



## SECTION 356 AGREEMENT

THIS AGREEMENT, made the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by and between \_\_\_\_\_ as agent for, and  
duly authorized official of \_\_\_\_\_,  
(hereinafter referred to as "Political Subdivision"),

AND

The Commonwealth of Pennsylvania, Department of Revenue, by \_\_\_\_\_,  
Director, Bureau of Individual Taxes, as agent of the Secretary of Revenue, (hereinafter referred to as "Bureau"),

Witnessed, that the "Political Subdivision," pursuant to the provisions of Section 356 of the Tax Reform Code of 1971, as amended, is desirous of obtaining certain information (limited to names, addresses, social security numbers, taxable compensation, taxable business and farm profits) contained on the Pennsylvania Personal Income Tax Return filed by taxpayers residing within the "Political Subdivision," in order to administer and enforce the "Political Subdivision's" local earned income tax provisions,

AND WHEREAS, the "Bureau" is desirous of cooperating with the "Political Subdivision" pursuant to Section 356, as aforesaid,

NOW THEREFORE, the parties hereto mutually agree as follows:

1. The "Bureau" shall furnish to the "Political Subdivision," as requested by the "Political Subdivision," within the limitations of the Bureau's data processing system, information regarding names, addresses, social security numbers, taxable compensation, and taxable business and farm profits contained on the Pennsylvania Personal Income Tax Return of taxpayers residing within the "Political Subdivision."
2. The "Political Subdivision" agrees, in addition to executing this contract, to execute the "Memorandum of Understanding," at all times fully complying with its provisions, and further agrees to execute the "Request Authorization."
3. With the execution of this agreement, the "Political Subdivision" shall forward to the "Bureau" a check payable to the Department of Revenue as payment for the information furnished.
4. No federal tax information shall be provided under this agreement.

IN WITNESS WHEREOF the parties hereunto have set their hands and seals on the date first written above.

ATTEST:

\_\_\_\_\_  
(name of political subdivision)

\_\_\_\_\_  
(witness)

by \_\_\_\_\_  
(name)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(title)

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

by \_\_\_\_\_  
Bureau of Individual Taxes



## MEMORANDUM OF UNDERSTANDING

### In Re: Inspection of Information from Pennsylvania Income Tax Returns

I, \_\_\_\_\_, the undersigned, do hereby acknowledge the conditions upon which permission has been granted to me or my duly authorized representative(s) whose name(s) are set forth on a list dated \_\_\_\_\_, to inspect information from Pennsylvania personal income tax returns of certain individuals residing in \_\_\_\_\_  
(political subdivision).

Further, I hereby assume full responsibility for compliance with all of the terms and conditions as hereinafter set forth:

1. I am obtaining the information in my official capacity as \_\_\_\_\_, and my office is charged with the responsibility of the enforcement of the tax ordinances referred to hereinafter.
2. The information obtained will be used only to enforce ordinances of \_\_\_\_\_ adopted on \_\_\_\_\_  
(political subdivision) (date) imposing a tax based upon the income of individuals.
3. The source of the information obtained will not be divulged in any manner whatsoever, except that when a political subdivision communicates with one of its taxpayers, the political subdivision shall state to the taxpayer that the political subdivision has obtained information concerning the taxpayer's reporting of taxable income from the PA Department of Revenue, Bureau of Individual Taxes.
4. No publication or exchange of the information obtained will be made in any manner whatsoever by any political subdivision. No political subdivision may exchange any information received from the Bureau of Individual Taxes with any other political subdivisions including those having the same geographical boundaries (except as provided for in paragraphs 13 and 14 of this agreement).
5. Access to the information obtained shall be limited to authorized personnel only. These personnel should be limited to the fewest possible trustworthy employees required to process the information. **IF A DULY AUTHORIZED REPRESENTATIVE SUCH AS A PRIVATE DATA PROCESSING FIRM OR ANY OUTSIDE AGENCY OTHER THAN EMPLOYEES OF THE POLITICAL SUBDIVISION COLLECTS OR ENFORCES THE COLLECTION OF TAXES, A COPY OF THE RESOLUTION OR ORDINANCE ESTABLISHING THE AGENCY OR AUTHORIZING THIS RESPONSIBILITY AND A COPY OF THE CONTRACT BETWEEN THE POLITICAL SUBDIVISION AND THE AGENCY MUST BE SUBMITTED WITH THIS DOCUMENT** (except as provided for in paragraph 15 of this agreement).
6. Personnel or duly authorized representatives having access to the information shall be designated on a written list which shall be furnished to the Director, Bureau of Individual Taxes. This list shall be accompanied with a written, dated statement that all such personnel have been apprised of the confidential nature of the information and the penalties for unauthorized disclosure or use thereof by having read to them the provisions of Section 353(f) of the Tax Reform Code of 1971. Any revisions to the list of authorized persons should also be directed to the Bureau of Individual Taxes.
7. All information obtained shall be stored in locked files, and rooms containing the information shall be locked down when not in use. Access shall be controlled by and limited to authorized personnel. The Bureau of Individual Taxes reserves the right of physical inspection to insure compliance with this section.
8. No unauthorized duplication or reproduction of the information whatsoever will be made. Extra copies of the Compact Disc are available upon request for a fee of \$10 per copy.
9. Upon termination of the official use of the information, or within twelve (12) months of the date hereof, whichever first occurs, the information obtained in the form of a compact disc (CD) shall be removed from all computers and the CD returned to the Department of Revenue, Bureau of Individual Taxes, in the enclosed envelope. Information obtained in the form of paper printouts shall also, within the same time frame as above, be required to be destroyed by authorized personnel of the Political Subdivision using shredding or such other means so as not to be identifiable or usable in any manner whatsoever, and the Director, Bureau of Individual Taxes, shall be advised, in writing, of the date of such destruction and of the precise number of pages of the document which have been destroyed. Additional time may be granted to the Political Subdivision to maintain the information beyond twelve (12) months upon request to, and approval

