

180.0000 CONFIDENTIAL INFORMATION

Records generally, see also Records.

180.0200 Divulging of Information by City—Local Tax. While a city may use taxpayer records for its own governmental purposes, those purposes do not include releasing taxpayer records to person not authorized to have them. Privacy of taxpayer records is protected by section 7056. Unauthorized releases of taxpayer records could have grave results. Thus, a city must not send a taxpayer's records to other taxpayers. If it does, the Board may impose such conditions as it deems reasonable on the city's access to Board records in order to protect the confidentiality of those records. (Sections 7056(c) and 7153.) 5/23/95.

180.0500 Divulging of Information by Consultants Hired by Local Governments. Section 7056 provides that information may be released to local government agencies and to private persons contracting with local government agencies under certain conditions and subject to certain qualifications. Section 7056 specifically provides in paragraph (b)(1)(B) that a private consultant shall disclose information contained or derived from sales or transactions and use tax records "only to an officer or employee of the county, city and county, city, or district who is authorized . . . to examine the information." A private consultant may not disclose confidential information to an attorney who is retained by it as an independent contractor to provide legal services and is not an employee of the person identified by resolution. 5/20/96.

180.5000 Request for Taxpayer Information. The Board is constrained by section 7056(a) from releasing taxpayer information pertaining to a particular tax to any entity other than the one that levied the tax in question. Therefore, since Santa Clara Traffic Authority (SCTA) receives no distribution of Bradley-Burns local tax revenue, the Board cannot furnish Bradley-Burns local tax information to SCTA or any other taxing district that does not receive Bradley-Burns revenue. 1/2/97.

180.6000 Sale of Software Packages by Local Tax Consultant. A private consultant is in the business of contracting with local government agencies and has developed two software packages which it plans to market to businesses in California and in other states. As the result of its contracts with local government, it has access to confidential sales and use tax information. One of the software packages would be sold to or licensed to nonretailer taxpayers (primarily manufacturers) for their internal use and does not involve any provision of consulting services provided to local government by the consultant. The other software package is intended to be sold to sales and use tax administrative departments of the various state governments. Using the software, state auditors can download a company's general ledger and use this software as a tool in conducting a compliance audit.

The sale of the products in question to nonretailer manufacturers and to state agencies which administer sales and use tax laws would not be in violation of the provisions of section 7056(b)(1)(C). Furthermore, section 7056(b)(2) would prohibit the consultant from developing a potential client list with respect to the

consultant's software products based upon work performed by the consultant in performing its consultant duties with local government authorities. 5/20/96.

180.7000 **Use of Actual Taxpayer Names in Presentations.** A consultant who has access to the Board's records pursuant to its contract with a local government entity makes presentations to various cities on matters involving local tax. Handouts are issued to participants to illustrate the presentations. The handout may not use copies of actual returns from taxpayers. Such release is a violation of section 7056. However, fictitious names, codes and permit numbers may be used. 6/14/94.