

**ADMINISTRATIVE GUIDELINES
CONFIDENTIALITY OF SALES TAX INFORMATION
PROCEDURE 100**

The following procedures have been established to prevent unauthorized disclosure of confidential information.¹

How access to sales tax information is granted to CBJ employees:

Lock box pickup: Individuals charged with the responsibility of picking up the lock box contents are to treat these contents as sales tax returns or return information, regardless of what may be visible. Any review of the information collected is prohibited.

Mailroom processing: Any review or analysis of the information filed by the merchant outside of payments included or not included with the sales tax return is prohibited.

Envelopes are opened and returns are examined for a payment being included. Returns that indicate a payment is due, but is received without a payment, are stamped with the “NC” (no check) stamp. These returns are set-aside for pick up by the Sales Tax Office personnel.

Returns with payment, the upper portion of the sales tax return is removed and is processed with the payment. The bottom portion of the return is set-aside for pick up by the Sales Tax Office personnel.

The upper portion of the return will state the period ending, sales tax account number, merchant’s name, address and the total amount of sales tax due for that period. The upper portion of the return will be processed in a batch and will be maintained as back up for that batch total.

Sales Tax Office: The Accounting Technician I will process all returns through the computerized sales tax subsystem and maintain all sales tax returns files. Sales tax auditors and the Sales Tax Administrator will have access to both the computerized records and the files. The CBJ Law Department will have access to sales tax records on a case by case basis.

Storage and handling of sales tax returns:

Returns are filed by mail; lock box or hand delivered to the Treasury cash window or to the Sales Tax Office. When tax information is hand-carried by an individual i.e.: lock box pick-up, audit trips, or from the cash area to the Sales Tax Office, it must be kept with the individual. If it becomes necessary to leave the material in an automobile, it must be locked in the trunk with the

¹The Sales Tax Office is required by CBJ ordinance 69.05.070 (d) to maintain the confidentiality of the information required to be filed under the sales tax chapter 69.05. Only those employees who have a need to know will be permitted access to tax and tax-related information. Any employee having access to sales tax information will be thoroughly briefed on all security procedures and instructions requiring their awareness and compliance. The confidentiality provisions of the sales tax ordinance and the section outlining the information to be made public will be posted at every work site and in view for public inspection.

rest of the car locked, and then left for only a short period.

Returns will be secured at all times in the Sales Tax Office; returns in process will be locked when not in use. Returns that have been processed will be filed by numerical order in locked filing cabinets. Only one set of keys is available to the Sales Tax Office personnel, this set is secured within the office with only Sales Tax Office personnel aware of the location. One set of keys is maintained in a sealed container within the CBJ vault, periodic inspections by the Sales Tax Administrator is required to assure that these keys are secure.

The Sales Tax Office is locked at all times, unless manned by Sales Tax Office personnel.

Release of tax information:

The following information shall be made available to the public the name and address of sellers; whether or not a business is registered to collect sales tax in the city and borough; whether or not a business is current in filing sales tax returns and in remitting sales tax, the amount of sales tax due, and the number of returns not filed.

The above information is available from the Sales Tax Office at any time.

The confidentiality provision also allows for releasing confidential information to the person supplying the information or to persons authorized in writing by such person. An authorized person may be:

<u>Entity</u>	<u>Authorized Persons</u>
Sole Proprietorship	The individual
Partnership	Any partner
Corporation	Directors, officers, controller, tax manager
Trusts	Fiduciary (Trustee)

When a taxpayer authorizes in writing another person to receive confidential information, sufficient information will be provided so that the correct identity of the receiver can be established. The sales tax registration allows for the merchant to provide identifying information i.e.: driver’s license number and social security number.

The best rule to follow in any question of doubt about whether to disclose information is to make no disclosure prior to obtaining guidance from the Sales Tax Administrator.

Audit:

Much of the information, which an auditor acquires in the course of performing their duties, is confidential and must be treated as such. It is not within the scope of an auditor’s duties or authority to make known any financial data or other information disclosed in a tax return, report or application or acquired in the course of an audit. Auditors will be charged with the

responsibility of maintaining the confidentiality of the sales tax returns and return information in accordance with the procedures as outlined.

There are specific conditions under which an auditor may make limited disclosures of sales tax information. In the conduct of some audits, it may be necessary to examine the records of a third party not being audited. In this circumstance, the auditor may disclose that he is conducting an audit of a specific taxpayer and for that purpose must examine specifically identified records of the third party. No further information can be given. The auditor may not disclose information obtained from examining a successor's records to a predecessor.

Statistical Information:

The Sales Tax Ordinance does not prohibit the publication of statistics presented in a manner that prevents the identification of a particular seller. Statistical information is made available based on the following criteria:

Information is generated from the Standard Industrial Code (SIC) that is provided by each seller that registers to collect sales tax.

The report information is reviewed to assure that four or more sellers are within the SIC code and that by revealing this information an individual could not calculate a specific seller's activity. The Sales Tax Office will not provide statistical information in any other manner such as: all the sellers in the mall, all the food stores, or a listing of stores. Any individual requesting sales tax information will provide the SIC code that represents the information they are seeking.

Publication:

The Sales Tax Ordinance provides for the publication of sellers who are delinquent in remitting the sales tax due. This is specific to sales tax due only, penalties, interest, and late fees are not a part of the publication.

Before publication, sellers are notified in writing of the intentions of the Sales Tax Office to publish. At minimum three notices are mailed to the last known address of the seller, these notices are included in with every invoice or statement and any non-filer letter.

The listing of sellers, who will be published, is compiled by the Sales Tax Administrator.