

OMB Package

TAS 2009 Tax Forums Focus Groups

Introduction

The Taxpayer Advocate Service (TAS) is looking to identify ways to improve Customer Satisfaction and Business Results within IRS by working with taxpayers and tax practitioners to understand their experiences in working with the IRS and TAS. To this end, TAS wants to hold discussion groups to obtain tax practitioners' thoughts, opinions, and experiences about the following areas:

1. Automated Underreporter (AUR),
2. Offer in Compromise (OIC)
3. Effectiveness of Taxpayer Advocate Service (TAS) Mission Statement and Messages, and
4. TAS Communications with Taxpayers

The Taxpayer Advocate Service has arranged to conduct focus groups at the IRS sponsored Tax Forums to be held in several cities during the summer/fall of 2009. The cities and dates include: Las Vegas July 7-9, San Diego July 14-16, Orlando August 4-6, New York August 25-27, Dallas September 8-10, and Atlanta September 22-24.

Based on previous experience, TAS will recruit 15 -18 preparers for each group so that 10 -12 will attend and participate in the group. Potential participants will be asked some screening questions to assure they have experiences with the discussion topic.

Background/Overview

TAS is interested in AUR and OIC because of the relatively large number of cases that TAS receives that are related to these programs. TAS will explore tax preparers' understanding of the mission and purpose of TAS by sharing different versions of our mission statement with the participants. The last topic will include a discussion on how TAS might increase the effectiveness of its correspondence with taxpayers.

Objectives

The National Taxpayer Advocate is interested in hearing tax practitioners' opinions and experiences with several distinct areas of IRS interactions with taxpayers. These areas include problems encountered when working with the Automated Underreporter (AUR) and the Offer in Compromise (OIC) programs; the potential effectiveness of the TAS mission statement in helping taxpayers understand how TAS can help them resolve their tax problems; and improving taxpayers' satisfaction with the assistance TAS provides in helping them solve their tax problems. Each area will be discussed separately below and six distinct focus groups will be conducted for each topic.

Automated Underreporter (AUR)

The National Taxpayer Advocate (NTA) is responsible for reporting to Congress every year on the most serious problems taxpayers face in dealings with the IRS. In order to reach this goal, the NTA obtains input from many different sources. These focus groups are being conducted to allow more direct input from taxpayers/representatives who have had previous contact with the AUR program. The National Taxpayer Advocate is interested in hearing tax preparers' opinions on specific problem areas and suggestions for areas to target improvement efforts within the IRS by:

- Understanding the overall practitioner experience of going through the AUR process,
- Understanding the “pain points” in the process that might contribute to the practitioner or their client feeling dissatisfied with the experience, and
- Understanding, from the customer's perspective, what we can change to create a more positive customer experience for individuals and their representatives going through the AUR process.

Offer in Compromise (OIC)

The objective of this focus group is to understand how the IRS's Offer in Compromise (OIC) program is perceived from the practitioner's perspective. An OIC is an agreement between a taxpayer and the IRS that settles the taxpayer's tax liabilities for less than the full amount owed. The process requires the submission of several IRS forms and substantiating information so that the IRS can carefully consider the taxpayer's current financial condition, as well as any special facts and circumstances. This process generally requires multiple interactions with the IRS, either by correspondence or telephone. The National Taxpayer Advocate is interested in hearing tax preparers' opinions on specific problem areas and suggestions for areas to target improvement efforts within the IRS by:

- Understanding the overall practitioner experience with the OIC process and whether they consider an OIC to be a viable collection alternative for their client,
- Understanding the barriers in the process (real or perceived) that might contribute to practitioners, or their clients, feeling dissatisfied with the OIC experience, and
- Understanding, from the customer's perspective, what the IRS must do to create a more positive customer experience for individuals and their representatives seeking resolution of their tax account through the OIC process.

Effectiveness Taxpayer Advocate Service (TAS) Mission and Messages

The third topic for discussion involves the mission statement of the Taxpayer Advocate Service (TAS). TAS is interested in improving the effectiveness of its mission statement. This will involve testing different versions of the mission statement for 1) ease of understanding, 2) readability, 3) effectiveness in conveying how TAS can help and 4) establishing trust. TAS wants to ensure that taxpayers understand our role in serving as an advocate on behalf of taxpayers. Additionally, this effort will hopefully improve taxpayers' willingness to use TAS to help them solve their tax problems. This role includes making suggestions to improve tax administration that reduce taxpayer burden and increase their satisfaction.

TAS Correspondence with Taxpayers

TAS wants to improve the effectiveness of its communications with taxpayers. Testing written correspondence will allow TAS to see how well participants comprehend TAS letters. In addition, TAS wants to ensure taxpayers' feel they can trust TAS with their personal tax information as we work on their behalf.

