

OMB Clearance Package Criteria **Oversight Board Compliance Survey**

All clearance requests should include explanations of the minimum criteria listed below and be submitted in outline form.

I. Introduction

Background/overview

The IRS Oversight Board was created by the IRS Restructuring and Reform Act of 1998 (RRA 98), which was enacted to improve the IRS so that it could better serve the public and meet the needs of taxpayers. The Oversight Board is a nine-member independent body charged to oversee the IRS in its administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws and to provide experience, independence, and stability to the IRS so that it may move forward in a cogent, focused direction. In this role, the Oversight Board conducts studies to help develop a taxpayer compliance strategy based on the needs and demands of taxpayers that would be consistent with the IRS' strategic objectives.

Objective of data collection

The IRS Oversight Board is conducting a survey with the objective of understanding what influences taxpayers' tax compliance, their opinions of IRS, and their customer service preferences.

II. Methodology

This study will be conducted as a Computer Assisted Telephone Interview (CATI) of a nationally representative base of randomly selected and screened general public respondents who are 18 years of age or older.

Sample design

The study will be conducted via a 14-minute (13 minutes for the questionnaire plus 30 seconds for the screening) telephone survey conducted among a sample of 1,000 respondents. The 14-minute survey will include a total of approximately 28 questions. It is assumed that the incidence of qualifying respondents will be 90% - that is 90% of those that are screened for the survey would be qualified to take the survey.

Data collection date

The survey would be conducted between August 1 and August 30, 2006.

Data to be collected

- Public attitudes regarding tax compliance
- Deterrents to noncompliance
- Ensuring compliance among different taxpayer levels
- Importance of IRS-provided information
- Receptivity to IRS customer service offerings
- Satisfaction with interaction with IRS
- Attitudes toward IRS funding
- Demographics
 - Age
 - Income
 - Education
 - Ethnicity
 - Geography
 - Gender

How data will be used

The data will be analyzed through cross-tabulations to help the IRS Oversight Board to further develop a taxpayer compliance strategy based on the needs and demands of taxpayers that would be consistent with the IRS' strategic objectives.

Who is conducting the research

GfK NOP will conduct this research. Analysis will be conducted in New York City, NY.

Data will be collected using Roper's telephone centers located in the following cities:

- Alamogordo, NM
- Rexburg, ID
- Capreol, Canada
- Costa Rica
- Cebu, Philippines

Dialing may occur across multiple centers but all calls will be conducted during nighttime hours, 5pm-9pm respondent time during weekdays and day-time hours 9am-5pm weekends.

Stipend

Not applicable.

Recruitment efforts

The survey will be completed via random digit dialing.

Methods to maximize response rate

Up to five attempts will be made to reach each selected household (an original attempt, plus four more attempts to reach households that did not answer earlier calls). All attempts will be made during evening and weekend hours, since those are the times when working respondents are most likely to be at home. Calling attempts will be scheduled for different days of the week and weekends and will be spaced as far apart as is possible, within the restraints of the survey schedule. This will increase the chance of including respondents who are away from home on vacation or business the first time we call. If a respondent is unable to be interviewed when called, or if he or she begins but is unable to finish an interview, interviewers will attempt to schedule a day and time to call back to complete the interview. The CATI system will automatically present the phone numbers for scheduled call-backs at the specified time.

Expected Response Rate

The anticipated response rate is 15% - 20%, based on past research. Because of the low response rate, the IRS Oversight Board will assume that the data collected from this survey are qualitative in nature, and no critical decisions will be made solely from analysis of the data from this survey. The results from this survey are one piece of a larger set of information needed to assess taxpayers' compliance attitudes

Test structure/design

The vendor will pre-test the survey (approximately 9 completes total) to ensure that survey language is appropriate and easily understood by respondents. Further, it will fully brief field staff responsible for data collection on this study. The fieldwork will be monitored, including incidence of key variables and will include regular field reports. All data will be cleaned and aggregated into a single database. The vendor is a member of CASRO and ESOMAR and adheres to the CASRO Code of Standards and Ethics for Survey Research Organizations as well as to internal quality assurance standards that address all components of the research process.

