

**OMB Clearance Package
Nationwide Tax Forums 2006 Focus Groups
Wage and Investment Notice Improvement Office**

I. Introduction

Background/overview

With more than 100 million sent to taxpayers each year, notices are the Internal Revenue Service's (IRS) primary means of communicating with its customers. The clarity of these notices is vital to the success of IRS's strategies to meet the needs of taxpayers. Over the past decade, IRS has established a number of initiatives to improve the quality of notices sent to taxpayers and is currently in the process of redesigning the notices to make them easier to understand.

IRS hosts annual Nationwide Tax Forums to inform practitioners and professionals about current laws, practices, procedures, and other topics that affect the tax professional community. Aside from seminars and workshops, the Forums also include focus group sessions with approximately twelve tax professionals in each group. The focus groups provide an opportunity for IRS to solicit feedback from tax professionals on notices that have been simplified or are planned for simplification.

W&I Notice Improvement Office in conjunction with W&I Research, is proposing to conduct focus group sessions at two of the Nationwide Tax Forums to test three notices: CP23, CP24, and CP25. These notices all deal with estimated tax payments. The IRS has been dedicated to simplifying notices by evaluating the communication goals of notices, and plans to use the focus groups to gather feedback and impressions to determine what works and what needs improvement. The focus groups will evaluate how effectively these documents communicate their message to taxpayers, with the overall goal of using this information make changes in design, format, and content.

Objectives of data collection

The overall objective of this project is to provide qualitative data to W&I Notice Improvement Office with regard to tax professionals' experience with estimated tax payment notices. The specific business question to be explored by this project is:

- How well the notice achieves its communication goals?

Three notices, CP23, CP24, and CP25, will be discussed in the focus groups.

II. Methodology

Sample Design

IRS will randomly solicit Nationwide Tax Forums attendees to participate in the focus groups. IRS staff will use the Screener's Guide (Attachment A) to select participants. The focus groups will only generate qualitative data that will not be, nor presented to be, representative of the population.

IRS will interview up to 24 tax professionals (12 participants at each of 2 sites) in 2-hour, focus group testing sessions.

Data Collection Dates

Data will be collected during the following two Nationwide Tax Forums.

| | |
|-------------------|---------------------|
| Chicago, Illinois | July 11, 12, and 13 |
| Atlanta, Georgia | July 25, 26, and 27 |

Data to be collected

Since the focus group analysis is strictly qualitative in nature, feedback and impressions noted during the sessions will be reported. The data will result from critical questions and themes contained in the Moderator's Guide (Attachment B) that are answered by the participants during the focus group sessions.

Demographic information and participant comments will be collected during the focus groups

How data will be used

The data will be used to evaluate how well the notices meet their communication goals. The notice will be evaluated across the following themes: format and design issues, navigation, comprehension, and task completion.

How data will be analyzed

As the data resulting from focus groups is qualitative in nature, the analysis will consist of a report of the feedback and behaviors recorded during the focus groups. The demographic data will be tabulated and frequencies will be reported.

Who is conducting research?

W&I Notice Improvement Office in conjunction with W&I Strategic Forecasting and Analysis Research Group will be conducting the research.

Location- Region/city and facilities

Chicago, IL July 11- 13 Hilton Chicago
720 South Michigan Avenue
Chicago, IL 60605

Atlanta, GA July 25 – 27 Hilton Atlanta
255 Courtland Street Ne
Atlanta, GA 30303

Recruitment efforts

Attachment C includes the participant recruiting criteria that will be collected and recorded at each forum on the Recruiting Attempts Sheet (Attachment D). Recruiting will be conducted onsite to ensure that twelve participants at each location will meet the eligibility requirements listed in Attachment C. IRS screener/scribes will recruit the participants by advertising from a booth at each of the forums. They will use the Screener's Guide (Attachment A) to screen volunteers for eligibility. No more than 18 individuals will be recruited for each focus group. Each of these 18 individuals' first names will be noted on the Participant List (Attachment E) and they will receive a reminder card (Attachment F) so that they know when and where the focus group will be conducted. At the beginning of each session, the first 12 focus group participants to arrive at the designated room (from the 18 recruited) will be the participants for that session.

