

INTERAGENCY AGREEMENT

This Interagency Agreement (the “Agreement”), effective as of _____, made by and between the MICHIGAN DEPARTMENT OF TREASURY (“Treasury”) and the _____ (the “Agency”) is entered into solely for the effective administration and enforcement of the laws of each party to this Agreement and in a manner consistent with the applicable statutes, regulations, rules and procedures. Treasury and the Agency may also be referred to in this Agreement as “party” or “parties.”

Treasury and the Agency desire the exchange of Confidential Information (as hereinafter defined) between the parties, including without limitation, data access and the use of Michigan tax returns and tax return information, as well as, the release, administration, collection, transfer, storage, analysis, and distribution of tax and tax related data upon the terms and subject to conditions set forth in this Agreement.

1. Definitions.

- 1.1. **Authorized Employee:** An Authorized Employee is an employee of the Agency or Treasury who is authorized to access Confidential Information. An Authorized Employee may also be an authorized representative, contractor, agent, or vendor of either party who is authorized to access Confidential Information. In order to be given Authorized Employee status, a person must have a need to access the Confidential Information to perform his or her duties for the Agency or Treasury.
- 1.2. **Common Criteria for Information Technology Security Evaluation:** A formal set of security standards set forth in version 2.1 of “Common Criteria for Information Technology Security Evaluation” published by the National Institute of Standards and Technology, Computer Security Resource Center, an agency of the United States Commerce Department, Technology Administration.
- 1.3. **Confidential Agency Information:** Confidential Agency Information is any information that the Agency provides to Treasury pursuant to this Agreement which is marked on its face as “Confidential Agency Information.”
- 1.4. **Confidential Information:** Confidential Information is Confidential Agency Information and Confidential Tax Information.
- 1.5. **Confidential Tax Information:** Confidential Tax Information is any information contained within a Michigan tax return filed by a Michigan Taxpayer, any facts or information Treasury obtains in connection with the administration of a tax and any information, in any format whatsoever, which accompanies or is attached to a Michigan tax return. Confidential Tax Information also includes any information or parameters that would enable a person to ascertain the audit selection or processing criteria for a tax administered by Treasury, collection or assessment parameters or information, and any information, in any format whatsoever, that Treasury provides to the Agency pursuant to this Agreement. Information Treasury has received from a federal agency or the United States Internal Revenue Service pursuant to section 6103(d) of the Internal Revenue Code, 26 USC 6103(d), is not Confidential Tax Information, and therefore, is not subject to the terms of this Agreement.

- 1.6. **Disclosure Officer:** A Treasury employee who has been granted the authority to disclose state tax information, acts as a contact person for all governmental and non-governmental agencies that seek Confidential Tax Information, and determines whether a request for Confidential Tax Information meets the requirements of state law.
- 1.7. **Electronic Media:** Computer generated objects on which Confidential Information is stored, including without limitation, hard disks, floppy disks, CDs, CD ROMs, and tapes.
- 1.8. **Security Features Administrative Guide:** The Security Features Administrative Guide is a document that describes the parameters and restrictions of a party's computer security system. The Security Features Administrative Guide shall contain routine back-up and contingency plans, as well as, a disaster recovery plan in order to protect Confidential Tax Information.
- 1.9. **Security Officer:** A designated employee of the Agency who acts as a liaison between the agency and the Disclosure officer. The security officer ensures that access rights to the Confidential Tax Information are added and deleted when appropriate and employees accessing the Confidential Tax Information have signed the appropriate confidentiality notices.
- 1.10. **System's Administrator:** A designated employee of the Agency or Treasury who is responsible for maintaining the Agency's or Treasury's computer system.
2. **Purpose, Scope and Term of Agreement.** The purpose of this Agreement is the facilitation and exchange of Confidential Information between Treasury and the Agency. Any Confidential Information exchanged will be used only to the extent the use is necessary for the administration and enforcement of the laws of this state and such use(s) is agreed upon by the parties to this Agreement. This Agreement shall continue in full force and effect until either party, with 30 day notice, terminates this Agreement.
3. **Department of Treasury Authority.** The authority for Treasury to enter into this agreement is contained in the Revenue Act at MCL 205.28 (1)(f), and 205.28(4) which state in part that the State Treasurer may enter into reciprocal agreements with departments of state government for the enforcement, collection of tax, and exchange of data after ascertaining that any information provided will be subject to the confidentiality restrictions in the provisions of this act.
4. **Authority.** The authority for the _____ to enter into this agreement is contained in _____.
5. **Access Limitations to Confidential Information.** Either party, in its sole discretion, may refuse to furnish the requested Confidential Information if the party believes disclosure would be contrary to federal or state law or detrimental to the administration of its laws, identify a confidential informant or seriously impair a civil or criminal investigation.
6. **Confidential Information Requests.** When making a request for Confidential Information, Treasury or