Efforts to not duplicate research

In conducting this research, the Board will coordinate closely with the IRS to ensure that the research is conducted in such a way that it will provide maximum benefit to sound tax administration. IRS staff from the Office of Research will assist in survey design. Additionally, information from past Oversight Board surveys, IRS research, and other research by non-profit organizations will be considered.

III. Participants Criteria

Taxpayers over the age of 18 that match the demographic characteristics of the U.S. population.

IV. Privacy, Security, Disclosure, Confidentiality

The tabulated responses returned to the IRS Oversight Board will not have any form of identifying information relating specific records to individual taxpayers. Nonetheless, research personnel will ensure that privacy, security, and confidentiality of the aggregated results will receive utmost attention. Public and official access to the information will be tightly controlled.

V. Burden Hours

The anticipated response rate is 20% based on past studies with a similar sample frame. To get the necessary sample for the proposed sample of 1000 telephone interviews, the vendor will attempt to contact about 26,600 potential respondents. Of those, about **5,300 will be reached and screened for qualification and 1,000 will be interviewed** in total.

The **total screening time** would be about 44 hours to guarantee a sample of 1,000 eligible respondents, which would represent talking to 5,300 individuals for an assumed 30 seconds to determine eligibility $((5,300 \times 0.5 \text{ min.})/60 = 44 \text{ hours})$.

The survey will take 13 minutes per interview to complete, times 1,000 interviews, which is 217 hours of **total interview burden** $((1,000 \times 13)/60 = 217 \text{ hours})$.

The screening burden of 44 hours plus the interviewing burden of 217 hours equals 261 hours of **total study burden** $(44 + 217 = 261 \text{ hours})$.

VI. Attachment(s)

Questionnaire – Including PRA Statement¹ & OMB Control Number

¹ Paperwork Reduction Act (PRA) Statement: *(This statement should be included on every collection instrument and voiced during every interview)* The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1349. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the IRS Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

- **Moderator's guide** – Not applicable
- **Cover letter/correspondence** – Not applicable
- **Telephone screeners** – Included in questionnaire. All screening and moderating will be conducted by Roper using Roper's telephone facilities.
- **Scenarios** – Not applicable
- **Follow-up Postcards** – Not applicable

Attachment

**Draft 2006 IRS Oversight Board
Compliance Study Questionnaire**

Intro:

Hello, I'm _____ from GfK NOP. We are a national opinion research firm and we are not selling anything. We are only interested in your opinions. May I please speak with the... (OLDEST/YOUNGEST MALE/FEMALE 18 YEARS OF AGE OR OLDER)

We are conducting a national survey about a variety of topics and would like to ask you a few brief questions. (READ IF NECESSARY) Let me assure you that we're not selling anything.

1. How much, if any, do you think is an acceptable amount to cheat on your income taxes? Would you say. . . (READ LIST. CHECK ONLY ONE RESPONSE.)

	A little here and there	1
	As much as possible	2
Or,	Not at all	3
(DO <u>NOT</u> READ)	Don't know/not sure	dk

2. I'm going to read you some statements. For each one, please tell me whether you completely agree, mostly agree, mostly disagree, or completely disagree. How about. . . (READ LIST. ROTATE. CHECK ONLY ONE RESPONSE FOR EACH.)

	<u>COMPLETELY AGREE</u>	<u>MOSTLY AGREE</u>	<u>MOSTLY DISAGREE</u>	<u>COMPLETELY DISAGREE</u>
It is every American's civic duty to pay their fair share of taxes	1	2	3	4
Everyone who cheats on their taxes should be held accountable	1	2	3	4
It is everyone's personal responsibility to report anyone who cheats on their taxes	1	2	3	4
Taxpayers should just have to pay what <u>they</u> feel is a fair amount	1	2	3	4
The more information and guidance the IRS provides, the more likely people are to correctly file their tax returns.	1	2	3	4

3. How important is it to you, as a taxpayer, that the IRS does each of the following to ensure that all taxpayers honestly pay what they owe? Would you say it is very important, somewhat important, not very important, or not at all important? Let's start with. . . (READ LIST. ROTATE. CHECK ONLY ONE RESPONSE FOR EACH.)