2009 IRS Nationwide Tax Forums

All groups will be held in conjunction with the 2009 IRS Nationwide Tax Forums. Participants will be recruited from the attendees, with attendance ranging from 1,500 to 5,000 tax professionals per location (based on past forums). The Nationwide Tax Forums are a series of meetings providing tax professionals with information on new tax laws, hands-on workshops, and networking opportunities. The IRS partners with the National Association of Enrolled Agents (NAEA), the National Association of Tax Professionals (NATP), the National Society of Accountants (NSA), the National Society of Tax Professionals (NSTP), the American Institute of Certified Public Accountants (AICPA), and the American Bar Association (ABA). Forum Highlights Include:

Seminars – Hear the latest tax information from top IRS executives and leading industry experts.

Workshops – Participate in hands-on workshops on the IRS e-file Program, Form 990, and other initiatives.

Information Workshop - Everything you Wanted to Know About Enrolled Agents & the Special Enrollment Exam - Participants will learn the benefits of becoming an enrolled agent, with a focus on representation (the ability to stand in the place of any taxpayer regardless of who prepared the return) before exam, collection and appeals. Participants will learn how to become an enrolled agent and about the new online Special Enrollment Exam (SEE), what topics the SEE covers, how to prepare for it, and how to register to take it.

Exhibits – Visit dozens of exhibitors displaying a wide selection of products and services that support the IRS e-file Program.

Continuing Professional Education (CPE) Credits – Attendance at Nationwide Tax Forum seminars qualifies for Continuing Professional Education (CPE) for Enrolled Agents, CPAs, and California Tax Education Council (CTEC) participants.

Practitioner Case Resolution – Bring tough cases or questions on tax law to the Practitioner Case Resolution room and meet one-on-one with IRS representatives to resolve the case or issue.

Networking Opportunities – Network with key IRS executives and industry experts during the Awards Dinner and other informal venues.

IRS Oversight Board – Visit with Oversight Board representatives and offer your comments on various IRS initiatives and programs.

Electronic Federal Tax Payment System (EFTPS) – Visit the EFTPS Registration Booth and see how tax professionals can make their clients' tax payments easier, while reducing their own paperwork.

Focus Groups – Participants are randomly selected to participate in focus groups and provide candid feedback on key topics. Various Business Operating Divisions (BODs) will be conducting focus groups during the tax forums.

Research Objectives

The overall objective of this project is to provide qualitative data to TAS on views of tax professionals in several different areas: problems facing taxpayers in dealing with the Automated Underreporter (AUR) and Offer In Compromise (OIC) programs; the effectiveness of the TAS mission statement in conveying the purpose and capacity of TAS to assist taxpayers with their tax problems; and the effectiveness of correspondence sent to taxpayers by TAS. This qualitative data will be used in project work within the Taxpayer Advocate Service. It will also improve the language and content in TAS's mission statement and correspondence with taxpayers. The specific business questions to be explored by this project include:

- *What problems are tax professionals' experiencing when they interact with the Automated Underreporter and Offer In Compromise (OIC) programs?*
- *What are the tax professionals' opinions regarding the effectiveness of TAS's mission statement and messages?*
- *What are tax professionals' opinions as to the effectiveness of the correspondence TAS sends to taxpayers?*

The project will encompass recruiting participants, moderating the focus groups, and preparing a report for TAS summarizing the qualitative feedback from participating tax professionals. Comments will be used to identify potential issues on which to focus TAS project work, shape our mission statement, and improve our written correspondence.

Data will be collected via focus group interviews at each of the six IRS Tax Forums. The results of the focus groups will be presented to the appropriate areas of TAS and used to provide data in the National Taxpayer Advocate's Annual Report to Congress.

Methodology

To accomplish the objectives of this project we will conduct focus groups in conjunction with IRS sponsored tax forums in six metropolitan areas across the United States. A total of six focus groups will be held on each topic (one session in each area on AUR, OIC, TAS Mission Statement, and TAS Correspondence) with tax professionals. These Tax Forums provide a unique opportunity to solicit the opinions of practitioners about these topics.

Focus group interviews are a directed discussion on a specific topic with a small group of eight to twelve people. As a type of group interview, focus groups use group interaction to stimulate relatively spontaneous responses to the supplied

topics. The goal is to explore the feelings, opinions, and beliefs people hold, and to learn how these feelings shape overt behavior. Focus groups provide insight and direction rather than quantitatively precise or absolute measures. They are useful for gathering information in a given field and generating hypotheses based on participants' opinions. The main advantage focus groups offer is the opportunity to observe considerable interaction on a topic in a limited period. An important aspect of focus groups is that they give rise synergistically to insights and solutions that may not come about without them.

