

# Oversight Board Compliance Survey 2007

OMB #1545-1349

## 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 15-minute (14 minutes for the questionnaire plus 30 seconds for the screening) telephone survey conducted among a sample of 1,000 respondents. The 15-minute survey will include a total of approximately **26** 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 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
  - Use of Paid Tax Preparer

#### **How data will be collected and used**

The data will be collected using a telephone survey. 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.

#### **Data collection date**

The survey would be conducted between July 1 and July 31, 2007, or August 1 and August 31, 2007, depending upon receipt of OMB clearance.

#### **Who is conducting the research**

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

#### **Cost of study**

The study will cost an estimated \$20,000.

#### **Stipend**

Not applicable.

#### **Recruitment efforts**

The survey will be completed via random digit dialing.

#### **Location-Region/City and Facility**

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

- Rexburg, ID
- 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.

### **Expected Response Rate**

The anticipated response rate is 15% - 20%, based on past research. Because the expected response rate is less than 50%, the Oversight Board will assume that all data collected from this survey is qualitative in nature and that no critical decisions will be made solely from the analysis of the data from this survey. The results of this survey are simply one piece of a larger set of information needed to assess taxpayers' attitudes and needs.

### **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.

### **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, Analysis, and Statistics 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. PRA Statement & OMB Control Number on collection instruments

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.

### VI. 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 questions will take **14** minutes per interview to complete, times 1,000 interviews, which is **233** hours of **total interview burden**  $((1,000 \times 14)/60 = 233 \text{ hours})$ .

The screening burden of 44 hours plus the interviewing burden of **233** hours equals **277** hours of **total study burden** (44 + 233 = 277 hours) for the 15-minute total surveying and screening process (0.5 screening + 14 interviewing = 15).

## VII. Attachment(s)

**Questionnaire** – Including PRA Statement<sup>1</sup> & OMB Control Number

- **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

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<sup>1</sup> 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.

**Attachment**

**Draft 2007 IRS Oversight Board  
Compliance Study Questionnaire**

**Intro:**

Hello, I'm \_\_\_\_\_ from GfK. 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.

**(Do Not Read) Record gender by observation:**

\_\_\_\_\_ Male  
\_\_\_\_\_ Female

**The following questions pertain to filing federal income taxes:**

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 NOT 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>
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				



**IF ANSWERED “VERY” OR “SOMEWHAT LIKELY” TO USE OFFICE LOCATIONS IN Q.6 (Q6.2 or Q6.3 (1,2))  
ASK Q. 8. OTHERS SKIP TO Q. 9.**

8. You said you would be likely to use office locations where an IRS representative will answer your questions. Would you prefer to schedule an appointment to speak with a representative at a specific time or would you prefer to walk in at your convenience and wait for the next available representative? (DO NOT READ LIST. CHECK ONLY ONE RESPONSE.)

Prefer to schedule appointment 1 (SKIP TO Q. 9)  
Prefer to walk in 2 (CONTINUE)  
Don't Know dk (SKIP TO Q. 9)

- 8a. How long are you willing to wait to speak to a customer representative if you visited an IRS walk-in assistance center without an appointment? [RECORD VERBATIM ANSWER NEXT TO APPROPRIATE SCALE. MUST BE A NUMERICAL ANSWER.]

\_\_\_\_\_ minutes \_\_\_\_\_ hours

9. How valuable would you say each of these sources is for getting tax advice or information. Would you say it is very valuable, somewhat valuable, not very valuable, or not at all valuable? How about. . . (READ LIST. ROTATE. CHECK ONLY ONE RESPONSE FOR EACH.)

	<u>VERY VALUABLE</u>	<u>SOMEWHAT VALUABLE</u>	<u>NOT VERY VALUABLE</u>	<u>NOT AT ALL VALUABLE</u>
IRS representatives	1	2	3	4
IRS printed publications, for example, brochures, instructions	1	2	3	4
IRS website	1	2	3	4
Paid tax professional	1	2	3	4
Family or friends	1	2	3	4
Reference materials from sources other than the IRS (for example, books, software, private sector websites)	1	2	3	4

10. Most people have had some type of interaction with the IRS, whether it's just filing your tax return or actually speaking with an IRS representative. How satisfied would you say you have been with your personal interaction with the IRS? Would you say very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied? (DO NOT READ LIST. CHECK ONLY ONE RESPONSE.)

