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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. \_\_\_\_\_  
7 Plaintiff, )  
8 )  
9 -v- )  
10 )  
11 Oregon Board of Tax Practitioners, )  
12 Defendant. )  
13 )  
14 )

13 **COMPLAINT DECLARATORY JUDGMENT AND REQUEST FOR INJUNCTION**

14 **I. INTRODUCTION**

15 1.

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

20 2.

21 Plaintiff seeks a declaration that OBTP's interpretation and enforcement of ORS  
22 673.605–673.740 requiring *all* out-of-state tax preparers to obtain an Oregon license is beyond  
23 statutory authority (*ultra vires*).  
24

25 3.

1 Plaintiff also seeks a preliminary and permanent injunction barring OBTP from requiring  
2 out-of-state tax preparers to obtain Oregon licensure when they have no physical presence in  
3 Oregon.

## 4 **II. PARTIES**

5 4.

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

9 5.

10 Defendant, Oregon Board of Tax Practitioners, is an administrative agency of the State of  
11 Oregon tasked with regulating tax professionals “within” Oregon under ORS 673.605–673.740.

## 12 **III. JURISDICTION AND VENUE**

13 6.

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

15 7.

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

## 18 **IV. FACTUAL ALLEGATIONS**

19 8.

20 OBTP's Frequently Asked Questions (FAQ) document published on their website explicitly  
21 states, “Anyone residing within the State of Oregon *or outside* of the State must be licensed to  
22 prepare any Oregon personal returns.” (emphasis added).

23 9.

OBTP's 2024-25 Strategic Plan includes initiatives affecting tax preparers physically located outside of Oregon, stating, “Develop and implement policies and procedures to facilitate remote work opportunities for licensed tax preparers both within the state and *out of state*.”(emphasis added).

10.

ORS 673.605–673.740 does not *explicitly* state that OBTP has authority over tax preparers without a physical or business presence in Oregon. OBTP has taken the position that it may regulate such preparers despite the absence of statutory language *expressly* granting it this authority.

11.

On September 25, 2024, OBTP’s Executive Director, Laura Kardokus stated in an email to Plaintiff, “By the statutes that were created when this board was created we require *anyone* to be licensed to do even *one* Oregon return.” (emphasis added).

12.

On October 4, 2024, OBTP’s legal counsel, Senior Assistant Attorney General Catriona McCracken, explicitly stated in an email to Plaintiff:

““In this state” and “within this state” are phrases that are used throughout the statutory scheme and are interpreted by the Board to mean that if a person or entity wishes to practice in this state from, wherever located in Oregon or *another state*, that they need to be licensed to practice “in this state.””(emphasis added).

1 **V. CLAIMS FOR RELIEF**

2 **FIRST CLAIM FOR RELIEF**

3 **DECLARATORY JUDGMENT**

4 13.

5 Plaintiff seeks a declaratory judgment that OBTP's interpretation of ORS 673.605–  
6 673.740 requiring out-of-state preparers to obtain Oregon licensure is unlawful, ultra vires, and  
7 unenforceable.

8 14.

9 OBTP's enforcement exceeds its statutory authority and constitutes an improper rule  
10 under ORS 183.400, as ORS 673.605–673.740 only applies to practitioners operating "*in this*  
11 *state.*"(emphasis added).

12 15.

13 OBTP's interpretation *unlawfully* expands Oregon's jurisdiction *extraterritorially* beyond  
14 statutory authority, as the plain English interpretation of "in this state" must be understood as  
15 referring strictly to geographical boundaries.

16 16.

17 OBTP's licensing requirement improperly regulates tax professionals outside of Oregon's  
18 jurisdiction by applying licensing requirements to individuals with no physical presence in the  
19 state, contrary to legislative intent.

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1 **SECOND CLAIM FOR RELIEF**

2 **INJUNCTIVE RELIEF**

3 17.

4 Plaintiff seeks a preliminary and permanent injunction enjoining OBTP from enforcing  
5 its licensing requirement on out-of-state tax preparers who have no physical presence in Oregon.

6 18.

7 Plaintiff discovered OBTP's policy requiring licensure for out-of-state tax preparers and,  
8 because he prepares a handful of Oregon returns each year, obtained a license under duress to  
9 ensure compliance, resulting in irreparable harm. This policy has the potential to cause similar  
10 irreparable harm to over 768,000 tax preparers *nationwide* who may be unlawfully subjected to  
11 Oregon's licensure requirements.

12 19.

13 Plaintiff is likely to succeed on the merits because OBTP's actions clearly exceed  
14 statutory limits.

15 20

16 The public interest favors an injunction because OBTP's overreach discourages legitimate  
17 tax preparation businesses from serving Oregon taxpayers and creates undue regulatory burdens.

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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 OBTP’s interpretation of ORS 673.605–673.740  
5 requiring out-of-state tax preparers to be licensed is unlawful and unenforceable;  
6 B. Grant a preliminary and permanent injunction prohibiting OBTP from requiring  
7 licensure for tax preparers with no physical presence in Oregon;  
8 C. Award Plaintiff costs and disbursements, and attorney’s fees under ORS 183.497;  
9 D. Order any other relief the Court deems just and proper.

10  
11 DATED this 10<sup>th</sup> day of February, 2025.

12 RESPECTFULLY SUBMITTED,

13 CHAD MANGUM  
14 Plaintiff

15 /s/ Chad Mangum  
16 CHAD MANGUM  
17 Plaintiff  
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20  
21  
22  
23