by, the Director, Bureau of Individual Taxes. Such request shall be in writing and include the length of time for which the extension is requested and the reason for the request of the additional time. Such request shall also be required to be received by the Bureau of Individual Taxes prior to the end of the initial twelve (12) month period. The Bureau of Individual Taxes reserves the right of physical inspection to insure compliance with the provisions of this section.

10. Failure to comply with any of the foregoing terms and conditions may result in loss of the information obtained, loss of the privilege to obtain information in the future, and criminal prosecution under the provisions of the Tax Reform Code.
11. Data derived from the information, including lists of taxpayers not complying with the Political Subdivision's ordinances imposing a tax based upon income of individuals (along with their addresses, identifying numbers, and corresponding amounts of income), shall also be subject to the provisions of paragraphs 1, 2, 3, 4, 5, 6, 7, 8 and 10. Data derived shall be destroyed when the taxpayers on such lists fully comply with the Political Subdivision's ordinances imposing the tax based upon income with such lists being updated annually.
12. Any audits of the Political Subdivision's taxing authority or lists of non-compliant taxpayers shall require the Political Subdivision to update its list of authorized personnel. Information received may not be kept by the Political Subdivision beyond the specified twelve (12) months noted in paragraph nine (9) in order to comply with such audits unless permission is granted in writing by the Director, Bureau of Individual Taxes. Such request shall be in writing and include the length of time for which the extension is requested and the reason for the request of the additional time. Such request shall also be required to be received by the Bureau of Individual Taxes prior to the end of the initial twelve (12) month period. Audits conducted or initiated after the twelve (12) month period of allowable use for the original information shall require the second submission of a request for the information. If the original information was obtained in the form of a CD and the CD was returned to the Bureau of Individual Taxes per paragraph nine (9) of this agreement, the Bureau of Individual Taxes will return the CD to the Political Subdivision for a processing fee of \$10. Information obtained in the form of computer printout shall require the full fee prescribed for those documents per the Information Request Authorization form, DEX-83.
13. Exchange of the information obtained from the Bureau of Individual Taxes with a political subdivision in the same geographical boundaries may be permitted in situations where the private data processing firm, outside agency or political subdivision receiving the information can provide separate assurance (see paragraph 15) that only data related to the political subdivision in the same geographical boundaries will be provided to that political subdivision.
14. The receipt of the data by the political subdivision in the same geographical boundaries cannot occur without the consent of the Director, Bureau of Individual Taxes and upon completion of, and assuming the full responsibility for compliance with, all terms and conditions set forth in a separately completed Memorandum of Understanding by the political subdivision in the same geographical boundaries.
15. Access to the information obtained by a political subdivision in the same geographical boundaries shall be limited to authorized personnel only. These persons shall be limited to the fewest trustworthy employees required to process the information. REQUESTS FOR RELEASE OF THE INFORMATION TO BE PROVIDED TO THE POLITICAL SUBDIVISION WITHIN THE SAME GEOGRAPHICAL BOUNDARIES MUST BE PROVIDED IN WRITING TO THE DIRECTOR, BUREAU OF INDIVIDUAL TAXES PRIOR TO RELEASE OF THE INFORMATION. UPON REVIEW OF THE REQUEST, THE DIRECTOR, BUREAU OF INDIVIDUAL TAXES WILL PROVIDE NOTICE OF AUTHORIZATION FOR OR DENIAL OF RELEASE OF THE INFORMATION TO THE POLITICAL SUBDIVISION WITHIN THE SAME GEOGRAPHICAL BOUNDARIES.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_

