

Office of Management and Budget
Clearance Package

Focus Group Testing
Of
Form 8857, Request for Innocent Spouse Relief

June 1, 2006

Internal Revenue Service
Tax Forms and Publications

**Office of Management and Budget Clearance Package
Form 8857,
Request for Innocent Spouse Relief**

Introduction

Tax Forms and Publications (TFP) of the Media and Publications Division of the Internal Revenue Service is responsible for the development of the tax forms and instructions used by the public to fulfill their tax obligations. The division strives to make these materials as clear and “user friendly” as possible, while still reflecting all provisions of the highly technical and complex tax law. Gaining information about taxpayer reactions to tax forms and instructions, particularly to proposed changes to forms and instructions, is an integral part of the revision process. Studies of materials in which taxpayers seem to experience difficulty, and studies of proposed changes to those materials, enables us more effectively to the usefulness and ease of use of those materials. Conducting focus groups is one of the most effective means for gathering information and studying taxpayer reactions, and is therefore vital in improving tax forms and instructions, thereby increasing taxpayer satisfaction, reducing both taxpayer and processing errors, and decreasing taxpayer burden.

Objective of the research

The Director, Tax Forms and Publications, is the customer for this research project. TFP wishes to conduct focus group interviews with taxpayers who prepare or have prepared their own returns, and who have had or may have experience in situations in which the filing of Form 8857, Request for Innocent Spouse Relief, may be appropriate.

To be eligible for innocent spouse relief, one party to a joint return must establish that it would be unfair to collect tax from that party, even though he or she is otherwise legally liable by reason of having filed a joint return. The provisions of the Internal Revenue Code that govern the granting of innocent spouse relief are difficult for many individuals to understand. For example, there are three different types of relief that are commonly referred to as “innocent spouse relief,” with a number of different qualifications and results under the law. Because of the law’s complexity, individual’s often find the current Form 8857 difficult to complete correctly. Further, Service personnel processing the forms must request more information from the parties before relief can be granted.

TFP is considering changes to Form 8857. The revised form will try to explain more clearly the various provisions. Other goals of a revised form are increased accuracy in filing. Errors often result in preliminary rejection of the request for relief or considerable correspondence.

The goal to reduce additional correspondence must be balanced by requests for information of a highly personal nature. For example, situations involving valid grounds for innocent spouse relief are often situations where instances of spousal abuse may have occurred. TFP will attempt to gain reaction from taxpayers about how best to secure information it must have to be able to adjudicate requests for relief fairly while remaining as non-intrusive as possible.

TFP also expects to gain knowledge of the overall reaction to the revised form and instructions, discover what parts of these documents lead to error or misunderstanding, and to determine what in these documents taxpayers find most useful. TFP also expects that taxpayers will provide specific suggestions for improvement to these draft documents.

Upon completion of this project, the moderator will submit a report of findings to the director. The report will assist in finalizing the format and language of the forms and instructions.

Methodology

TFP plans to use focus group interviews, a qualitative method, to collect data from taxpayers. Focus group interviewing is one of the most frequently used techniques of qualitative marketing research. As a type of group interview, focus groups use group interaction to stimulate relatively spontaneous response to the supplied topics. Focus groups provide insight and direction rather than quantitatively precise or absolute measures. They are useful for gathering information in a new field and generating hypotheses based on participants' insights. The main advantage of focus groups is the opportunity to observe a large amount of interaction on a specific topic within a limited period of time. Also, the focus group format will allow respondents to review and comment upon the documents being revised by TFP, which would prove difficult outside of a focus group setting.

Moderator's guide

A moderator's guide imposes structure on the discussion. Our guide, contained in Attachment 1, addresses the research questions and provides a framework for the focus groups. The moderator's guide includes relevant probes that will be utilized during the focus groups.

Data collection and schedule

Ten focus groups will be conducted for this project. Two groups will be held in each of five cities. On each date, there will be one group beginning at 6:00 PM, and a second group beginning at 8:00 PM. The focus groups will be conducted over a period of three weeks, beginning in early July. The metropolitan areas in which focus groups will be held are:

- Jacksonville, Florida
- Chicago, Illinois
- Las Vegas, Nevada
- New York, New York
- Seattle, Washington

Sample design

Each focus group will have eight to ten participants. Research has demonstrated that this number of participants helps create the best group dynamics: the groups are sufficiently large to stimulate relatively spontaneous interaction and small enough to give everyone sufficient opportunity to speak.

Careful screening of participants is essential for the success of focus groups. Attachment 2 provides the screener to be used in this study. We propose two separate avenues of recruitment be used to ensure that an adequate number of eligible respondents be obtained for these ten focus groups. First, we suggest the use of internet panelists as the first and least expensive form of recruitment in each area for which there is a sufficient number of panelists to be effective. The e-mail invitations will be restricted to the geographic proximity of the focus group facility.