<u>VERY IMPORTANT</u>	<u>SOMEWHAT IMPORTANT</u>	<u>NOT VERY IMPORTANT</u>	<u>NOT AT ALL IMPORTANT</u>
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Ensures low income taxpayers are reporting

and paying their taxes honestly	1	2	3	4
Ensures small businesses are reporting and paying their taxes honestly	1	2	3	4
Ensures high income taxpayers are reporting and paying their taxes honestly	1	2	3	4
Ensures corporations are reporting and paying their taxes honestly	1	2	3	4

4. How much influence does each of the following factors have on whether you report and pay your taxes honestly? Would you say it has a great deal of influence, somewhat of an influence, very little influence, or is not at all an influence. How about... (READ LIST. ROTATE. CHECK ONLY ONE RESPONSE FOR EACH.)

	<u>A GREAT DEAL OF INFLUENCE</u>	<u>SOMEWHAT OF AN INFLUENCE</u>	<u>VERY LITTLE INFLUENCE</u>	<u>IS NOT AT ALL AN INFLUENCE</u>
Fear of an audit	1	2	3	4
Belief that your neighbors are reporting and paying honestly	1	2	3	4
Third parties reporting your income (e.g., wages, interest, dividends) to the IRS	1	2	3	4
Your personal integrity	1	2	3	4

5. How important is it to you, as a taxpayer, that the IRS provides each of the following services to assist taxpayers. Would you say it is very important, somewhat important, not very important, or not at all important? How about... (READ LIST. ROTATE. CHECK ONLY ONE RESPONSE FOR EACH.)

	<u>VERY IMPORTANT</u>	<u>SOMEWHAT IMPORTANT</u>	<u>NOT VERY IMPORTANT</u>	<u>NOT AT ALL IMPORTANT</u>
A toll-free telephone number to answer your questions	1	2	3	4
Office locations you can visit where an IRS representative will answer your questions	1	2	3	4
A web site to provide you with information	1	2	3	4
The ability to email your questions directly to the IRS	1	2	3	4
Opportunities for electronic filing of tax returns	1	2	3	4
A computer terminal located in a kiosk at a library or shopping mall	1	2	3	4
A tax assistance van that visits locations not convenient				

to IRS offices to provide information and assistance	1	2	3	4
Community-based tax clinics at convenient locations, such as schools, community centers, libraries, etc.	1	2	3	4

6. How likely would you be to use each of the following services for help with a tax issue. Would you be very likely, somewhat likely, not very likely, or not at all likely? How about. . . (READ LIST. ROTATE. CHECK ONLY ONE RESPONSE FOR EACH.)

	<u>VERY LIKELY</u>	<u>SOMEWHAT LIKELY</u>	<u>NOT VERY LIKELY</u>	<u>NOT AT ALL LIKELY</u>
A toll-free telephone number to answer your questions	1	2	3	4
Office locations you can visit within 30 minutes travel time where an IRS representative will answer your questions	1	2	3	4
Office locations you can visit within 30 to 60 minutes travel time where an IRS representative will answer your questions	1	2	3	4
A web site to provide you with information	1	2	3	4
The ability to email your questions directly to the IRS	1	2	3	4
A computer terminal located in a kiosk at a library or shopping mall	1	2	3	4
A tax assistance van that visits locations not convenient to IRS offices to provide information and assistance	1	2	3	4
Community-based tax clinics at convenient locations, such as schools, community centers, libraries, etc.	1	2	3	4

IF ANSWERED "VERY" OR "SOMEWHAT LIKELY" TO USE TOLL-FREE NUMBER IN Q.6 (Q6.1 (1,2)) ASK Q. 7. OTHERS SKIP TO INSTRUCTION BEFORE Q. 8.

7. You said you would be likely to use a toll-free telephone number to contact the IRS. How long are you willing to wait to speak to a customer representative when calling an IRS toll-free telephone number? [RECORD VERBATIM ANSWER