ATTEST:

BY \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE



# INFORMATION REQUEST AUTHORIZATION

## PLEASE PRINT OR TYPE

School District Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Tax Year Requesting: \_\_\_\_\_

School District Code ☐ ☐ ☐ ☐ ☐ ☐

### Person to contact with questions:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone Number: (\_\_\_\_) \_\_\_\_\_

## CHECK REQUESTED FORM OF OUTPUT

☐ CD-ROM .....\$200.00

☐ Extra copies of CD-ROM

\_\_\_\_\_ Number of extra copies times fee of  
\$10.00/copy .....\$\_\_\_\_\_

☐ Computer Printout .....\$400.00

☐ Alphabetical order by last name

☐ Numerical order by social security number

### Mail confidential data to:

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Address: \_\_\_\_\_

### Authorization:

Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**PLEASE DO NOT WRITE BELOW THIS LINE - FOR DEPARTMENT USE ONLY**

BUREAU AUTHORIZATION: \_\_\_\_\_ DATE: \_\_\_\_\_

DATE RECEIVED BY BIS: \_\_\_\_\_ RECEIVED BY: \_\_\_\_\_ OPERATION RUN BY: \_\_\_\_\_

REMARKS:



## SECTION 353(F)

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(f) It shall be unlawful for any officer, agent, or employee of the Commonwealth to divulge or to make known in any manner whatever, not provided by law, except for official purposes, to any person, the amount or source of income, profits, losses, expenditures or any particular thereof set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof, to be seen or examined by any person except as provided by law, and it shall be unlawful for any person to print or publish in any manner whatsoever not provided by law, any return or any part thereof or source of income, profits, losses or expenditures appearing in any return, and any person committing an offense against the foregoing provisions shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than one thousand dollars (\$1,000) or imprisoned for not more than one year, or both, together with the costs of prosecution; and, if the offender be an officer or employee of the Commonwealth, he shall be dismissed from office or discharged from employment.



**pennsylvania**

DEPARTMENT OF REVENUE

BUREAU OF INDIVIDUAL TAXES

COPY

COPY  
TO DONNA  
ZEGA  
TO JPT

March 29, 2010

Dear School Business Official,

Enclosed are the forms and agreements school districts and political subdivisions must submit to the Pennsylvania Department of Revenue to request confidential taxpayer information for use in enforcing the local tax on earned income.

Information requests must be submitted on the enclosed forms. You may copy these forms for your use, but you may not change or alter them in any way. If any of the required forms is not properly completed, signed or submitted in accordance with the applicable instructions, the Department will not provide the requested information.

School districts may now request that they be permitted to release information to a political subdivision which does not collect the school district portion of the tax if the political subdivision is contained wholly within the political boundaries of the school district. In order to release the information, the school district or its tax collector must be able to separate the information related to the political subdivision not collecting the school district portion of the tax from all other data. In addition, the school district must obtain the permission of the Director, Bureau of Individual Taxes via separate letter. This release further requires the separate completions of the Section 356 Agreement and Memorandum of Understanding by the political subdivision not collecting the earned income tax of the school district.

The following forms must be properly completed, signed and submitted, as prescribed below:

**Information Request Authorization** – A tax collector, school district employee or school board official may sign the Information Request Authorization. Information is currently available for the 2006 and 2007 tax years. Information for the 2008 tax year should become available about July 2010.

**Section 356 Agreement** – If the applicant is a school district, a school board member must sign the Section 356 Agreement. If the applicant is a township or borough, a township or borough manager must sign the Section 356 Agreement. While the signature must be witnessed, it does not need to be notarized. The Department will provide information only for the residents of the school district or political subdivision executing the Section 356 Agreement. The school board or political subdivision, and those who are charged with the enforcement of the local earned income tax must use the information solely to enforce the local tax on earned income. For the school district's or political subdivision's residents, the Department will provide the names, addresses, social security numbers, taxable compensation, taxable business and farm profits and type of return filed.