



Confidentiality of Tax Return Information

*For officials and employees of municipalities
and counties of the State of New Mexico*



How this Training Works

- Allow approximately 30 minutes to complete this training.
- Use the navigation buttons in the lower right corner to move through the course.
- Scenarios are at the end of this training module. You must answer these to proceed.
- At the end of the training, follow the directions given to obtain the Confidentiality Agreement and the Request for Records documentation.
- You must click the email link at the end of this course to acknowledge the completion of this training.



Why training is required?

- NMSA 1978 Section 7-1-8.9 permits, pursuant to a written agreement, authorized officials or employees of a municipality or county to inspect certain records of the Department. Before accessing this information you must understand that by viewing this taxpayer information you are subject to the confidentiality provisions of Section 7-1-8 NMSA 1978 and the penalty provisions of Section 7-1-76 NMSA 1978.
- This training is provided by the State of New Mexico Taxation and Revenue Department to ensure that you understand these confidentiality and penalty provisions.



7-1-8. Confidentiality of Return Information

Under this confidentiality statute, authorized municipal and county officials or employees are required to:

- Limit the viewing of the tax information to only persons specifically authorized pursuant to a written agreement between the municipality or county and the Taxation and Revenue Department.
- Limit discussions about the tax information to only persons specifically authorized pursuant to the written agreement between the municipality or county and the Taxation and Revenue Department.
- Limit viewing and discussions with authorized persons only to the extent necessary to perform the authorized purpose.
- Physically or electronically secure and protect tax information, at all times, from being revealed to unauthorized persons.
- Return tax information to the appropriate Taxation and Revenue Department coordinator as soon as it is no longer required.



7-1-76. Revealing Confidential Information Concerning Taxpayers

Under this penalty statute, a municipal or county official or employee who reveals tax information, lawfully in their possession, to another unauthorized person is guilty of a misdemeanor and if convicted shall be:

- Fined not more than \$1,000 or
- Imprisoned up to one year,
- Or both,
- Responsible for costs of prosecution,
- Unable to be employed by the State of New Mexico for a period of five years from date of conviction.



Why Confidentiality is Important?

- Taxpayers file personal and financial information with the New Mexico Taxation and Revenue Department with the understanding that it will be used for tax purposes only.
- Taxpayer privacy must be respected at all times.
- Gross receipts tax information could be used by others for purposes that could bring reputational or financial harm to the taxpayer.
- Public trust is the cornerstone for the success of all governmental agencies.



Scenario Instructions

- The following slides contain scenarios to help explain the confidentiality and penalty provisions related to gross receipts tax information.
- After each scenario click on the correct answer. You will automatically receive feedback on your answer. On the feedback slide, click on the “Go to the next scenario” button to begin the next scenario.
- To begin the first scenario click on the button below.



Scenario

Scenario One: Curiosity

While analyzing confidential taxpayer gross receipts tax information, a trusted coworker approaches you and asks you, what you are reviewing. You tell her, it is confidential and you can't talk about it. She says, "Oh you know me, I won't tell anyone. I am just curious."



Should you share any gross receipts tax information with this employee?

Yes

No

The Correct answer
is NO!

- Unless persons are authorized by agreement with the New Mexico Taxation and Revenue Department, they cannot view confidential taxpayer gross receipts tax information.
- Authorized municipality and county officials or their employees are also prohibited from discussing the contents of confidential taxpayer information they have reviewed with an unauthorized individual.

Go to the Next Scenario

Scenario Two: All in the Family



You are at home with your family watching television. A news reporter mentions that a historic local restaurant is for sale. One of your family members states, “I’ll bet that restaurant makes a boat load of money. You reply, “Not according to the amount of gross receipts they are reporting to the State.”



Have you violated the confidentiality provisions of Section 7-1-8 NMSA 1978?

Yes

No

The correct answer
is YES!

- If authorized municipality and county officials or employees discuss confidential taxpayer information with unauthorized persons they are in violation of the confidentiality provisions of Section 7-1-8 NMSA 1978.
- If convicted the disclosing municipality official or employee could be subject to fines, imprisonment or both.

Go to the Next Scenario

Scenario Three: It's OK.... He's my boss



You are a municipality employee assigned and authorized to review confidential taxpayer information for businesses operating in your area. The mayor, while visiting your office, states that he would like to review your analysis once it is completed. Since the Mayor is also an official of the municipality, you think it is OK to discuss taxpayer information with the Mayor.

Should you talk with the Mayor about the confidential taxpayer information you have been assigned to review?

Yes

No

The correct answer
is NO!

Remember: Section 7-1-8.9 NMSA 1978 permits, pursuant to a written agreement...authorized officials or employees of a municipality or county to inspect certain records of the Department.

- The scenario did not indicate that the Mayor was authorized to view the confidential taxpayer information.
- Before accessing this information you must understand that by viewing this taxpayer information you are subject to the confidentiality provisions of Section 7-1-8 NMSA 1978 and the penalty provisions of Section 7-1-76 NMSA 1978.

Go to the Next Scenario

Scenario Four: It's in a drawer



You are authorized to review confidential taxpayer information for all businesses in your county. You have been provided with the taxpayer information electronically. You decide to print the information for better viewing. You leave the printed taxpayer information in an unlocked desk drawer at the end of the day with the intention of continuing to work on it the next day.

Have you violated Section 7-1-8 NMSA 1978, Confidentiality of Returns and Other Information?

Yes

No

The correct answer
is YES!

Under Section 7-1-8 NMSA 1978, Confidentiality of Returns and Other Information, authorized municipality and county officials or employees are required to:

- Physically or electronically secure and protect confidential taxpayer information, at all times, from being revealed to unauthorized persons.



Thank you for completing the State of New Mexico Taxation and Revenue Department Confidentiality of Tax Return Information Training.

- Please press the folder icon below to open the Agreement of Confidentiality and the request for records documentation pursuant to NMSA 1978 7-1-8.9
- Print, complete and sign these documents and forward it to the address listed on the Agreement of Confidentiality and the request for records.

To receive credit for this completing this training please click the email icon below.