the Agency shall clearly state in writing, on its respective letterhead, the need for and intended use of the Confidential Information and list the specific documents requested. Requests made to Treasury must be directed to the Disclosure Officer, be dated and signed by the requesting party's authorized official and must also include a completed Form 2078, Request for Michigan Tax Information (Attachment A).

7. **Electronic Exchange of Confidential Information.** All electronic transfers of Confidential Tax Information shall be accomplished by an electronic transfer of the Confidential Tax Information from Treasury to a secured disk drive located on the Agency's electronic platform. Transmission and transportation of Confidential Information shall be made pursuant to the safeguards set forth in Internal Revenue Service Publication 1075 and Treasury's requirements. The Agency shall mark all Confidential Agency Information as "Confidential Agency Information" prior to forwarding it to Treasury.
8. **Retention of Confidential Information.** Treasury or the Agency shall retain the Confidential Information received for only the period of time required to perform its official duties related to the Confidential Information, and at the end of such period, the Confidential Information shall be destroyed in the manner set forth in this Agreement. If it is necessary to retain the Confidential Information for evidentiary purposes, Treasury or the Agency shall store and keep such Confidential Information in the manner set forth in this Agreement.
9. **Confidentiality Requirements.** Confidential Tax Information shall be kept confidential pursuant to MCL 205.28(1)(f). A violation of MCL 205.28(1)(f) is a felony. MCL 205.28(2). Confidential Information shall not be disclosed except as required by state or federal law, or in the proper administration of a party's promulgated rules and procedures. No Authorized Employee shall disclose any Confidential Information obtained pursuant to this Agreement to any person who is not an Authorized Employee. No Confidential Tax Information provided by Treasury to the Agency shall be duplicated or disseminated without the prior written approval of Treasury. Treasury's Confidential Tax Information remains the exclusive property of Treasury at all times. Authorized Employees as defined herein lose their authorization to access confidential information when their employment with Treasury or other state agency, vendor or contractor ends. An Authorized Employee working as a consultant or agent loses authorization upon completion of the employment agreement. Confidential information may not be physically retained, and disclosure of confidential information is not permitted. All previously Authorized Employees remain bound by the disclosure and penalty provisions of MCL 205.28(1)(f).
10. **Relationship.** This Agreement does not make any party to this Agreement the employee, member, partner, joint venture, agent or legal representative of the other for any purpose other than the purpose set forth in this Agreement. No party to this Agreement is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of another party except as expressly stated in this Agreement.
11. **Termination.** Treasury and the Agency shall have the absolute discretionary right to terminate this Agreement with thirty days notice, with or without cause. Termination of this Agreement shall not have any effect on any terms or conditions of this Agreement.
12. **Security Measures.** Treasury and the Agency shall implement and enforce the security measures set forth in this section of this Agreement. The measures set forth in this section of this Agreement shall apply to any

computer, computer system, software or program developed or used by or for the Agency that accesses Confidential Tax Information.

