



Alaska Department of Revenue



Confidentiality

Presentation to Senate Resources Committee

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Alaska Department of Revenue



Department of Revenue Employees

- Much of the Department is a secure workspace
- Many employees handle confidential taxpayer information
- All Tax Division employees receive annual confidentiality training



Confidentiality at the Department of Revenue

- One of the primary missions of the Tax Division is to collect, administer, and audit Alaska's tax revenues
- Another mission of the Department is to forecast and report our revenues. This largely involves data collected via the first mission
- We also have data which is offered voluntarily. Industry gives this to us because we keep it confidential as required by law

Relevant Confidentiality Statutes

- **AS 43.05.230** states in part
“It is unlawful for a current or former officer, employee, or agent of the state to divulge the amount of income or the particulars set out or disclosed in a report or return made under this title”
- **AS 40.25.100(a)** states in part
“Information in the possession of the Department of Revenue that discloses the particulars of the business or affairs of a taxpayer or other person is not a matter of public record”
- **AS 43.20.021(a)** Adopts the Internal Revenue Code by reference, including sections regarding confidentiality of taxpayer data

Consequences of Releasing and Not Releasing

- **AS 43.05.230(f)** provides that “a willful violation of...this section... is punishable by a fine of not more than \$5,000, or by imprisonment of not more than two years, or by both.”

However

- **AS 11.56.820(a)(2)** provides that a “person commits the crime of tampering with public records in the second degree if the person . . . knowingly . . . suppresses, conceals, removes, or otherwise impairs the . . . availability of a public record, knowing that the person lacks the authority to do so.” (a Class A Misdemeanor)

Information That Can Be Disclosed

(To certain persons and agencies under certain circumstances)

➤ Exceptions in AS 43.05.230

- Investigations, Appeals, Child Support proceedings
- DNR (tax return data for audit functions);
DEC and ADF&G (fisheries business tax filer info)
- Sharing with Federal or other state governments if they can prove they have appropriate safeguards
- Information in a tobacco, alcohol, mining, business, or fisheries license is public

Information That Can Be Disclosed

- Specific Exceptions that relate to Oil and Gas, but are in the general Department of Revenue statutes, AS 43.05.230
 - The name of each person claiming a credit, and the amount of the credit, for each gas storage facility, is public information (from HB 280, in 2010)
 - The name of each person electing to pay production taxes under the tax as gas (“TAG”) method, and the amount of gas produced for each lease or property, is public information (from SB 138, in 2014)

Information That Can Be Disclosed

- Specific Exceptions to Taxpayer Confidentiality in the Oil and Gas Production Tax Statutes (AS 43.55.890)
 - Data aggregated among three or more producers or explorers to prevent individual identification
 - We routinely aggregate and release large amounts of data in this manner
 - Tax collections, credits, production volumes, tax rates, values, transportation costs, lease expenditures, etc.
- We request and receive a lot of private taxpayer data including their plans and projections. In many cases companies are not required to provide this but they do so because of how we treat the data

THANK YOU

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