

**OMB SURVEY CLEARANCE PACKAGE
2008 W&I TAX PROFESSIONALS SURVEY
December 2007**

A. Introduction

Background/Overview

The Taxpayer Assistant Blueprint (TAB) Phase 1 and 2 reports have recognized the important role that tax practitioners assume as intermediaries between the IRS and taxpayers. Since practitioners provide critical services to taxpayers, it is important for the IRS to continue its efforts to offer tax professionals the best possible support and resources that will help them effectively serve taxpayers. In fact, the TAB Phase 2 report recommended that the IRS conduct additional studies that will inform strategies that enhance the quality and accessibility of practitioner assistance.¹

Accordingly, W&I Research and Analysis has initiated the W&I Tax Professionals Survey to expand the IRS's understanding of the characteristics of tax professionals and increase the agency's knowledge of the needs and behaviors of tax professionals. By understanding and meeting the needs of tax practitioners, IRS will be better prepared to help these intermediaries in their efforts to serve taxpayers.

Objectives of Data Collection

The overall objective of the study is to survey tax professionals who primarily prepare W&I returns. More specifically to:

- Determine where practitioners go for tax law information.
- Determine which IRS services practitioners frequently use.
- Determine practitioners' satisfaction with various IRS services.
- Determine whether there are gaps between services practitioners are receiving and services they would prefer to receive.
- Determine which individual tax administration issues practitioners most frequently need assistance.
- Determine which individual tax administration issues are most complex for practitioners.

B. Methodology

Sample Design

W&I Research & Analysis will provide a list of preparers compiled from data from the Electronic Tax Administration Individual Master File (ETA IMF) Marketing Database to the sampling/analysis vendor, Macro International Inc. (Calverton, MD). Macro will locate additional contact information (i.e., mailing addresses and/or telephone numbers) for tax professionals selected in the sample whose information is missing in the ETA IMF data. The sampling method will be a simple random sample. Macro has designed a sample size that will provide results at +/-2.3% overall sampling error at a 95% confidence level.

¹ Internal Revenue Service, *The 2007 Taxpayer Assistance Blueprint: Phase 2*, April 2007, page 125.

The survey will be administered via mail, web, and computer-assisted telephone interviewing (CATI). The mail and telephone surveys are considered to be the primary methodologies, with the web survey offered as an additional methodology for the convenience of the respondent.

Macro will assign a unique tracking code to each tax professional in the sample and will provide a file with the names and addresses to Macro's survey administration center in Burlington, VT for the web and CATI survey administration, and to the mail administration vendor, NPC, Inc., for the mail fielding. NPC, Inc. will scan/enter the mail survey responses and will provide a file to Macro for analysis and reporting.

Respondents will be offered the option to complete the survey online via instructions in the mail survey cover letters and the reminder postcard. Controls will be in place so that a respondent cannot submit multiple surveys via both methods. At the close of the mail survey period, Macro will attempt to contact the non-respondents (those who did not complete a mail or online survey) by telephone to elicit their participation by phone.

Data to be Collected

W&I Research & Analysis will prepare a sampling frame from approximately 375,000 closed cases that fulfill the selection criteria (e.g., completed a sufficient number of total returns and W&I returns). Macro will select a sample of 5,000 tax practitioners. We estimate a 60 percent response rate based on our experience within the IRS using the three survey methods (mail, telephone, and web). This will result in approximately 3,000 completed surveys.

How Data is Collected and Used

Macro will administer the survey by web and telephone, and NPC will perform mail survey administration. Macro will summarize the quantitative ratings and produce a national report showing customer satisfaction scores on all W&I Tax Professionals survey items. The vendor will include any relevant database variables in the analysis and will weight the survey responses as necessary to accurately reflect the population of tax professionals.

For this report, the vendor will perform the following analyses:

- Survey counts and overall response rates
- The overall level of customer satisfaction with services provided
- The frequencies for all survey items
- The difference in satisfaction ratings and attitudes across customer segments
- Analysis of the relationship between survey responses
- Analysis of the open-ended questions

Macro will hold the identities of respondents confidential. Macro will not provide the IRS with data or status updates that are linked to individual respondents. Upon completion of data collection and cleaning, Macro will provide de-identified survey

data to the IRS. This data will not include any individually identifying information such as name, address, or taxpayer identification number.

Data Collection Period

Mail data collection will begin late January 2008 and run to the end of the 2008 tax season (April 15, 2008). Telephone follow-up will begin late April 2008 and end late May 2008. Online data collection will start late January 2008 and end late May 2008.