The market segment for this project consists of tax practitioners and taxpayers' representatives. TAS executives and managers will use the data gathered during the focus group interviews to enhance service to taxpayers by better understanding problems with the AUR and OIC programs, and by improving efforts to make TAS correspondence more useful and less costly. The participants will also be asked about their opinions on the effectiveness of TAS's mission statement.

Our -by-step approach follows:

Step 1 – We met with our customer to determine the objective for this project. After clarifying objectives for the focus groups we developed a screener's guide to recruit participants and a moderator's guide (see Appendices A, B, C, and D) to be used during the focus groups.

Step two – So that we obtain a diverse group of focus groups participants, we prepared a demographic sheet (see Appendix E) to be used by the screener. TAS employees will use the demographic sheet and the screener's guide to solicit and select focus group participants.

Step 3 – Experienced moderators from TAS will conduct the focus groups and share moderating and scribing duties. Debriefing notes will be contemporaneously prepared by the note taker/scribe and the moderator after each session. Sessions may also be recorded to assist in preparation of the final report.

Step 4 – Because a focus group analysis is strictly qualitative, we will report the feedback and behaviors received during the focus groups. A brief description of the focus group participants will be provided. Unlike quantitative studies, the sample is neither randomly selected nor representative of a target population so the results cannot be generalized or treated statistically. We will report our findings to the customer in the form of a summary report.

Sampling Plan

We wanted to include a diverse mix of our population based on the following aspects:

- Gender (visual)
- Type of Professional
- Age
- Client Type

The interviews will gather qualitative data only that will not be, nor presented to be, representative of the population. The study will obtain geographic diversity via the different cities used for the tax forums.

Data to be Collected

TAS proposes to use the focus group interviews to identify and capture a range of ideas on: problems encountered when working with AUR and OIC, reactions to TAS correspondence, and the reaction of respondents to TAS's mission statement. This data will be used to support project work within TAS, revise marketing materials, and shape our mission statement.

How Data Will Be Used

The participants' comments will be used to provide insight into tax preparers' satisfaction levels with IRS interactions and obtain suggestions for improving processes. These comments will increase Taxpayer Advocate Service employees' awareness of customer issues and help them more fully understand the customer's perspective about IRS activities. This will ultimately provide better service to their customers. The input from the AUR and OIC focus groups will help identify potential problem areas for consideration in the National Taxpayer Advocate's Annual Report to Congress. Additionally we will learn how participants perceive our correspondence and how to improve its effectiveness from the customer's perspective. The groups on the TAS mission statement will be used to improve upon the content of our message to taxpayers. The results are not designed to, nor is it expected that they will, be projected to the population for formulation of conclusions about the general population. It is anticipated that the study objectives can be met with a qualitative, not quantitative measure.

Data Collection Dates

The focus group interviews are planned for summer/fall of 2009 (July – September).

Who Is Conducting the Research?

Taxpayer Advocate Service is responsible for recruiting and screening participants, preparing screener and moderator guides, moderating the groups, and compiling and summarizing the results. We have analysts trained in all aspects of focus groups including moderating the focus groups, analyzing the qualitative data, and preparing report findings. TAS Research, Systemic Advocacy, and Communications and Liaison are working together to conduct the focus groups.

Focus group interviews will be conducted in Atlanta, GA; Dallas, TX; Orlando, FL; Las Vegas, NV; New York, NY; and San Diego, CA.

Cost of Study

City	Employees	Estimated Travel Cost per Person	Total Cost
LAS VEGAS, NV	4	\$1,100	\$4,400
SAN DIEGO, CA	4	\$1,500	\$6,000
ORLANDO, FL	4	\$800	\$3,200
NEW YORK, NY	4	\$1,500	\$6,000
DALLAS, TX	4	\$1,200	\$4,800
ATLANTA, GA	4	\$900	\$3,600
All Cities			\$28,000

Stipend

No stipend will be paid to focus group participants. We will provide participants with a flashlight as a thank you for participating in the focus groups. Based upon other groups that have been conducted at past tax forums, we believe this will be sufficient to attract participants.

Recruitment Efforts

TAS employees will recruit participants at a booth set up for researchers conducting focus groups and at a TAS booth in the exhibition hall. Additionally, executives will announce the groups at seminar sessions. Focus group topics and schedules are also posted in the facilities. Only prescreened candidates will be able to participate in the groups.