Efforts to not duplicate research

Focus groups conducted with tax professionals at the IRS Nationwide provide valuable information concerning which aspects of a notice or letter are working and which are not. While the themes to be discussed are similar to previously conducted focus groups, evaluation of Estimated Tax Payment notices (CP23, CP24, and CP25) has not been undertaken.

III. Participants Criteria

In order to participate in these focus groups, participants must have the following characteristics:

1. Be over the age of 18
2. Enrolled attendee at the IRS Nationwide Tax Forums

IV. Privacy, Security, Disclosure, Confidentiality

W&I Notice Improvement Office and Strategic Forecasting and Analysis will ensure that the utmost scrutiny is given to privacy, security, and disclosure when reporting comments from the focus groups. No individual taxpayer data will be used for this project. Only qualitative data derived from focus group discussion will be used in the report. During recruiter screening and moderation of the focus groups only the first name of participants will be used (and the initial of

the last name in the event of duplicate first names). We will limit and control the amount of information that we collect to those items that are necessary to accomplish the research objectives.

We will protect the privacy of the focus group participants by not using names in our report. We will also control official access to the information and will not allow public access to the information. The demographic questionnaires will be destroyed when we have completed the project and there is not further need for the data. Tapes used to record focus group discussions will immediately be erased when we have completed the project and there is no further need for the data or after the information is transcribed.

We will apply fair information and record-keeping practices to ensure protection of all taxpayers. The criterion for disclosure laid out in the Privacy Act, the Freedom of Information Act, and section 6103 of the Internal Revenue Code, provides for the protection of taxpayer information as well as its release to authorized recipients.

V. Burden Hours

The estimated time to complete the participant screening is 10 minutes and the estimated time for each focus group session is 2 hours. An estimated 25% of tax professionals contacted for the focus groups will qualify and be willing to participate. Using this percentage, a total of 144 individuals we will need to be screened to recruit the needed 24 participants (24 focus group participants and 12 floater participants).

| | |
|---|-------------------------------|
| Total number of potential participants screened | 144 |
| Estimated time to complete screening | 10 minutes |
| Estimated participant screening burden | 24 hours (144 x 10/60) |
| Estimated number of participants | 24 |
| Time to conduct study | 2 hours |
| Estimated participation burden | 48 hours (24 x 2) |
| Total project burden hours | 72 hours |

VI. Attachments

- A: Screener's Guide
- B: Moderator's Guide
- C: Eligibility Requirements
- D: Recruiting Attempts Sheet
- E: Participant List
- F: Reminder Card

Attachment A: Screener's Guide

**Notice Improvement
2006 Tax Forum Focus Groups
Screener's Guide**

Hello, I'm _____. I work for the IRS and I'm recruiting tax professionals to participate in a focus group. May I speak with you for just a few minutes?

With more than 100 million sent to taxpayers each year, notices are the IRS' primary means of communicating with its customers. The clarity of these notices is vital to the success of the IRS's strategies to meet the needs of taxpayers. Over the past decade, the IRS has established a number of initiatives to improve the quality of notices sent to taxpayers and (IRS) is currently in the process of redesigning the notices to make them easier to understand.

The purpose of this study is to seek comments and suggestions from tax professionals on notices that have been simplified or are planned for simplification.

If you are interested in participating, I need to ask you some qualifying questions.

These questions should take no more than 5 minutes of your time. If you are eligible and wish to participate, the focus group itself will take approximately 2 hours.

If you would like, I can give you a name and address where you can send comments and questions regarding this time estimate. We are required by law to report to you the Office of Management and Budget (OMB) control number for this public information request. That number is OMB# 1545-1349. Your participation is voluntary.

(Read only if respondent asks for address where to send comments.)

