

Information Requests - Aggregation and Confidentiality
Seattle Rule 5-990

THE CITY OF SEATTLE DIRECTOR'S RULE

Seattle Rule 5-990 Information Requests - Aggregation and Confidentiality

Introduction. Confidentiality is central to the City of Seattle Finance Department's relationship with taxpayers. City Finance's obligation to safeguard tax information is established under SMC 5.55.200, which provides that tax returns and tax information are confidential and privileged, and except as authorized, neither the Director nor any other person may disclose any return or tax information. Under SMC 5.55.200.C.3, the Director is not prohibited from "publishing statistics so classified as to prevent the identification of particular returns or reports or items thereof." This rule sets forth the circumstances under which disclosures of statistics are authorized and provides (1) definitions; (2) criteria for disclosure; and (3) examples.

(1) Definitions. For purposes of this rule and SMC 5.55.200, the following definitions apply:

- (a) "Disclose" means to make known to any person in any manner whatever a return or tax information.
- (b) "Return" means a tax or information return or claim for refund required by, or provided for or permitted under, the Seattle Municipal Code, which is filed with the Director, on behalf of, or with respect to a person, and any amendment or supplement thereto, including supporting schedules, attachments, or lists that are supplemental to, or part of, the return so filed.
- (c) "Tax information" means:
 - (i) A taxpayer's identity.
 - (ii) The nature, source, or amount of the taxpayer's income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability deficiencies, overassessments, or tax payments, whether taken from the taxpayer's books and records or any other source.
 - (iii) Whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing; and
 - (iv) Other data received by, recorded by, prepared by, furnished to, or collected by the Director with respect to the determination of the existence, or possible existence, of liability, or the amount thereof, of a person under the Seattle Municipal Code for a tax, penalty, interest, fine, forfeiture, or other

imposition, or offense. However, data, material, or documents that do not disclose information related to a specific or identifiable taxpayer do not constitute tax information under this section. Nothing in this chapter requires any person possessing data, material, or documents made confidential and privileged by this section to delete information from such data, material, or documents so as to permit its disclosure.

(d) "City agency" means every City office, department, division, bureau, board, commission, or other City agency.

(e) "Taxpayer identity" means the taxpayer's name, address, telephone number, registration number, or any combination thereof, or any other information disclosing the identity of the taxpayer.

- (2) Criteria for disclosure of statistics. A City agency shall not disclose statistical information if, as a result of that disclosure, the identity of a taxpayer who filed a return would be disclosed, or the identity of a taxpayer could reasonably be associated with tax information derived from a return.

A City agency may disclose a statistical grouping report providing the aggregate total of tax paid. However, a City agency shall not disclose any tax information in the following instances:

(a) Three (3) or fewer taxpayers filed returns or were eligible for exemptions, exclusions, or a reduced rate for any City tax; and

(b) One (1) taxpayer paid eighty (80) percent or more of the tax collected.

(c) Examples.

(i) A person requests information regarding a certain tax paid in the City, specifically the amount of tax collected and the number of businesses paying it. There are 3 businesses that file and pay the tax. One of those businesses reports 90% of the total tax collected. The department would not provide the data to the person.

(ii) A researcher requests information regarding the Business and Occupation (B&O) tax paid by businesses in a certain City zip code. The researcher wants to know the total tax paid by a certain business type (NAICS) within that zip code. There are 15 businesses with that NAICS in the requested zip code. None of the 15 businesses report 80% or more of the total tax. The department would provide the aggregate tax amount to the researcher.

- (iii) A researcher makes the same request as in (ii), above. But in this example, the industry type (NAICS) being requested indicates there are only 2 businesses that are categorized under that NAICS in the requested zip code. One of those businesses reports more than 80% of the total tax paid by that NAICS in the requested zip code. The department would not disclose either the number of businesses or the aggregate amount of tax paid.
- (iv) A person requests information regarding the amount of tax collected and the number of businesses paying a certain tax. 180 businesses filed returns for the tax. None of the businesses paid more than 80% of the tax collected. The Department would disclose both the amount of tax collected and the number of businesses paying the tax.
- (v) An internal city department requests to know the amount collected for a specific tax in a certain period and the number of companies who paid the tax. There are only 2 businesses that file and pay the tax. Neither of the businesses report 80% or more of the total tax paid. The department would not disclose the number of businesses that report the tax. The department would provide the total amount of tax paid in the requested period.

DIRECTOR'S CERTIFICATION

I, Jamie Carnell, _____, City of Seattle Interim City Finance Director, do hereby certify under penalty of perjury of law, that the within and foregoing is a true and correct copy as adopted by the City of Seattle, Office of City Finance.

DATED this _____ day of August 2023.

CITY OF SEATTLE, a Washington municipality

Effective date: August __, 2023.