- 12.1. Limit access to Confidential Information only to Authorized Employees. Maintain Confidential Information in an area that is secure from unauthorized persons during work hours. Lock Confidential Information in a secure area during non-work hours or when not in use, and separate Confidential Information from non-Confidential Information.
- 12.2. Maintain Confidential Information in a manner that ensures unauthorized persons do not have access to such information via computer, remote terminal or other electronic means.
- 12.3. Annually advise Authorized Employees of the terms of this Agreement, including without limitation, the security procedures, as well as the penalties imposed for violating MCL 205.28(1)(f) and 205.28(2).
- 12.4. Obtain the individual signatures of all Authorized Employees on Confidentiality Agreements (Exhibit B), and update these Confidentiality Agreements annually.
- 12.5. Retain all Authorized Employees' signed Confidentiality Agreements while a person is an Authorized Employee.
- 12.6. Maintain an audit trail that tracks each electronic or hardcopy access made to Confidential Information. The audit trail must contain at a minimum the taxpayer's name and identification number, the information requested, the purpose of the request, the date the Confidential Information is received, the names of the agency/division and its Authorized Employee requesting the Confidential Information, the names of Authorized Employees who may have had access to Confidential Information, and the date the Confidential Information is destroyed and the method of destruction.
- 12.7. Mark on all Confidential Tax Information, upon receipt or the printing of any hard copies off a computer system, the following: "CONFIDENTIAL MICHIGAN TREASURY TAX RETURN INFORMATION. DO NOT DISCLOSE. PROTECT AT ALL TIMES. Michigan tax information is exempt from disclosure under the Freedom of Information Act."
- 12.8. Adopt internal and external policies and procedures to ensure that information contained in their respective records, as well as the Confidential Information, will be used solely as provided in this Agreement.
- 12.9. Permit the Disclosure Officer access to facilities and records during the term of this Agreement so that the Disclosure Officer may perform onsite inspections and monitor compliance with this Agreement and safeguard requirements.
- 12.10. Create, implement and maintain system design and test documentation that is specific to the Agency's computer system that is used to access Confidential Tax Information. This documentation shall be readily available to the Disclosure Officer for inspection and approval, and it shall include a Security Features Administrator's Guide.
- 12.11. Routinely advise all Authorized Employees that they are accountable for any action taken involving

the Confidential Information and use of the Authorized Employees' computer passwords, and as such, they should not disclose their computer passwords to anyone.

- 12.12. Establish and maintain user identification numbers and passwords on computer systems that store, run or transmit Confidential Information.
- 12.13. Block or code Confidential Tax Information as "confidential" on each computer system that stores, runs or transmits such information.
- 12.14. Clear all Confidential Information from a computer system prior to the system being used for purposes unrelated to the enforcement, collection or exchange of Confidential Information.
- 12.15. Provide a computer-generated semi-annual pop-up notice, as set forth in Attachment D, to any user of a computer system that stores, runs or transmits Confidential Tax Information. Treasury has the authority to amend the notice provided in Attachment D at any time, and upon receipt of notice of any amendment to such language, the Agency shall immediately make the necessary changes to its system in order to be in compliance with the amended language.
- 12.16. Establish and maintain computer access security protection controls pursuant to the Computer Security Resource Center's "Common Criteria for Information Technology Security Evaluation".
- 12.17. Create, implement, and maintain a written security policy that contains the following: (i) a description of the system in terms of categories of data processed, authorized users and access rules between authorized users and the data; (ii) a description of procedures that prevent unauthorized access by clearing all Confidential Information on storage objects before they are allocated or reallocated out of or into each system; and (iii) Provide additional security protocols using password protection and authentication where the computer system contains information for multiple programs, projects, offices or agencies.
- 12.18. Ensure all security features are available and activated.
- 12.19. Create, implement, and maintain access controls, passwords, and security measures.
- 12.20. Maintain an inventory of all Electronic Media received, including a record of removal or destruction of such media. The Agency is responsible for any missing Electronic Media or paper documents.
- 12.21. Restrict on-line functions for Authorized Employees by limiting access through functional processing controls and organization restrictions, and granting selective access and viewing privileges through the Security Administrator.
- 12.22. Follow a process of review, independent testing, and installation assurance for any significant computer system enhancements or other security system changes.
- 12.23. Test security systems annually to insure proper functioning.
- 12.24. Maintain a Security Features Administrator's Guide that describes the protection mechanisms

provided by the security system, guidelines on their use, and how they interact, as well as cautions about weaknesses in the system. The Security Features Administrator's Guide shall be secured and locked at all times with access rights only given to the System's Administrator and Security Officer.

12.25. Correct all security systems' anomalies and inform Treasury immediately.

12.26. Meet and comply with Treasury's security requirements and procedures. Treasury may deny the Agency access to Confidential Tax Information if the Agency fails to comply with any terms of this Agreement.

13. **Record keeping for Disclosure to Office of Auditor General (OAG) Auditors.** In addition to the other requirements set forth in this Agreement, if the Agency discloses Confidential Information to OAG auditors for further review of procedures, policies and safeguards with regard to administering a program, then the Agency shall identify the Confidential Information, its format, the number of taxpayers' records, the dates of inspection, and the name of the OAG auditor inspecting the Confidential Information. An existing information exchange agreement executed between the OAG and Treasury binds OAG auditors to comply with the disclosure provisions of the Revenue Act.

14. **Use of Authorized Representative, Vendor, Contractor, Consultant or Agent.** If the Agency utilizes the services of authorized representatives, vendors, contractors, consultants or agents to process Confidential Tax Information, the Agency shall notify, in writing, the Disclosure Officer prior to the disclosure of Confidential Tax Information to any authorized representative, vendor, contractor, consultant or agent. Prior to disclosure, the Agency shall submit its service agreement to Treasury for Treasury's review. Treasury, may, in its sole discretion, determine whether an Agency's authorized representative, vendor, contractor, consultant or agent is an Authorized Employee. Any representative, vendor, contractor, consultant or agent that has been determined to be authorized shall sign a confidentiality agreement (Attachment C) prior to having access to any Confidential Information.

15. **Governing Law.** This Agreement shall be governed by and construed in accordance with, as to all matters, including validity, construction, and effect, the laws of the State of Michigan.

16. **Amendment.** Treasury may amend this Agreement, in whole or in part, at any time, with notice, if such amendments are necessary to comport with internal policy or the law. The parties to this Agreement shall review this Agreement annually. At the time of each annual review, either party may amend this Agreement, in whole or part, and such amendments shall be made a part of this Agreement if both parties agree, in writing, to such amendments.

17. **Disposal of Confidential Information.** All Confidential Information or any other information received by the other party, in any format whatsoever, shall be destroyed by burning, mulching, pulping or shredding. The width of shredded strips should not exceed 5/16 inch, the width of shredded microfilm strips shall be between 1/35 and 3/8 inch. Pulping shall reduce the Confidential Information to particles of one inch or smaller. When electronic Confidential Information is to be disposed of, data tracks shall be overwritten or reformatted at least three times or a magnetic strip shall be passed over and under the entire area of the disk at least three times.

18. **Severability.** In the event any of the terms of this Agreement are in conflict with any rule of law or statutory provision or are otherwise unenforceable under the laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from this Agreement, and such action shall not affect the validity and enforceability of any other provision of this Agreement. Further, if any provision of this Agreement is found by any court of competent jurisdiction to be invalid or unenforceable for any reason whatsoever, such finding will not in itself be deemed to affect the validity or enforceability or any other provision of this Agreement.
19. **Assignment.** This Agreement shall be binding upon the parties to this Agreement. No party to this Agreement shall assign or transfer any right or interest in and to this Agreement.
20. **Entire Agreement.** This Agreement, including any appendices attached hereto, constitutes the final, entire and complete agreement of the parties with respect to the subject matter hereof; and supercedes any prior agreement or understanding between or represented by the parties relating to the subject matter of this Agreement.
21. **Execution.** The parties have caused this Agreement to be executed by their duly authorized representatives.