Data from previous IRS surveys indicates that online recruitment is a good mechanism for reaching this target population. Among self-preparing Form 1040 tax filers who use IRS instructions, nearly nine out of ten (87) percent report that they use the internet. The use of the internet recruitment will also permit us to try to increase the proportion of respondents with certain types of characteristics (e.g., having filed a joint return, income below certain levels) in a cost effective manner.

Second, we propose using the local facilities to assist in the recruitment of eligible focus group participants, if needed to supplement the online recruitment effort. Local recruitment may be required because of the limited size of online panels in some locations. Also, the databases of the local facilities would be helpful in recruiting participants with certain characteristics of interest to the IRS beyond the general eligibility requirements (such as income below certain levels).

All participants will receive a letter confirming the groups with directions to the facility (Attachment 3). They will also receive a reminder call one day prior to the group (Attachment 4.) Approximately 15 participants will be recruited for each group to ensure that eight to ten actually attend.

Honoraria

Each individual taxpayer who participates in the focus groups will be paid an honorarium not to exceed \$75.

Burden Hours

As indicated, the primary source of participant recruitment will be an online survey, which most respondents will be able to complete in a matter of two to three minutes. It is estimated that approximately 2000 panelists will complete the initial screener in an average of 3 minutes, for a total of 100 hours. Those who qualify will spend an additional ten minutes completing some additional questions, for a total of up to 150 initial recruits and a total burden of 125 hours. For participation in the focus group interviews themselves, the burden time estimate is three hours per participant (including travel time). The aggregate burden time for up to 100 taxpayers who actually participate in the groups is 300 hours.

Therefore, the combine burden time for this project is approximately 425 hours (100 plus 25 plus 300 hours).

Focus group arrangements

The contractor will also handle all logistical arrangements for the focus groups to ensure that:

- Each participant receives directions to the focus group room
- Each participant is re-screened upon arrival at the facility to confirm eligibility;
- All materials are ready for use in the focus group session, including tables and chairs, flip charts, colored markers, note pads, pencils and audiotapes;
- Customary refreshments appropriate to the time of day are available for the focus group participants;

- Audio equipment is operating properly
- Honoraria to participants are distributed upon the completion of the session;
- Last names or other identifying information is NOT available to IRS personnel.

TFP will supply the moderator for all groups.

Transcripts and Reporting

Verbatim transcripts of each group will be provided to TFP within fifteen days of the completion of each group. The transcripts will be prepared from the audiotapes of the sessions. No identifying information will be included in the transcripts.

TFP also will be provided with a final report that details the findings from the focus groups. The report will detail taxpayer reaction to the forms, instructions, and other material discussed.

In addition, results from the focus group recruitment effort will also be provided, including the final disposition of all efforts by the contractor to recruit any necessary additional respondents and a summary of the reasons for non-participation given by eligible respondents who decline to attend.

Privacy, Security, Disclosure and Confidentiality

TFP will ensure compliance with the Taxpayer Bill of Rights II. All participants will be treated fairly and appropriately.

The security of the data used in this project and the privacy of taxpayers will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A & B. Physical security measures include a locked, secure office. Notes are stored in locked cabinets or shredded. Data security at the C-2 level is accomplished via the Windows NT operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all taxpayers. This includes criteria for disclosure—laid out in the Privacy Act of 1974, the freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

Confidentiality will be safeguarded. During the focus group and data collection process, taxpayers will be identified to the IRS by their first names only. No taxpayer names will be mentioned in the focus group reports.

Attachment One

Moderator's Guide Focus Groups

Form 8857, Request for Innocent Spouse Relief

Introduction

Hello, my name is George Freeland. I am a focus group moderator, and I work for the Internal Revenue Service. I work in the office that is responsible for producing the forms, instructions, and publications used to provide the information the IRS needs to fulfill its responsibility to inform the taxpayer and practitioners of tax law, and to enable them to report the information required by law.

We will be here for the next two hours to discuss a subject that you probably don't know a whole lot about. But that may be good – what we will try to do in the next few minutes is to see how well our forms and instructions can explain this area to you.

Our discussion will be in the form of a focus group discussion- which is simply a group discussion focused on a particular topic. So that we all can get as much as possible out of this discussion, let me go over some guidelines we will follow.

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Guidelines

Since a focus group is considered information gathering, the IRS has secured permission from the Office of Management and Budget to hold this discussion. The approval number that office assigned is 1545-1349. We have estimated the time for this focus group, including time to get here, as about three hours per participant. If you have any comments regarding this time estimate, you may write: IRS Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:S, 1111 Constitution Avenue, Washington, DC 20224.

