

Supporting Statement

Internal Revenue Service
Statistics of Income Division

September 2006 through September 2009

A. Justification

1. Circumstances Necessitating Collection of Information

We are requesting a three-year extension of the generic clearance to conduct customer satisfaction and opinion surveys and focus group interviews. An extension will allow us to continue to use a data-driven approach to understanding customer satisfaction at the Internal Revenue Service (IRS).

Collecting, analyzing, and using customer opinion data is a vital component of IRS's Balance Measures Approach, as mandated by Internal Revenue Service Reform and Restructuring Act of 1998 and Executive Order 12862.

The generic clearance will streamline our ability to provide for a wide range of initiatives that will better serve the public. Particularly critical initiatives include correspondence improvements, filing services, taxpayer education and communication and increased e-file. Using the generic clearance has enabled IRS to gather critical baseline and trend data to monitor the results of these initiatives and gain the taxpayer's perspective on the extent of the initiatives success. Renewal of the generic clearance will enable IRS to continue to monitor the effectiveness of its initiatives from not only a business perspective, but also from the customer's perspective.

Generic Clearance Procedures

This clearance is administered by the Statistics of Income Division on behalf of all IRS operations functions.

The Statistics of Income Division will provide assistance to anyone within IRS wishing to engage in an information gathering effort under this generic clearance umbrella by helping them develop the data collection instrument and attendant sampling and collection methodologies. Staff within SOI with extensive survey and focus group expertise will review all proposed studies to ensure the following:

- Consistency with IRS' mission and strategic objectives
- Technical adequacy as to frame, sample selection, expected response rates, quality control in data gathering, recording, and analysis of data
- Minimizing customer burden
- Ensuring that all surveys are truly voluntary and confidential

- Consistency with generic clearance guidelines
- Consistency with applicable laws and regulations (e.g. the Paperwork Reduction Act of 1995)
- Consistency with the June 6, 2002, memorandum from OIRA Administrator Graham titled “Ensuring Full Compliance with the Paperwork Reduction Act”
- Timely submission to the Office of Management and Budget of the final data collection instrument, along with specific burden estimates and a summary of the objectives of the various data collection projects

Following the review procedures described above, copies of the specific instruments will be submitted to OMB only after an additional independent review is accomplished by the IRS Reports Clearance Officer.

2. Use of the Data

Due to the varied nature of the customer data needed, a variety of data collection methods will be employed, including mail surveys, in-person written surveys, focus group interviews, structured interviews, telephone surveys, and other means as appropriate. The data collected in these information collection efforts will indicate what our customers require of us and where we meet or fail to meet their needs. This customer feedback serves as a guide for making product and/or service improvement decisions.

3. Use of Improved Information Technology to Reduce Burden

The methodology employed in each data effort will include a criterion for the minimization of burden on the public. This will include minimal length of the data collection instrument itself, along with the utilization of the smallest sample size necessary to obtain valid and reliable information that is consistent with the objectives of the data collection effort. Instead of standard mail surveys or face-to-face interviews, some data collection efforts will utilize live or automated telephonic interviews, e-mail, facsimile, computer website, or other available technologies.

4. Efforts to Identify Duplication

We have attempted to eliminate duplication within the agency, wherever possible. Survey questions relate specifically to IRS products and services and do not duplicate what other agencies are doing. This information is generally not available from other sources.

The centralized review and approval system has been established within the Statistics of Income Division to ensure the duplication of data gathering within the IRS is eliminated. As potential duplications of data gathering are identified on proposed surveys, it will be required that these efforts be combined or eliminated.

5. Methods to Minimize Burden on Small Businesses or Other Small Entities

Small Businesses may be surveyed relative to issues of concern to them as customers and users of IRS products and services; however, all data collection efforts will be voluntary and no respondents will be required to consult or access business records for detailed factual information.

6. Consequences of Less Frequent Collection of Federal Programs or Policy Activities

This clearance generally involves one-time data collection activities; however, follow-up efforts may be conducted, as necessary, to measure improvement over time.

7. Special Circumstances Requiring Data Collection to be Inconsistent with Guidelines in 5 CFR 1320.5(d) (2)

The IRS will collect information under this clearance in a manner that complies with 5 1320.5(d) (2).

8. Consultation with Individuals Outside of the Agency on Availability of Data, Frequency of Collection, Clarity of Instructions and Forms, and Data Elements

a. Other agencies - not applicable.

