
15 enforce its licensing requirement on out-of-state tax preparers who have no physical presence in
16 Oregon, as such enforcement exceeds the statutory authority granted to Defendant under Oregon
17 law.

18 28.

19 Plaintiff asserts that Defendant violated the constitutional right to due process under the
20 Fourteenth Amendment by failing to provide adequate notice of its interpretation of licensing
21 requirements for out-of-state tax preparers and has thus suffered irreparable harm.

1 29.

2 Irreparable harm is further established by Defendant's governmental immunity, which
3 prevents Plaintiff from recovering licensing fees even if Defendant's interpretation is found
4 unlawful. There is no remedy for Plaintiff to be made whole.

5 30.

6 Plaintiff became aware of Defendant's policy requiring licensure for out-of-state tax
7 preparers through happenstance when it was discussed in an online forum for tax professionals.
8 Because he prepares a handful of Oregon returns each year, Plaintiff obtained a license under
9 duress to ensure compliance, resulting in financial irreparable harm that cannot be remedied, as
10 above. This policy has the potential to cause similar, or greater, irreparable harm to over 768,000
11 tax preparers *nationwide* who may be unlawfully subjected to Oregon's licensure requirements.

12 31.

13 Further irreparable harm is evident as Defendant's policy has led many tax preparers to
14 forgo serving Oregon clients altogether to avoid potential enforcement action, thereby
15 highlighting the unlawful extraterritorial reach of Defendant's licensing requirements and the
16 undue burden placed on tax professionals operating outside Oregon's jurisdiction.

17 32.

18 At the 1/17/2025 Emergency Public Meeting, Defendant's executive director
19 acknowledged that there are 207 recently licensed Consultants, stating that "a lot of that is due to
20 out-of-state numbers," demonstrating the broad impact of Defendant's unlawful extraterritorial
21 interpretation. These 207 licenses alone represent nearly \$60,000 in licensing fees imposed on

1 out-of-state preparers under a policy that exceeds Defendant’s statutory authority, resulting in
2 unrecoverable economic harm.

3 33.

4 Plaintiff is likely to succeed on the merits because the statutory language and legislative
5 history clearly limit the Defendant’s authority to regulating tax preparers physically within
6 Oregon. The plain reading of “in this state” is unambiguous and, even if it wasn’t, legislative
7 history supports the interpretation of geographical bounds.

8 34.

9 The balance of equities favors Plaintiff because Defendant’s overreach discourages
10 legitimate tax preparation businesses from serving Oregon taxpayers, including long-standing
11 client relationships that have endured despite relocations across state lines. In today’s highly
12 mobile and interconnected world, many taxpayers maintain trusted relationships with their tax
13 professionals regardless of geographical distance. Defendant’s unlawful licensing requirement
14 forces qualified out-of-state tax preparers to abandon these established relationships to avoid
15 enforcement, placing unnecessary burdens on both tax professionals and Oregon taxpayers, and
16 exceeding Defendant’s statutory authority.

1 **VI. PRAYER FOR RELIEF**

2 **WHEREFORE**, PLAINTIFF, with respect to the Claims for Relief, prays the court for a
3 judgment as follows:

- 4 A. Issue a declaratory judgment that Defendant’s interpretation of ORS 673.605–
5 673.740 requiring out-of-state tax preparers to be licensed is ultra vires, unlawful
6 unenforceable, and that the phrases “in this state,” and “within this state,” refer
7 exclusively to the geographic boundaries of Oregon;
- 8 B. Plaintiff also requests that the Court declare Defendant’s failure to adopt its
9 extraterritorial licensure policy through proper rulemaking procedures renders the
10 policy unenforceable, shall be abolished, and not to be reinstated.
- 11 C. Grant a preliminary and permanent injunction prohibiting Defendant from
12 requiring licensure for tax preparers with no physical presence in Oregon;
- 13 D. Award Plaintiff costs and disbursements, and attorney’s fees under ORCP 67,
14 ORS 183.497, or other related law as applicable;
- 15 E. Order any other relief the Court deems just and proper.
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1 DATED this 18th day of February, 2025.

2 RESPECTFULLY SUBMITTED,

3 CHAD MANGUM
4 Plaintiff

5 /s/ Chad Mangum
6 CHAD MANGUM
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