Send comments to: Internal Revenue Service
Tax Products Coordinating Committee
SE:W:CAR:MP:T:T:SP
1111 Constitution Avenue, NW, IR-6406
Washington, DC 20224

Are you interested in participating? *(If yes, continue with questions)*

1. Gender (by recruiter observation)

- Male At least 4
- Female At least 4

2. **Which of the following best describes the type of notice you encounter most often?**

- Individual..... At least 4
- Business none
- Both Individual and Business..... No more than 4

3. **Because understanding notices can be particularly difficult for taxpayers with limited English proficiency, we would like to obtain feedback from tax professionals that service individuals whose primary language is something other than English. Do the majority of your clients speak English as their primary language?**

- Yes..... At least 2
- No At least 2

Extend invitation to participate. When invitation to participate is extended, please restate that they will be participating with other tax professionals.

After securing respondent agreement to participate, record information below and give the participant a reminder card.

Participant's First Name (first name only) _____

Attachment B: Moderator's Guide

Notice Improvement 2006 Tax Forum Focus Groups Moderator's Guide

Introduction

Hello. My name is _____. I am a researcher with the Internal Revenue Service and will be moderating today's group discussion. My colleague _____ will be taking notes. I would like to speak to you today about improving the way we do business with taxpayers and tax professionals. We appreciate you taking the time to participate in this discussion.

With more than 100 million notices sent to taxpayers each year, notices are the IRS' primary means of communicating with its customers. The clarity of these notices is vital to the success of the IRS's strategies to meet the needs of taxpayers. Over the past decade, the IRS has established a number of initiatives to improve the quality of notices sent and is currently in the process of redesigning notices to make them easier to understand. The purpose of today session is to seek comments and suggestions of tax professionals on notices that have been simplified or are planned for simplification.

This discussion is one of two sessions being held with tax professionals in Chicago and Atlanta.

How many of you have ever participated in a focus group before today? For those of you who have not and as a refresher for those of you who have we have a few ground rules that I would like to go over.

Disclosures

1. **Confidentiality.** Everything that you say here will be kept strictly confidential. We will use first names only during our discussion, and names will not be used in the report. You will remain anonymous to the IRS so please feel free to tell me what you think.
2. **Audio Recording.** We will be making an audio recording of today's session which will be used to create a transcript. This transcript will be used for analysis purposes only, and as discussed previously there will be no indicators linking the recording to any individual.
3. **Voluntary Participation.** Your participation in this group is entirely voluntary. You do not have to answer any questions that you do not wish to answer but keep in mind, there are no wrong answers.
4. **Time.** I will be watching our time and directing our conversation. We will be here for about 2 hours. A formal break has not been scheduled but if you need to stretch, go to the restroom, or walk around a little, please feel free to do so but please come back quickly. Your comments are very important to us. I also ask that there be no smoking.
5. **OMB.** We are required by law to report to you the OMB control number for this public information request. That number is 1545-1349.

6. **Thanks.** Thank you for arranging your schedule to be here for this session today. We appreciate your time and your contributions to this session.

The following are ground rules about how the discussion should work:

Ground Rules

1. Please talk one at a time in a voice as loud as mine.
2. Avoid side conversations with your neighbors.
3. We would like to hear from everyone in the course of the discussion, but you don't have to answer every question.
4. Feel free to respond directly to someone who has made a point. You don't have to address all your comments to me.
5. Say what is true for you. We are not looking for consensus opinions, but are expecting to hear diverse perspectives.

Group Introductions

Please introduce yourself to the group by telling us:

- Your first name
- What city you practice in
- What motivated you to come talk to the IRS

CP23

How many of you are familiar with the notice CP23? (**Ask for a show of hands – record responses**)

Distribute copies of the CP23 notice

| |
|---|
| <p>Notice CP23 - This notice informs taxpayers that the IRS changed their Estimated Tax Total, and they currently have a balance due. It details the explanation of the change and the calculation of any interest and penalty owed. It also instructs taxpayers on what to do to pay the balance.</p> |
|---|

What experiences, positive or negative, have you or your clients had with CP23? (**Probe: appearance of the notice, length of the notice, tone used, comprehensibility of the notice itself, clarity/specific on action to be taken, response time constraints, order in which the content is presented, stuffers included**)

What could the IRS do to improve CP23?

CP24

How many of you are familiar with the notice CP24? (**Ask for a show of hands – record responses**)

Distribute copies of the CP24 notice

Notice CP24 - This notice informs taxpayers that the IRS changed their Estimated Tax Total, and they are due a refund. It details the explanation of the change and how the refund will be applied.

