



CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

GOVERNMENT & FINANCE COMMITTEE

DECEMBER 11, 2013

ORDINANCE REQUEST TO REVISE THE CONFIDENTIALITY PROVISIONS OF TAX INFORMATION

BACKGROUND

Chapter 53 of the Denver Revised Municipal Code governs Denver's excise taxes (sales, use, lodger's, employee occupational privilege, business occupational privilege, facilities development admissions, and telecommunication business taxes) and each specific tax section has a confidentiality provision that restricts access to individual taxpayer information to the Manager of Finance or to those working under the Manager's supervision, and to the City Attorney. These confidentiality provisions exist to protect taxpayers and their financial information and are standard at the local, state and federal level. The provisions do allow for aggregated information to be disseminated, such as total amounts of taxes collected for a specific period, or total taxes collected for an industry as a whole, but at no time can the information reveal any individual taxpayer's specific information.

WHAT CHANGE IS BEING REQUESTED

Only that other City Departments dealing with taxation, revenue, trade, commerce, or licensing be granted access on an as needed basis, for specific City purposes that aid in the overall efficient and effective operation of the City.

WHY THE NEED FOR CHANGE

Over the years, the tax information access restriction has proven to impede important and beneficial City initiatives/projects and intercity Agency cooperation and compliance efforts by not allowing other City agencies (examples: Office of Economic Development, and Excise and Licenses) access.

Examples:

- The Structural Financial Task Force and subsequent Retail Study were hampered when doing analysis of tax revenues, trends and projections because they could only be given broad aggregated information.
- Coordination efforts between the Tax Compliance Section of Treasury and Excise & Licenses, regarding comprehensive compliance and tracking efforts for the marijuana industry, are made more cumbersome.
- Provide better information to the Auditor's Office for audits of the Tax Department.

PROCEDURES FOR GRANTING SPECIFIC USE ACCESS

Upon written request, the Manager of Finance may grant access to tax information to the head of any department of the city dealing with matters of taxation, revenue, trade, commerce, licensing, or to the Auditor's Office. The written request must detail specifically what tax information is intended to be reviewed, for what purpose, and identify the specific employees of the department to which access will be given. The Manager of Finance will carefully evaluate any request to ensure that access and use is appropriate and will be safeguarded and kept confidential.

SAFEGUARDS

The confidentiality sections of the ordinance have always mandated that any Manager of Finance employee who views the information is required to keep the information confidential, and makes it a violation of the ordinance to disclose any information unlawfully and provides for penalties. This provision will continue and apply to any City Employee who is given access to tax information.

EASE AND CONSISTENCY OF ADMINISTRATION

This revision will move the confidentiality language out of each individual article and move it to Chapter 53, article I (which thus governs all the subsequent articles in Chapter 53) and will then apply to all of the different taxes. This provides consistency and ease of administration (since there will no longer be multiple recitations of the language which has the greater potential for variances or an inconsistency to occur as time goes on).