To ensure your privacy, we will use only first names in this group. We have a note-taker, as you can see, who may record your first names, but when we report about this group, we won't tie any comments to any individual.

To ensure that we get full participation, I am asking that:

You speak one at a time
You don't engage in side conversations – we want to make sure we all get the benefit of your ideas and opinions

You work with me to be sure everyone shares with us – if you are a natural talker, hang back some of the time if someone else is not so quick to share. But if you tend to be quieter, we hope that you will open up a little more quickly than normally, and share your good ideas.

Speaking of ideas – we are after your ideas and opinions. Therefore, there won't be any right or wrong answers here. We truly want all your ideas – so that we can help IRS make products that will make life a little easier for you, other practitioners, and for taxpayers in general. We will get into some tax issues, but we are here to test particular forms and instructions, NOT to test you or your knowledge of one small area of tax law.

Also, please feel free to disagree or question each other. The more we get good discussions going, the more chances we have for getting ideas for improving our products.

We are not going to have a formal break, so if you need to leave for a moment, please feel free to do so. But please come back as soon as possible, since we want your input. If possible, please leave just one at a time. [Rest room, water fountain directions.]

If you have a cell phone, pager, or whatever, please shut off or set to vibrate.

I will be watching our time, and make sure we stick to our schedule.

Introduction of participants

Let's begin. Please tell us your first name, and [ice breaker at moderator's discretion).

Have all of you filed a joint return before – within the last four or five years?

What does that mean, filing a joint return – in terms of responsibility or legal liability? Owing IRS?

Is there a way to get IRS to give you some relief if for some reason only your spouse was really (not legally) the only one responsible for paying the tax?

What do you know about that?

What would you consider some of the grounds where it would be fair to allow some relief for one spouse?

Have you ever known anyone who was able to get IRS to forgive some of that tax? [If so, probe.]

Have you ever asked IRS for some relief? [If so, probe.]

Form 8857

There is a form that you may use to request relief for spouses who feel it may be unfair to hold them liable for taxes they believe should be paid only by their spouses (or ex-spouses). I am passing that form out to you now.

I am also passing out a short little story about someone who has a tax problem. I want to ask you to read the short story, then try to fill out the Form 8857.

Also, I am handing out a Publication 971 that contains more information. What I would like you to try to do is fill out the form, and only go to the publication if you need help in filling out the form. In other words, please don't start reading through or flipping through the publication when you get it. Just put it aside and pick it up when you think you need help in filling out the form. Okay.

Also, I am going to hand out to you a special highlighter – please use this when you come across a word or phrase or sentence you don't understand. We will discuss all this later.

I may have to stop you before everyone has a chance to get completely through this little exercise. That's okay – don't let that bother you. We are testing the form – we are not testing you. If you get confused or make mistakes, we are going to blame everything on the form or other materials you have, so don't worry too much. Just see what you can do with the information you have.

Right now, just fill out page one of the form. We will stop there, and talk for a minute.

[Participants do exercise]

[Begin discussion]

Did everyone make it through that exercise okay? Any overall reactions?
[Probe]

Let's go line by line through this.

Line 1 – Was that clear what you were to enter here? Anything could have been worded better?

Line 2 – Did you check yes or no? Why? Was the wording okay here? Anything confusing?

Line 3 – Any problems here? Where did you go from here?

Line 4 – Anybody have an entry on this line? Any language here you did not understand?

What about the box labeled “Important things you should know?” Did you read this? Was this clear? Is this the right place for this box?

Any problems with Part II? Any suggestions for improvement?

Line 6. Did this line seem clear?

Line 7. What did you do here? Was this clear? Any terms you did not know?

[Continue similar questions through line 9.]

Who went to the instructions at any time? When? Did you find what you were looking for there? Easy to find? Was the wording clear? Exactly where in the instructions did you look? Anywhere else? Any suggestions for improvement?

Who went to the publication? When? Did you find what you were looking for there? Easy to find? Was the wording clear? Exactly where in the instructions did you look? Any suggestions for improvement?

Thank you for your comments. Now I am going to pass out another sheet of paper with more information about our little scenario. Please use this information to continue on to the next two pages of the form. If you don't have the information to answer any of the questions just skip it. We will not be going on to the last page today.

[Participants do exercise]

What is your reaction to these two pages? Any difficulty figuring out what information was asked for? If this were really your situation, would you be able to supply all the information asked for here fairly easily? How do you feel about providing this information to the IRS?

Would you mind providing this information if it means you will get maybe a good amount of money back, or not have to pay money?

What other reactions do you have to this?