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b. Within the IRS, coordination occurs on each proposed project through other areas of the IRS. Care is taken to ensure that efforts do not duplicate those of opinion research or surveys conducted by contractors at the request of the IRS subject matter specialists. The individuals responsible for this coordination are:

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c. There are no unresolved problems.

d. No other comments have been received; however, continual feedback from the scientific community is an important aspect of the proposed research. In both laboratory and field studies, consultation with representatives of various fields of psychology, anthropology, sociology and the like, will have direct impact on the future course of research projects, and promises to determine the feasibility of data collection and the validity of research studies.

We received no comments during the comment period in response to the Federal Register notice dated .

9. Explanation of Decision to Provide any Payment or Gift to Respondents

Normally, the only payment authorized to respondents is for those who participate in focus group interviews. Currently, participants are authorized \$25 to help defer the cost of transportation, parking, meals, childcare, and other incidental expenses associated with their participation in the focus group interview. However, it is requested that exemptions and exceptions to this payment amount be considered on a case-by-case basis.

10. Assurance of Confidentiality of Response

Agency policy dictates non-disclosure of taxpayer information. Survey respondents contacted by mail, FAX, Internet, or some other form of written communication will be advised on the survey form, cover letter, or other accompanying document that participation is voluntary and that the data provided will be kept confidential. As part of the introduction to a data gathering effort during telephone or personal interview, the interviewer will inform respondents that the survey is voluntary and that the data provided will be kept confidential. Focus group participants will verbally receive these same assurances during opening statements of the interview sessions.

11. Justification of Sensitive Questions

Questions are not normally of a sensitive nature and should not pose a problem to respondents. However, on occasion, some respondents may consider some of the standard demographic questions as sensitive in nature (e.g., questions that request the respondent's age, gender, education, or household income). Demographic questions are useful in profiling and tracking the responses and are helpful in evaluating the results; therefore, respondents will be encouraged to answer these questions, but assured that their participation is completely voluntary.

12. Estimated Burden of Information Collection

The total respondent burden during this three-year approval period is estimated to be 150,000 hours. The actual number of focus group interviews and personal (one-on-one) interviews are unknown at this time. In addition, a variety of questionnaires are expected to be used in other data gathering efforts (i.e. surveys). The exact number of different forms, the length of each form, and the number of respondents per form are also unknown at the present time. This estimate is based on our experience from the previous three-year approval period, as further explained in item 15.

13. Estimated Total Annual Cost Burden to Respondents

There is no monetary cost to respondents for participating in these data gathering efforts. The vast majority of all costs associated with these efforts are born by the IRS. In a few rare instances, that involve interagency data collection efforts, an agency other than IRS may bear the survey cost.

14. Estimated Annualized Cost to the Federal Government

The actual cost to the government is not yet determined. A Project can range from as little as a few hundred dollars (or even less) for a small local survey conducted in-house by telephone, mail or FAX, to several hundred thousand dollars (or more) for a large nationwide survey that is contracted-out to a vendor. The final cost to the government will be directly related to the extent and complexity of research conducted the three year period.

15. Reasons for Change in Burden

We estimate the participant burden for the prior three years to be approximately 150,000 hours or about 50,000 hours annually. Using the past three year as a baseline, we estimate that 50,000 burden hours will be used annually, for a three-year total of 150,000 hours. This reflects the same level of burden hour increase over the past three years.

16. Plans for Tabulation, Statistical Analysis and Publication

Due to the nature of this clearance, we do not have time schedules for each data collection effort since the information collection proposals under this clearance are unknown at this time. The information collected, however, will be for internal use in most cases. Where appropriate, as in the case of summary data on general satisfaction with IRS performance, some information may be released outside the agency.

17. Reasons why Displaying the OMB Expiration Date is Inappropriate

Displaying the expiration date may cause problems with respondents for data collection programs that overlap the three-year authorization periods. Would-be respondents might be inclined to refuse to participate if the form carries an

authorization date that is expired or is soon to expire. Internally, we have received several calls from field personnel who believe that anyone within the IRS is entitled to use approved forms with an authorization date that has not expired, even though they never officially requested an OMB approval to use the form. Removal of the OMB expiration date will help lessen the likelihood that the form is used by any unauthorized personnel.

18. Exceptions to the Certification Statement on OMB Form 83-I

Not applicable.

