

STATE OF MONTANA

FEDERAL AND STATE TAX INFORMATION

A. INTRODUCTION

I understand that as an employee of the State of Montana, I may have access to several categories of confidential data and information. This data and information may be generated by me or provided to me by others regarding individuals and entities in either oral and written form through a variety of communication mediums, including during in-person or telephonic conversations, by electronic or paper documentation, or by other means during interactions with others from within the State, from other agencies, or with individuals or entities outside of state government. I understand the importance of maintaining the confidentiality of this data and information to protect the privacy rights of individuals and entities, including employees and the general public, and to protect the State and me from possible liability, penalties, and criminal charges for unlawful disclosure. Because of these responsibilities, I understand the need for reading and understanding this Acknowledgement.

B. FEDERAL AND STATE TAX INFORMATION

I understand the following:

1. I may have access to Federal Tax Information (FTI) and State Tax information as defined in footnote 1 below.
2. Tax returns or tax information disclosed to each user may be used only for a purpose and to the extent authorized by the data manager in connection with the processing, storage, transmission, and reproduction of tax returns and return information; the programming, maintenance, repair, testing, and procurement of equipment; and providing other services for purposes of tax administration.
3. Further disclosure of any tax returns or tax information for a purpose or to an extent unauthorized by the data manager for these purposes constitutes a felony, punishable upon conviction by a fine of as much as \$5,000, or imprisonment for as long as five years, or both, together with the costs of prosecution (Internal Revenue Code (IRC) section 7213).
4. Further inspection of any tax returns or tax information for a purpose or to an extent not authorized by the data manager for these purposes constitutes a misdemeanor, punishable upon conviction by a fine of as much as \$1,000, or imprisonment for as long as one year, or both, together with costs of prosecution (IRC 7213A)
5. Should either unauthorized access or disclosure occur, individually I can be sued by the taxpayer and would be liable for civil damages amounting to a minimum of \$1,000 for each act or the actual damages sustained by the taxpayer (whichever is greater) as well as the costs of the court action (IRC 7431).
6. Under Montana law, 15-30-303, MCA; 15-70-209, MCA; 15-70-344, MCA; and 15-70-351, MCA, a user cannot disclose or disseminate information contained in a statement required

under the fuel-tax sections. Making an unauthorized disclosure or unauthorized inspection of information can make the person subject to the disciplinary procedures established by state law, which could include termination from employment.

7. If exposure to FTI is expected through my employment position with the State of Montana, I have received awareness training and understand the policies and procedures for safeguarding FTI and the penalties for unauthorized inspection or disclosure of FTI.

ACKNOWLEDGEMENT

I understand that it is a condition of my employment to maintain confidentiality of data and information and that I may be subject to consequences indicated if I fail to do so. There may be instances when disclosure of confidential data or information is permitted as required as part of my job duties or as required by law. Prior to any disclosure, I shall contact my department's legal counsel or my supervisor. If I do not know whether certain data or information is confidential and whether or not I may provide it to an individual or requestor, I am expected to ask my agency's legal counsel or management whether it is appropriate to disclose the requested data or information before I disclose it. Otherwise, I shall not disclose the confidential data or information.

I understand that if I unintentionally disclose protected information or become aware of another person's unintentional or intentional unlawful disclosure, I must immediately report it to my supervisor or another manager so that steps may be taken to mitigate the disclosure, including to inform the individual whose information was disclosed if required by law, or to recover the information.

I understand and agree that upon termination of my employment, I shall return any confidential information in my possession, and I shall maintain the confidentiality of data and information I have learned after termination of my employment.

1 FTI (IRS Code) - A taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies over assessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing.