
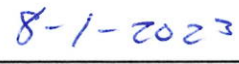

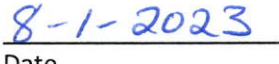




**Director’s Rule 5-990 Information Requests Aggregation and Confidentiality**

Department:  <b>Office of City Finance</b>	Rule No: 5-990	Supersedes: n/a
	Publication: 6/28/23	Effective: 8/1/23
Subject: Information Requests Aggregation and Confidentiality Re: City of Seattle Business License Tax	Code and Section Reference(s): SMC 5.30 SMC 5.55	
Approved:   Division Director, Joseph Cunha	 Date	
 Jamie Carnell, Office of City Finance, Interim Director	 Date	

**1. Purpose**

Seattle Dir. Rule 5-990 is intended to assist taxpayers’ understanding of the confidentiality of tax information and the facts and circumstances required for the city to disclose a statistical grouping report providing the aggregate total of tax paid.

**2. Rule**

Seattle Dir. Rule 5-990 is a new rule. Seattle Dir. Rule 5-990 contains definitions, a narrative explanation, and examples.

**3. Definitions**

Seattle Dir. Rule 5-990 contains definitions adopted from SMC 5.55.200, Public Disclosure—Confidentiality—Information sharing.

## 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.

**Example 1.** 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.

**Example 2.** 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.

**Example 3.** A researcher makes the same request as in Example 2, 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.

**Example 4.** 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.

**Example 5.** 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 1 day of August 2023.

CITY OF SEATTLE, a Washington municipality.

By: Jamie Carnell, 

City of Seattle Interim City Finance Director

Effective date: August 1, 2023.



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STATE OF WASHINGTON -- KING COUNTY

--SS.

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418541

No.

CITY OF SEATTLE:FINANCE&ADMIN

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:PROPOSED RULE MAKING

was published on

06/28/23

The amount of the fee charged for the foregoing publication is the sum of \$186.75.



*M. Barnes*

Subscribed and sworn to before me on

06/28/2023

*[Signature]*  
Notary public for the State of Washington,  
residing in Seattle

Affidavit of Publication

# State of Washington, King County

## City of Seattle

### City of Seattle

#### NOTICE OF PROPOSED RULEMAKING HEARING AND OPPORTUNITY TO COMMENT

The City of Seattle Interim City Finance Director, acting under the authority of Seattle Municipal Code (SMC) Chapters 3.02 and 5.55, proposes the adoption or amendment of the following rules:

Seattle Rule 5-007, Penalties

Seattle Rule 5-133, Warranties and Maintenance Agreements

Seattle Rule 5-500, Computer Software

Seattle Rule 5-501, Computer Hardware

Seattle Rule 5-502, Taxation of Information Services and Computer-Related Services

Seattle Rule 5-503, Digital Products

Seattle Rule 5-990, Information Requests - Aggregation and Confidentiality

The rules may apply to one and/or several chapters of the City's Municipal Code, including but not limited to all chapters within SMC Title 5, Subtitle I - General Regulations and Title 5, Subtitle II - Taxes.

**PUBLIC HEARING AND COMMENT:** On **Tuesday, July 11, 2023**, from 10 a.m. to 11:30 a.m., the Office of City Finance will hold a public hearing to consider the proposed rules. The hearing will be hosted on WebEx Events.

Event address for attendees:

City of Seattle Director's Rules Hearing

Date and time:

Tuesday, July 11, 2023, 10:00 AM (UTC-07:00) Pacific Time (US & Canada)

Join link:

<https://seattle.webex.com/seattle/j.php?MTID=m4f923e18d9fab3caa70dd7650aacdcbb>

Webinar number:

2483 022 0793

Webinar password:

pCxumZTJ674 (72986985 from phones and video systems)

Join by phone

+1-206-207-1700 United States Toll (Seattle)

+1-408-418-9388 United States Toll

Access code: 248 302 20793

The Office of City Finance invites all interested persons to present data and provide comments or arguments pertaining to the proposed rules, either orally at the hearing or in writing at or before the hearing.

Please mail or deliver written comments to:

Office of City Finance

Attn: Kevin Guichon, Tax Policy Analyst

License and Tax Administration

700 Fifth Ave. - Suite 4250

P.O. Box 34214

Seattle, WA 98124-4214

Kevin.Guichon@seattle.gov

The public may inspect copies of the two new and five amended, proposed rules on our website at <http://www.seattle.gov/finance-and-administrative-services/directors-rules>. If you would like a copy of the proposed rules, please call (206) 233-3789, FAX (206) 684-5170, email: [tax@seattle.gov](mailto:tax@seattle.gov), or submit a written request to the License and Tax Administration offices, 700 Fifth Ave.,

Suite 4250, P.O. Box 34214, Seattle, WA 98124-4214.

Jamie Carnell, Interim City Finance Director, Office of City Finance

Date of publication in the Seattle Daily Journal of Commerce, June 28, 2023.

**628(418541)**