APPROVED

APPROVED

Chief Deputy State Treasurer
Department of Treasury

SAMPLE

Reset Form

Michigan Department of Treasury
2078 (Rev. 4-04)

Distribution: White - Disclosure Officer
Canary - Disclosure Officer
Pink - Requester

Request for Michigan Tax Return Information

Issued under authority of P.A. 122 of 1941, as amended.

Send this form to: Michigan Department of Treasury, Policy Communications and Disclosure, Attn: Disclosure Officer

PART 1 TO BE COMPLETED BY AGENCY REQUESTING INFORMATION

Name of Government Unit Requesting Information	
Address (No. and street, city, state, ZIP)	Printed Name of Agency Head/Designee
We are requesting information per MCL 205.28 (1)(f) and an agreement between the agency named above and the Michigan Department of Treasury, Revenue. Please provide the information on the individual or business named below.	

Individual Taxpayer	Business Taxpayer
Taxpayer Name (both spouse's names)	Business or Corporation Name
Taxpayer's Social Security Number	Names of Owners or Partners
Spouse's Social Security Number	Federal Employer I.D. Number (FEIN) or Michigan Employer I.D. Number

Information Requested Check this box if the information must be certified by the Disclosure Officer and is expected to be presented in court.

Type of tax return or tax return information needed: Individual Single Business Sales Use Withholding Other: _____

Copies of returns are requested for these tax years: _____

Specify other tax return information needed: _____

Explain the purpose of this request. (Why do you need this information?) _____

I declare that I am authorized to request and receive the above information under the exchange agreement between the Michigan Department of Treasury and the agency named above (Government Unit).

I understand that any Michigan Department of Treasury tax returns or tax return information made available to me will not be divulged or made known in any manner to any person except as may be necessary in the performance of my official duties. Access to Treasury information is allowed on a need-to-know basis to perform my official duties. I further understand that under the Michigan Revenue Act, MCL 205.28(1)(f) I may not willfully browse any return or information contained in a return. Browsing is defined as examining a return or return information acquired by a person or another person without authorization or without a need to know the information to perform official duties.

Agency Discipline
Absence of criminal prosecution does not prevent Treasury from pursuing internal sanctions for unauthorized accessing, browsing, or disclosing state or federal tax returns or tax return information.

Michigan Penalties
MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a need to know the information to perform official duties. Violators of §28(1)(f) are guilty of a felony and subject to fines of \$5,000 or imprisonment for five years, or both per the Michigan Revenue Act, 1941 PA 122, MCL 205.28(2). State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, 1941 PA 122, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and fined \$1,000 or imprisoned for up to one year, or both, MCL 205.27(4).

This form and any attached return information provided must be returned to your department liaison in charge of tracking the request, receipt and destruction of Michigan tax return information.

Signature of Employee Initiating Request	Date	Signature of Agency Head/Designee	Date
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PART 2 TO BE COMPLETED BY TREASURY DISCLOSURE OFFICER

- The attached information is furnished for tax year(s) _____
- The taxpayer filed a return but the return cannot be located for tax year(s) _____
- There is no information available under the account number/name given for tax year(s) _____
- A return was filed for tax year(s) _____, but it has either been destroyed or is not available.
- The I.D. number provided is being used by another taxpayer. Please check your records and resubmit your request.
- Other (explain): _____

Disclosure Officer	Date
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Allow 60 days to process your request.

