

Protecting Confidential Tax Information



Revised: April 2012

Remember to “take five”



Before giving out information ask yourself:

1. “Did the information come from the Department of Revenue?”
2. “Is this confidential taxpayer information?”

Confidentiality Laws

Public Records

- RCW 42.56.230(4)

Excise Tax

- RCW 82.32.330

Property Tax

- RCW 84.08.210
- RCW 84.40.020
- RCW 84.40.340

Tobacco Manufacturers

- RCW 70.158.050(2)

Revised Code of Washington

Legislature's website:

<http://apps.leg.wa.gov/rcw/>

Examples of Confidential Tax Information

- Tax return information
- Audit information
- Social security numbers
- Business phone numbers or e-mail addresses listed with the Department of Revenue
- Business' filing frequency (monthly, quarterly, or annually)

Unauthorized Disclosure of Tax Information

Any of the following is considered unauthorized disclosure:

- Giving tax information to a taxpayer's
 - Lawyer
 - Spouse (unless listed in record as taxpayer)
 - Person with general power of attorney for the taxpayer
 - Former business partner, except for time period they shared ownership of the business
- Giving tax information regarding hotels, bed and breakfasts, etc. to Chambers of Commerce or tourism boards

What Can be Disclosed?

- Information available on the Department of Revenue's Business Records Database:
[Lookup business information](#)
- Information identified in RCW 82.32.330
 - Taxpayer name & trade name
 - Entity type
 - Business/mailing address
 - Tax registration/UBI numbers
 - NAICS codes
 - Open and close dates
 - Resellers permit number, expiration date, status
 - Real Estate Excise Tax (REET) controlling interest information

Data-sharing Agreements

- Data-sharing agreements provide authorized purposes
- Each employee with access to tax information must know and understand limitations on use of tax information
- Ask to amend the data-sharing agreement if data use changes or is expanded

Access to Information

- Authorized individuals may access tax information
 - ✓ A signed and notarized Department of Revenue (DOR) Secrecy Clause Affidavit must be on file with the local jurisdiction and with DOR for each person
- Contractors must also sign a DOR Secrecy Clause Affidavit
- On-line data access is granted to individuals and must not be shared

Secrecy Clause Affidavits

Who?

- Each employee or agent with access to confidential tax information

When?

- Before access to tax information
- Update if any personnel changes

Where?

- Kept on file by local jurisdiction and DOR

Why?

- Assure understanding of laws and penalties for violation

How?

- Signed and notarized

Data Security

Keep all data secure

- Print only information you need
 - OK to print and give to the taxpayer
 - Don't leave documents on printers
- Copy or download electronic tax information only as needed
- Communication of tax information via e-mail is prohibited (including attachments)

Data Security, continued

Electronic data

- Protect access with passwords
- Automatic screensaver after short period of time
- Screen is not viewable by others

Laptops

- Laptops must be encrypted if downloading tax information

Compact discs, DVDs, or thumb drives

- Do not download tax information onto any of these unless you must; always keep secure

Data Security, continued

Paper copies must be

- secure at all times,
- shredded once no longer needed,
- not seen by others without authorized access, and
- secured during transportation and destruction if destroyed off-site.

Penalties – Breach of Confidentiality

Misdemeanor sanctions include:

- Up to \$1,000 fine
- Up to 90 days in jail
- Loss of job
- Barred from employment by state or local government for two years

See RCW 82.32.330

Breach – Required Notification

Requirements per RCW 42.56.590:

- “Unauthorized acquisition of [unencrypted] computerized data that compromised the security, confidentiality, or integrity of personal information maintained by the agency.”
- Notice in “most expedient time possible and without unreasonable delay”

Questions – Contact DOR

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