Location – City and Facility

CITY	
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	HOTEL ADDRESS
LAS VEGAS, NV	<u>MANDALAY BAY HOTEL & CASINO</u> 3950 LAS VEGAS BLVD LAS VEGAS, NV 89119
SAN DIEGO, CA	<u>TOWN & COUNTRY</u> 500 HOTEL CIRCLE NORTH SAN DIEGO, CA 92108
ORLANDO, FL	<u>CARIBE ROYALE</u> 8101 WORLD CENTER DRIVE ORLANDO, FL 32821
NEW YORK, NY	<u>HILTON NEW YORK</u> 1335 AVENUE OF THE AMERICAS NEW YORK, NY 10019
DALLAS, TX	<u>HILTON ANATOLE</u> 2201 STEMMONS FREEWAY DALLAS, TX 75207
ATLANTA, GA	<u>HILTON ATLANTA</u> 255 COURTLAND STREET NE ATLANTA, GA 30303

Expected Response Rates

We expect about 10 participants to participate from the 15 -18 recruited for each group, for a response rate of 56 – 67 percent per group.

Methods to Maximize Response Rates

Participants will be given a ‘focus group participant flag’ to place on their badges and a card with the group topic, location, and time as reminders of their scheduled focus group.

Test Structure/Design – N/A

Efforts Not to Duplicate Research

Although IRS conducts quarterly customer satisfaction surveys with individuals, we do not specially measure those who have contact with AUR and/or the OIC programs. While SB/SE Research is also conducting groups on OIC, they are focusing on different aspects pertaining to changes in the program. Our groups gather information on tax practitioner behaviors (which types of offices they prefer to use and how they contact IRS, etc) and thoughts about the process. This qualitative research will help identify issues of concern from tax

professionals, as well as taxpayers' perspectives. TAS believes the nationwide Tax Forums provide a cost effective way to solicit public feedback on the effectiveness of IRS programs. Likewise, there is limited research on the usefulness of materials that TAS provides to taxpayers. Although the IRS has a good handle on the costs to produce and mail the correspondence, it really knows very little about the value taxpayers derive from this correspondence. Focus groups are an excellent method for identifying these types of customer oriented concerns and issues.

Participants Criteria

Please see Appendices A-D for screener guides. In general, participants will be a mix of tax preparers by: gender (visual), type of professional, age, and client type. Participants in the AUR and OIC groups will have worked with the program previously.

Privacy, Security, Disclosure

TAS will ensure that the utmost scrutiny is given to privacy, security, and disclosure when reporting the comments from the focus groups. Only first names will be used in both recruiting and groups (first initial of last name will be used if there are duplicate names). No individual taxpayer data will be used for this project. Only qualitative data derived from focus group discussions will be used in the report. We will limit and control the amount of information that we collect to those items that are necessary to accomplish the research objectives.

Vendors are not used for the recruitment process. We are partnering with Tax Forum sites to use their facilities for the focus group interviews. 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. Recordings of focus group discussions will immediately be erased or destroyed after information is transcribed.

We will apply fair information and record-keeping practices to ensure protection of all participants. 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 release to authorized recipients.

Estimated Burden Hours

The estimated time to complete the participant screening is two minutes and the estimated time for each focus group attendee is 1.5 hours.

Screening Burden	
Total number of potential participants screened: (participants screened for each group and 4 groups held per location = 18 screenings per focus group X 4 focus groups X 6 Forums= 432 participants)	432 People
Estimated time to complete screening	2 Minutes
Estimated participant screening burden (432 X 2 minutes = 864 minutes / 60 = 14.4 hours)	14.4 Hours
Focus Group Participation Burden	
Estimated number of participants: 40 participants per tax forum (n=10 for each focus group). There will be 6 focus group locations. We will conduct four focus group sessions at each location (24 groups) for a total of 240 participants.	240 People
Time to conduct the focus group (1.5 hours)	1.5 Hours
Estimated focus group participant burden (240 X 1.5 =)	360 Hours
Total burden (screening and focus group participation (screening burden of 14.4 hours + focus group burden of 360 hours = 374.4)	374.4 Hours

(I) Special Tallies and Other Information

The following information will be provided within 60 days after the close of the focus group data collection operations:

1. Findings: a brief summary of significant (important) findings from the groups.
2. Actions taken or lessons learned: a brief summary of actions taken or lessons learned as a result of the findings.
3. Number of participants screened.
4. Number of focus group participants.
5. Date the data collection began
6. Date the data collection ended.
7. Cost: reproduction costs, travel, overtime payments, and any other costs incurred as direct result of the focus groups.
8. Burden hours.

Attachments

Appendix A – AUR Screener’s and Moderator Guides

Appendix B – OIC Screener’s and Moderator Guides

Appendix C – TAS Mission Statement Screener’s and Moderator’s Guide

Appendix D – TAS Correspondence Screener’s and Moderator’s Guide

Appendix E – Recruiter’s Tally Sheet