Reset Form

Michigan Department of Treasury
4062 (Rev. 10-03)

State of Michigan Agency Employee Confidentiality Agreement

Michigan's Revenue Act, MCL 205.28(1)(f), makes tax information acquired from the Michigan Department of Treasury confidential. The Act holds that any state employee, authorized representative, or former employee who has access to Michigan tax returns and Michigan tax return information is subject to the same restrictions as Michigan Department of Treasury employees. All unauthorized disclosures of information are subject to criminal and civil penalties under the Michigan Revenue Act. Penalties can include fines, imprisonment and dismissal from state employment.

INSTRUCTIONS: Read this entire form before you sign it. If you do not complete this agreement, you will be denied access to Michigan Department of Treasury information. After you sign and date this form, keep a copy for your records. **File the original with the Michigan Department of Treasury, Disclosure Officer, 430 W. Allegan, Lansing, MI 48922.**

Employee Name (Last, First, MI)	Employee Identification Number or Driver's License Number
Employee Work Unit (Department, Division and Address)	

Michigan Department of Treasury tax returns or return information made available to you, including information marked "Official Use Only," shall not be divulged to any person except as is necessary to perform official duties. Section 205.28(1)(f) provides that you may not willfully browse returns or information contained in a return. Browsing is defined as examining a return or return information without authorization and without a need to know the information to perform official duties.

Tax returns and tax return information may only be used for the purpose outlined in the Inter-Agency Agreement and/or the addendum to the Inter-Agency Agreement established between the Michigan Department of Treasury and the agency listed above (Department/Division).

Access to Treasury information, both in paper and electronic form, is allowed on a need-to-know basis to perform your agency's official duties. Before you disclose returns or return information to other employees in your agency, they must also have a need to know the information to perform their official duties.

Penalty. Violating confidentiality laws is a felony, with penalties as described:

Agency Discipline

Absence of criminal prosecution does not prevent your agency from pursuing internal sanctions for unauthorized accessing, browsing, or disclosing state or federal tax returns or tax return information.

Michigan Penalties

MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators of §28(1)(f) are guilty of a **felony** and subject to **fines of \$5,000 or imprisonment for five years, or both** per the Michigan Revenue Act, 1941 PA 122, MCL 205.28(2). State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, 1941 PA 122, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and **fined \$1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Federal Penalties

If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony** with a **fine of \$5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a felony violation of IRC §7213A, 26 USC 7213A, subjecting the violator to a **\$1,000 fine or imprisonment for one year, or both, plus prosecution costs**. Taxpayers affected by violations of §7213A must be notified by the government and may bring a civil action against the federal government and the violator within two years of the violation. Civil damages are the **greater of \$1,000 or actual damages** incurred by the taxpayer, plus the costs associated with bringing the action, 26 USC 7431.

EMPLOYEE CERTIFICATION		
By signing this Agreement, I certify that I have read the above confidentiality provisions and understand that failure to comply is a felony.		
Print name of employee signing this agreement	Signature of person named above	Date signed
WITNESS		
Print name of witness	Signature of witness	Date signed

After you read this notice, sign, date, make a copy for your records and return the original to your supervisor.

<p>Michigan Department of Treasury Office of Policy Communications and Disclosure 430 W. Allegan Lansing, MI 48922</p>	<p>Phone: (517) 335-0629 Fax: (517) 241-4742 email: Treas_Disclosure@michigan.gov</p>
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Michigan Department of Treasury
3337 (Rev. 3-04)

Reset Form

Vendor, Contractor or Subcontractor Confidentiality Agreement

The Revenue Act, Section 28(1)f, 1941 PA 122, MCL 205.28(1)(f), makes all information acquired in administering taxes confidential. The Act holds a vendor, contractor or subcontractor and their employees who sell a product or provide a service to the Michigan Department of Treasury, or who access Treasury data, to the strict confidentiality provisions of the Act. Confidential tax information includes, but is not limited to, information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the Michigan Department of Treasury for a tax administered by the department.

INSTRUCTIONS: Read this entire form before you sign it. If you do not complete this agreement, you will be denied access to Michigan Department of Treasury and federal tax information. After you sign and date this form, keep a copy for your records. Send the original to: Michigan Department of Treasury, Office of Policy Communications and Disclosure, Disclosure Officer, 430 W. Allegan, Lansing, MI 48922.