I said we would not be doing the last page, but look at that for just a moment, and tell me your reaction to providing this information? A good idea? Why or why not?

What other comments do you have about any of the materials we have looked at today –the forms, the instructions, the publications?

[If the subject has not come up before, ask about the flow charts on pages 16-18 of the publication. Ask them to look at those for a minute or so, ask for their reaction.]

Any other last thoughts?

Thank you for joining us here today. Your comments are going to be very helpful to use as we try to improve the forms and other materials we looked at tonight. Hopefully, we will make some improvements, and so many taxpayers in this country in the future will owe you thanks for making things a little easier.

Thanks again. Have a safe trip home and a pleasant evening.

ATTACHMENT TWO

**Form 8857
Request for Innocent Spouse Relief
Focus Groups
Screener**

INTRODUCTION

Hello, I am _____ from the research firm of _____. We are working with the Internal Revenue Service on a research study. Could I speak with someone there who has filed a joint tax return with their spouse at least once in the last three years?

We are seeking people to participate in a focus groups discussion that will gather opinions about some IRS tax forms. The discussion will be held on _____, July _____ at ___ PM. It will last about 2 hours and participants will be paid \$75. This study has been approved by the U.S. Office of Management and Budget and the approval number is 1545-1349.

May I ask you a few questions to determine if you are eligible for this focus group? It should take no more than 5 minutes. Your name and other identifying information will not be given to the IRS.

1.) Did you file a joint tax return with a current or former spouse in at least one of the past three years?

- Yes
- No **SCREEN OUT**
- Not sure/refused **SCREEN OUT**

2.) For the tax year 2005, how was your income tax return filed?

- Self-prepared using paper and pencil
- Self-prepared using software
- Using a preparer **SCREEN OUT**
- Not sure/refused **SCREEN OUT**

3.) Which of the following categories best describes your total household income in 2005?

- Up to \$60,000
- More than \$60,000 **SCREEN OUT**

4.) Have you participated in a focus group on any subject in the last year?

Yes

SCREEN OUT

No

5.) Do you or anyone else in your immediate family work in the market research or survey research industry?

Yes

SCREEN OUT

No

Don't know/Refused

SCREEN OUT

6.) I have just a couple more questions. Do you consider yourself to be...

American Indian or Alaska Native

Asian

Black or African-American

Hispanic or Latino

Native Hawaiian or Other Pacific Islander

White

7.) [IF NOT OBVIOUS, ASK] Are you male or female?

Female

Male

INVITATION TO PARTICIPATE: I would like to invite you to attend a focus group discussion with about ten other people. It will be held at [PLACE] on [DAY AND TIME] and will last about 2 hours. A light meal will be served. Will you be attending?

YES

NO – May I ask why not?

Thank you for agreeing to participate. We will be mailing you a letter and calling you the day before the discussion to confirm the time and location. Could I get/confirm your name and mailing address?

NAME:

ADDRESS:

PHONE:

(home)

(work) {Try to get two of these numbers}

(cell)

Thank you for your time. We look forward to seeing you on [DATE].

[IF ASKED: Comments regarding this study can be sent to the IRS, TPCC,
Room 6406, Washington, DC 20224]

ATTACHMENT THREE

**CONFIRMATION LETTER
OMB No. 1545-1349**

Contractor Letter Head

Dear [Name]

This letter confirms your agreement to be a participant in a focus group discussion about Internal Revenue Service forms. The focus group session is scheduled to take place on [date] at [time]. The focus group will be held at [name of facility] at [address]. The directions to our facility are enclosed.

We look forward to having you participate in this important research study. If for any reason your plans have changed and you will not be able to attend, please call us at your earliest convenience at [number] to let us know.

Thank you for your participation. We look forward to seeing you!

Sincerely,

ATTACHMENT FOUR

REMINDER TELEPHONE CALL OMB No. 1545-1349

Hello! This is [name] from [research firm] calling for [participant]. I am calling to remind you about the focus group discussion to take place on [date] at [time] at our facility, located at [address]. We look forward to seeing you there. Do you still plan to attend?"

- Yes. Great! We will see you there!
- No. I am sorry you won't be able to join us.

ATTACHMENT FIVE

Dear Panelist:

We invite you to participate in an important and interesting focus group discussion to provide taxpayer input to the Internal Revenue Service (IRS).

Your opinions and experiences will provide valuable information into how to make its forms easier to use.

The focus group discussion will be held at [PLACE] on [DAY AND TIME] and will last about 2 hours. A light meal will be provided.

[Please click below to accept this invitation.]

Thank you for agreeing to participate. We will be mailing a letter and calling you the day before the discussion to confirm the time and location. Please confirm that your name and address is correct.

John Boyle
Senior Partner
SRBI