Note: The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor data gathering efforts, and a person is not required to respond to a collection of information, unless the collection of information displays a valid OMB Control Number. Books or records relating to a collection of information must be retained as long as the contents may become material in the administration of any Internal Revenue law. Generally, tax returns and tax return information are confidential, as required by 25 U.S.C. 6103.

B. Collections of Information Employing Statistical Methods.

1. Universe and Respondent Selection

Surveys covered under this clearance will vary greatly with regard to universe and respondent selection. Some surveys will represent respondents selected from a comprehensive range of IRS functions and activities or customer characteristics related to many products or services. Other surveys will represent respondents selected from an extremely limited range of IRS functions and activities or customer characteristics related to narrowly defined products or services.

Response rates to these voluntary customer surveys are also expected to vary greatly. For example, during the current three-year approval period, response rates varied from less than 10% for an internet survey to 93% for a few very small surveys. Response rates for quantitative studies were predominately in the 50%-60% range, with an average response rate of 55%. These response rates are similar to the response rates we received in the prior three years. This level of response is typical for IRS customer surveys and is considered adequate for making product and service improvement decisions. Non-response follow-up efforts are usually, but not always, employed. No follow-up is attempted if a customer fails to return a questionnaire following an in-office contact where the customer agreed to participate. However, non-response follow-up efforts, when employed, help ensure that a sufficient number of respondents are represented and that non-response bias is minimized.

2. Procedures for Collecting Information

Small Group Research

Recruitment: The external contractor will generally recruit respondents through telephone calls. In most cases, the IRS will provide criteria to select appropriate respondents. The public will have the choice of participating in the research. Their participation is voluntary. If the respondent possesses the desired characteristics, an interview is scheduled.

Interview: Once an interview is scheduled, it is the responsibility of the respondent (from the public sector) to travel to the interview site. The rooms are private and soundproof to insure confidentiality of the interview. To reduce the number of no shows, scheduled volunteers will be sent a reminder letter giving the time of the interview and directions to the laboratory. They should also receive a reminder telephone call before the interview.

When the respondent arrives, he/she will receive an explanation of the purpose of the interview and the procedures to be used. The respondent will then be asked to read a brief description of the study or a description of the study will be presented orally. The respondent is then given an assurance of confidentiality to read. This assurance is then reread orally by the interviewer to the respondent and the need for audio or video taping of the interview is explained.

Interviewing can last from 1/2 hour to 2 hours depending on the specific laboratory techniques being applied.

The selection of the laboratory technique, in turn, is determined by the hypotheses to be tested. The most commonly used methods include concurrent and retrospective think-aloud interviews and focus group interviews. In one-on-one think-aloud interviews, respondents are asked questions (pertinent to the tax form or procedure in question) and are asked to think-aloud about how and why they answered as they did. The interviewer usually probes extensively to ascertain the degree of comprehension and the recall processes involved.

Focus group interviews usually consist of 6-10 people per group. In these small group sessions, respondents are again asked questions (pertinent to the tax form or procedure in question) and are asked to respond openly to each based on their individual experience. The moderator tries to involve everyone in each question to better understand attitudes, opinions, and concerns.

Debriefing: All respondents should be debriefed. This procedure reiterates the purpose of the project and answers respondents' questions regarding the study.

Surveys

Limited information from users and potential users of new IRS technology will be collected using self-administered mail surveys, telephone surveys, or electronic

surveys of users of interactive applications. Respondents will be advised of the purpose of the survey and its voluntary nature via a cover letter or advance letter in the case of a telephone survey or as part of the survey introduction in the case of electronic surveys.

All respondents will be provided with an address to offer comments concerning the data collection process and the Office of Management and Budget (OMB) Control Number.

3. Methods to Maximize Response

In an effort to enhance response rates, questionnaires are tested or reviewed to ensure that the questions and instructions are clear, relevant, and unambiguous. Surveys employing non-response follow-up will require multiple contacts by telephone and/or by additional mailings of the questionnaire to ensure an adequate response.

4. Testing Procedures

IRS employees who are familiar with the product or service under investigation review the moderator guides used in focus group interviews and the questionnaires used in the surveys. In some cases, questionnaires may be pre-tested on up to nine external customers.

5. Contact for Statistical Aspects and Data Collection

Questions regarding any statistical aspects employed or data procedures used, or for administrative questions regarding the IRS use of this generic clearance should be directed to:

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