Company Name and Address (Street or RR#, City, State, Zip Code)	Official or Employee Name
	Employee Identification Number or Driver's License Number
Name of State of Michigan Agency	Sub-Contractor's Name if Product/Service Furnished to Contractor
Describe here or in a separate attachment the product or service being provided to the State of Michigan Agency.	

Confidentiality Provisions. It is illegal to reveal or browse, except as authorized:

- All tax return information obtained in connection with the administration of a tax. This includes information from a tax return or audit and any information about the selection of a return for audit, assessment or collection, or parameters or tolerances for processing returns.
- All Michigan Department of Treasury or federal tax returns or tax return information made available, including information marked "Official Use Only". Tax returns or tax return information shall not be divulged or made known in any manner to any person except as may be needed to perform official duties. Access to Treasury or federal tax information, in paper or electronic form, is allowed on a **need-to-know** basis only. Disclosure of return information to other employees of your department, agency, division or office, must meet **need-to-know** criteria and be required for them to perform their official duties.
- Confidential information shall not be disclosed by a department employee to confirm information made public by another party or source which is part of any public record. 1999 AC 205.1003(3).

Penalty. Violating confidentiality laws is a felony, with penalties as described:

Agency Discipline

Absence of criminal prosecution does not prevent your agency from pursuing internal sanctions for unauthorized accessing, browsing, or disclosing state or federal tax returns or tax return information.

Michigan Penalties

MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators of §28(1)(f) are guilty of a **felony** and subject to **fines of \$5,000 or imprisonment for five years, or both** per the Michigan Revenue Act, 1941 PA 122, MCL 205.28(2). State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, 1941 PA 122, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and **fined \$1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Federal Penalties

If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony with a fine of \$5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a **felony violation** of IRC §7213A, 26 USC 7213A, subjecting the violator to a **\$1,000 fine or imprisonment for one year, or both, plus prosecution costs**. Taxpayers affected by violations of §7213A must be notified by the government and may bring a civil action against the federal government and the violator within two years of the violation. Civil damages are the **greater of \$1,000 or actual damages** incurred by the taxpayer, plus the costs associated with bringing the action, 26 USC 7431.

CERTIFICATION		
I acknowledge that I have read this Agreement, which is intended to help me understand applicable Michigan and Federal law related to the protection of confidential information. I understand that failure to comply with applicable law, including the laws referenced in this Agreement, may subject a violator to criminal and civil penalties.		
Print name of person signing this agreement	Signature of person named above	Date signed
WITNESS		
Print name of witness	Signature of witness	Date signed

NOTICE TO STATE AGENCY EMPLOYEES AND AUTHORIZED REPRESENTATIVES

As an Authorized Employee who has been granted access to Michigan Department of Treasury (Treasury) tax return information, you are notified that you may not access or disclose tax returns or tax return information without specific authority under our agreement with your agency.

Access to Treasury information, in any media, is allowed on a need-to-know basis to perform your official duties. Before you disclose returns or return information to other employees of the [DEPT], they must also have a need to know the information in the performance of their official duties.

All unauthorized access to or unauthorized disclosure of tax returns or tax return information is subject to criminal and civil penalties under the Michigan Revenue Act, 1941 PA 122, MCL 205.28(2). The Michigan Revenue Act subjects violators to a felony conviction with criminal penalties of a fine up to \$5,000.00 or imprisonment for up to five years, or both. Convicted violators will also be discharged from state employment and have to pay the costs of prosecution.

Violations of the law include an unauthorized disclosure of a tax return, or tax return information, or audit selection, or processing parameters, or browsing confidential information without a business need to know. Browsing includes looking at tax returns or tax return information of yourself, spouse, family members, friends, neighbors, co-workers, or celebrities that have not been assigned to you for processing.