Very satisfied 1  
Somewhat satisfied 2  
Not very satisfied 3  
Not at all satisfied 4

- 10a. Considering the resources the IRS receives to do its job, which of the following statements do you most agree with (choose only one):

IRS devotes too much of its resources to customer service programs and not enough to its enforcement activities

IRS devotes too much of its resources to enforcement activities and not enough to its customer service programs

IRS maintains a proper balance between its enforcement activities and its customer service programs

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

	<u>COMPLETELY AGREE</u>	<u>MOSTLY AGREE</u>	<u>MOSTLY DISAGREE</u>	<u>COMPLETELY DISAGREE</u>	<u>DON'T CARE DK/NA</u>
The IRS should receive extra funding to enforce tax laws and ensure taxpayers pay what they owe.	1	2	3	4	5
The IRS should receive extra funding so it can assist more taxpayers over the phone and in person.	1	2	3	4	5

- 12. Currently, not all paid preparers of federal tax returns are subject to regulation, either for competency or ethical behavior.
  - 1. How important is it to you that tax preparers be required to meet standards of competency in order to enter the tax preparation business? (very important, somewhat important, not very important, not at all important)
  - 2. How important is it to you that tax preparers be required to meet standards of ethical behavior in order to enter the tax preparation business? (very important, somewhat important, not very important, not at all important)
- 13. If you were to choose a paid preparer to prepare your federal tax return, how much influence would each of the following factors have: (great deal of influence, somewhat of an influence, very little influence, or not at all an influence)
  - 1. The preparer is subject to regulation or licensing by a government entity, either federal or state.
  - 2. The preparer is subject to regulation or licensing by an industry association

- 14. Did you use a paid tax return preparer to prepare your most recent Federal income tax return?

**The following statement pertains only to the questions you answered on filing federal income taxes:**

**READ TO ALL, INCLUDING TERMINATES AND REFUSALS**

**Paperwork Reduction Act (PRA) Statement: (This statement should be included on every collection instrument and voiced during every interview)**

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**Demos: The following questions are just for statistical purposes only and will be combined with those of all other survey respondents. Your individual data will not be shared with anyone outside of GfK .**

**ASK EVERYONE**

Now, for classification purposes only, would you please tell me...

1. Do you own or rent your home?

Own 1

Rent 2

2. Are you...? (READ LIST)

Single, never married 1

Married 2

Or, separated, widowed, or divorced 3

3. Are you, yourself, currently employed... (READ LIST)

Full-Time 1

Part-Time 2

Not Employed 3

4. Including yourself, how many people are there living in your household?

Total 1 2 3 4 5 6 7 8+

A. How Many Of These Are Adults, 18 Or Older 1 2 3 4 5 6 7 8+

B. How Many Are Children 12 To 17? 0 1 2 3 4 5 6 7 8+

C. How Many Are Children 6 To 11? 0 1 2 3 4 5 6 7 8+

D. How Many Are Children Under 6? 0 1 2 3 4 5 6 7 8+

5. What is your age? (DO NOT READ LIST.)

18-20 1

21-24 2

25-29 3

30-34 4

35-39 5

40-44 6

45-49 7

50-54 8

55-59 9

60-64 10

65-69 11

70-74 12

75 And Over 13

Refused ref

6. What is the last grade of school you completed? (DO NOT READ LIST)

Less than high school graduate	1
High school graduate	2
Some college	3
Graduated college	4
Post graduate school	5
Other	6

7. We try to classify people into broad income groups. To do this, would you please tell me which of the following categories most closely represents your annual household income? (READ LIST)

Under \$15,000	1
\$15,000-less than \$20,000	2
\$20,000-less than \$25,000	3
\$25,000-less than \$30,000	4
\$30,000-less than \$40,000	5
\$40,000-less than \$50,000	6
\$50,000-less than \$75,000	7
\$75,000-less than \$100,000	8
\$100,000-less than \$125,000	9
\$125,000-less than \$150,000	10
\$150,000 and over	11

(DO NOT READ) Don't know/Refused dk

8a. Are you of Hispanic or Latino origin or descent?

Yes	1
No	2

(DO NOT READ) Don't know dk

8b. Which of the following best describes your race? Are you... (READ LIST)

White	1
Black	2
Asian	3
Other	4

(DO NOT READ) Refused ref

**Those are all of the questions I have for you. Thank you for participating in our survey today.**