What experiences, positive or negative, have you or your clients had with CP24? (**Probe: appearance of the notice, length of the notice, tone used, comprehensibility of the notice itself, clarity/specific on action to be taken, response time constraints, order in which the content is presented, stuffers included**)

What could the IRS do to improve the CP24?

CP25

How many of you are familiar with the notice CP25? (**Ask for a show of hands – record responses**)

Distribute copies of the CP25 notice

Notice CP25 - This notice informs taxpayers that the IRS changed their Estimated Tax Total, which resulted in a zero balance. It details the explanation of the change and the calculation of any interest and penalty that was applied to result in the zero balance.

What experiences, positive or negative, have you or your clients had with CP25? (**Probe: appearance of the notice, length of the notice, tone used, comprehensibility of the notice itself, clarity/specific on action to be taken, response time constraints, order in which the content is presented, stuffers included**)

What could the IRS do to improve the CP25?

Conclusion

I need to talk to my colleagues to see if I forgot to ask anything or if any other questions have come up. While I'm gone, I'd like for you to work on this exercise: Imagine that you are all members of a consulting firm hired by the IRS. We have contracted you to come up with ways to simplify notices. While I'm gone, please discuss the advice you would give to the IRS and post it on the flip chart. (*Get a volunteer to list on the flip chart*).

Discuss information on the flip chart and ask any additional questions

If you have any additional comments or suggestions about the notices that were discussed in today's session, please e-mail them to the address listed on the business card.

Please be sure to leave the completed demographic information sheet. Thank you for your participation. Before we go, is there anything else anyone would like to add?

Thanks again.

Attachment C: Eligibility Requirements

**Notice Improvement
2006 Tax Forum Focus Groups
Eligibility Requirements**

A total of 36 tax practitioners will be recruited (18 per site) at two sites: Chicago, IL, and Atlanta, GA. Only 24 (12 per site) of those recruited will participate in the focus groups. The interviews will generate qualitative data only that will not be, nor presented to be, representative of the population. Every effort will be made to assure the following criteria are met at each Tax Forum site:

| | |
|--|------------|
| Male | at least 4 |
| Female | at least 4 |
| Experience with Individual Notices | at least 4 |
| English is primary language of clients | at least 2 |
| English is not primary language of clients | at least 2 |
| Total | 18 |

Attachment D: Recruiting Attempts Sheet

**Notice Improvement
2006 Tax Forum Focus Groups
Recruiting Attempts Sheet**

Session Location (check one):

Chicago

Atlanta

Screener's Name: _____

| Unsuccessful Attempts | | |
|--|--------------------------|--------------|
| | | |
| Successful Attempts | | |
| | Number to Recruit | Tally |
| Total | No More Than 18 | |
| Characteristics | | |
| Male | At least 4 | |
| Female | At least 4 | |
| Works With Individual Notices | At least 4 | |
| English Is Primary Language of Clients | At least 2 | |
| English Is Not Primary Language of Clients | At least 2 | |
| Totals | | |
| | | |

Recruiters: Please record below the total number of attempts to recruit practitioners. At the completion of the project, we must report to OMB the number of requests or attempts to recruit practitioners for the focus group. After recruiting is completed, give the tally to the moderator of your focus group.

Total number of unsuccessful attempts to recruit practitioners: _____

Total number of successful attempts to recruit practitioners: _____

Attachment E: Participant List

**Notice Improvement
2006 Tax Forum Focus Groups
Participant List**

Session Location (check one):

Chicago

Atlanta

| Participant's First Name | Attended the Session (for moderator's use) |
|---------------------------------|---|
| 1. | |
| 2. | |
| 3. | |
| 4. | |
| 5. | |
| 6. | |
| 7. | |
| 8. | |
| 9. | |
| 10. | |
| 11. | |
| 12. | |
| 13. | |
| 14. | |
| 15. | |
| 16. | |
| 17. | |
| 18. | |

Attachment F: Reminder Card

**Notice Improvement
2006 Tax Forum Focus Groups
Focus Group Session Reminder**



IRS Notice Simplification

Focus Group Session Reminder

Date: _____

Time: _____

Location: _____