Who is Conducting the Research and Where

Macro (Calverton, MD) will be responsible for pulling the sample and conducting data analysis. Macro's Burlington, VT office will be responsible for administering the web and telephone surveys. A separate Government Printing Office (GPO) vendor, NPC, Inc., will be responsible for printing and administering the survey via mail, and then providing the dataset to Macro. W&I Research & Analysis (Atlanta, GA) will also conduct additional data analysis as needed.

Cost of Study

Macro contract: \$163, 278.

There will be no stipends paid to participants.

Recruitment Efforts

The sampling frame will be provided by the IRS. This study will be multi-wave and multi-modal to increase response rate.

Location-Region/City and Facility

- Data extract: Electronic Tax Administration Individual Master File (ETA IMF) Marketing Database, Detroit Computing Center
- Sampling and analysis: Macro Headquarters, Calverton, MD
- Web and telephone data collection: Macro, Burlington, VT
- Mail data collection: NPC, Claysburg, PA

Expected Response Rate

The expected response rate is 60 percent.

Methods to Maximize Response Rate

Standard procedures will be used in order to obtain the highest response rate possible for the mail survey. These will include:

- 1) Pre-notification letter on IRS / W&I Division letterhead
- 2) [First package] Cover letter, questionnaire, and return postage paid envelope (RPPE)
- 3) Postcard reminder
- 4) [Second package] Cover letter, a copy of questionnaire, and RPPE to non-respondents.

In addition, Macro will attempt to contact non-respondents using a CATI telephone survey. Macro will make up to 5 attempts to reach each practitioner. The interviewers will be specifically trained on gaining “gatekeeper” cooperation in order to avoid refusals from persons not actually in the study sample - such as administrative staff. Equally, Macro’s interviewing team will apply specific techniques to gain selected respondent cooperation to complete the interview.

For those tax practitioners who do not choose to fill out a mail survey or perform a telephone survey, Macro will offer a web-based survey that will be available during the mail and telephone administration.

Testing and Survey Structure/Design

The W&I Tax Professionals Survey is attached. The survey asks respondents to evaluate various aspects of their experience and to provide an overall evaluation of IRS service. The results will facilitate the development of a comprehensive portfolio of service improvements for tax professionals based on their insight. The results will also provide useful input for program evaluation.

The survey includes questions regarding awareness, service use and satisfaction with IRS services used, as well as several demographic questions. In addition, ample space will be provided for suggestions for improvement. Satisfaction questions will utilize a 5-point rating scale, with 1 being very dissatisfied and 5 being very satisfied.

Efforts Not to Duplicate Research

This is the only study conducted by the IRS on this specific population.

Participants Criteria

The sampling frame consists of all W&I tax professionals, including those who are seasonal tax preparers and part-time tax professionals, as well as certified public accountants, enrolled agents, and other tax professionals. Additionally, the tax professionals must have prepared 25 or more returns in tax year 2006, and of the returns prepared, at least 50 percent must be W&I returns.

C. Privacy, Disclosure, Confidentiality, Security Issues

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the vendor will ensure that all participants are 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.

The survey will not contain tax return or taxpayer information. Survey participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy of the survey respondents. We will apply the fair information and record-keeping practices to ensure protection of all survey respondents. 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 information as well as its releases to authorized recipients.

PRA Statement and OMB Control Number

For the W&I Tax Professionals Survey, the OMB Control Number and required information will be provided on the survey itself.

D. Burden Hours

The W&I Tax Professionals Survey has been designed to minimize burden. The time that a respondent takes to complete the survey has been carefully considered and only the most important areas are being surveyed. The average time of survey completion is expected to be 20 minutes, plus 2 minutes to read the pre-notification letter. This is based on the questionnaire consisting of 61 questions asking about awareness, use, and satisfaction with services and products. Two open-ended questions and 9 demographic questions are included. The questions are generally one sentence in structure and on an elementary concept level.

Using the response rate of 60%, the total burden hours are estimated to be:

5,000 pre-notification letters x 2 minutes = 166.7 hours

Respondents (Mail)

2,000 completed surveys x 20 minutes = 666.7 hours

Respondents (Telephone)

750 completed surveys x 20 minutes = 250.0 hours

Respondents (Web)

250 completed surveys x 20 minutes = 83.3 hours

TOTAL BURDEN = 1,166.7 hours

E. Statistical Contact

For questions regarding the study or questionnaire design or statistical methodology, contact:

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F. Attachments

Statement of Work (SOW)

Survey Materials:

- 2008 W&I Tax Professionals Survey
- Pre-Notification Letter
- Cover Letter to accompany survey [first package]
- Reminder Postcard
- Reminder Cover Letter to accompany survey [second package]