

1
2
3
4 IN THE CIRCUIT COURT OF THE STATE OF OREGON
5 FOR THE COUNTY OF MARION

6 CHAD MANGUM ,

7 Plaintiff,

8 v.

9 STATE OF OREGON, acting by and through
10 the STATE BOARD OF TAX
PRACTITIONERS,

11 Defendant.

Case No. 25CV08937
Honorable J. Channing Bennett

STATE OF OREGON'S ANSWER TO FIRST
AMENDED COMPLAINT

ORS 20.140 - State fees deferred at filing

12
13 Defendant State of Oregon, acting by and through the State Board of Tax Practitioners or
14 Oregon Board of Tax Practitioners ("State" or "OBTP"), hereby answers and raises affirmative
15 defenses to Plaintiffs' Amended Complaint as follows:

16 1.

17 Paragraphs 1, 2, and 3 contain Plaintiff's legal conclusions and legal theories regarding
18 his claims to which the State need not reply. If a reply is required, the State denies the
19 allegations.

20 2.

21 In response to paragraph 4, the State believes that Plaintiff resides in Utah and that he is
22 currently a Licensed Tax Consultant in the State of Oregon and is an Enrolled Agent through the
23 Internal Revenue Service. Except as set forth above, the State is without sufficient information to
24 admit or deny the remaining allegations in paragraph 4 and, on that basis, State denies those
25 allegations.

1 3.

2 The State admits the allegations in paragraphs 5, 6 and 7.

3 4.

4 The State denies the allegations in paragraph 8.

5 5.

6 In response to paragraph 9, the State's FAQs are pending review and revision upon
7 completion of the rulemaking process. The State admits that it has previously published the
8 statement set forth in paragraph 9. The State responds further that the statement is accurate, but
9 would be more accurate if it included the statement "for a fee" in relation to one preparing any
10 Oregon personal returns.

11 6.

12 In response to paragraph 10, the State admits that there has not been a rule stating that
13 out-of-state taxpayers must be Oregon-licensed to prepare Oregon personal tax returns.
14 However, ORS 673.615(1) expressly provides, "A person may not prepare or advise or assist in
15 the preparation of personal income tax returns for another and for valuable consideration or
16 represent that the person is so engaged unless the person is licensed as a tax consultant under
17 ORS 673.605 to 673.740."¹

18 7.

19 The State denies the allegations in paragraph 11.

20 8.

21 In response to paragraph 12, the State responds that the 2024-2025 Strategic Plan speaks
22 for itself. The State admits that one entry under "Goals and Objectives" reads, "Streamline the
23 licensing process for out-of-state applicants while ensuring compliance with state regulations and
24

25 ¹ ORS 673.605 Definitions for ORS 673.605 to 673.740. *See specifically*, subsections (1)
26 defining "Board," (6) defining "tax consultant," (7) defining "taxpayer" to mean an individual
who files a federal or Oregon personal income tax return, and (8) defining "tax preparer."

1 consumer protection standards.” Except as expressly admitted above, the State denies any
2 remaining allegations of paragraph 12.

3 9.

4 The State denies the allegations in paragraph 13.

5 10.

6 In response to paragraph 14, the State lacks sufficient information to admit or deny the
7 allegation in paragraph 14, and, therefore, denies these allegations. In further response, the State
8 admits that Executive Director Kardokus has conveyed information to members of the public
9 that any person preparing an Oregon return for an individual or individuals for valuable
10 consideration must be licensed to do so. Except as expressly admitted above, the State denies any
11 remaining allegations of paragraph 14.

12 11.

13 The State admits the allegations in paragraph 15.

14 12.

15 In response to paragraph 16, the State admits that the following sentences are found on
16 page 38 of the 2025-27 Governor’s Budget, “The Board of Tax Practitioners is required by
17 Chapter 673, Oregon Revised Statutes, to ensure all tax preparers and tax preparation businesses
18 in the state are properly trained and licensed, or are exempt from licensure. The licensing and
19 registration process is the foundation on which all other agency processes are built.” The State
20 lacks sufficient information to respond to the second sentence of paragraph 16. Except as
21 expressly admitted above, the State denies any remaining allegations of paragraph 16.

22 13.

23 In response to paragraph 17, the State responds that the statute, ORS 673.730, speaks for
24 itself. ORS 673.730 reads, in part, “The State Board of Tax Practitioners ... shall have all powers
25 necessary or proper to carry the granted powers into effect:

1 (1) "To determine qualifications of applicants for licensing as a tax consultant or a tax
2 preparer in this state...."

3 14.

4 In response to paragraph 18, the State admits that Plaintiff made informal and formal
5 requests for documents to OBTP. OBTP provided some documents. However, in accordance
6 with public records law, in response to some part of Plaintiff's requests, OBTP provided a fee
7 estimate to Plaintiff. In response, Plaintiff abandoned certain public records requests. Except as
8 expressly admitted above, the State denies all remaining allegations of paragraph 18.

9 15.

10 The State denies the allegations in paragraph 19-34.

11 16.

12 Except as expressly admitted above, the State denies all remaining allegations of the
13 Amended Complaint.

14 **DEFENSES**

15 **First Defense**

16 **Failure to State a Claim**

17 **(ORCP 21 A(8))**

18 17.

19 The Amended Complaint fails to state ultimate facts upon which relief may be granted.

20 **Second Defense**

21 **Proper agency action**

22 **(ORS 673.730)**

23 18.

24 OBTP's actions are supported and authorized by statute and rules.

WHEREFORE, having fully responded to the Amended Complaint, the State seeks dismissal of the Amended Complaint and any other relief the court deems just and appropriate.

DATED April 4, 2025.

Respectfully submitted,

DAN RAYFIELD
Attorney General

s/ Seth T. Karpinski

1 **CERTIFICATE OF SERVICE**

2 I certify that on April 4, 2025, I served the foregoing STATE OF OREGON'S
3 ANSWER TO FIRST AMENDED COMPLAINT upon the parties hereto by the method
4 indicated below, and addressed to the following:

5 ☐ HAND DELIVERY
6 ☒ MAIL DELIVERY
7 ☐ OVERNIGHT MAIL
8 ☐ SERVED BY E-FILING
9 ☒ SERVED BY EMAIL

10
11 s/ Seth T. Karpinski
12 SETH T. KARPINSKI #991907