

Attachment 1 - Telephone Screener

Recruit using the following guidelines:

- Must be over the age of 18
- Must be native English speakers (or ensure session has appropriate translator)
- Must be a Form 1040 Schedule C tax filer
- Must be from one of the identified emerging small business market segments (the following is sample only):
 - Women-owned business
 - Young-entrepreneur
 - Retired-entrepreneur
 - Asian-owned business

NOTE: For each of the emerging small business market segments, the participants' ethnicity (Hispanic or Not of Hispanic) will be captured.

ASK FOR AND SPEAK TO THE OWNER OF THE BUSINESS ONLY

Introduction: Hello, I'm _____ with a federally-funded research and development center, the MITRE Corporation. We are assisting in a research study using focus groups for the Internal Revenue Service. The objective of this study is to gather communication, outreach and education preferences from small business taxpayers, who file IRS Form 1040 Schedule C (*Business Profit and Losses*) from emerging small business markets. The information collected through the focus groups will be used to develop more effective tax education and outreach initiatives.

The U.S. Office of Management and Budget has cleared this project. The OMB clearance number is 1545-1349.

[NOTE: PLEASE RECORD THE NUMBER OF INDIVIDUAL CONTACTS, EVEN IF THEY REFUSE BEFORE YOU CAN EXPLAIN ANYTHING ABOUT THE PROJECT. SEE LAST PAGE.]

PARTICIPATION REQUEST: Participants will be requested to attend a two hour discussion session, called a focus group, conducted at our research site. All information will remain completely Anonymous and will be used only for research purposes. We are not trying to sell anything. Participation in the discussion session is voluntary, and you will be given an honorarium (e.g., gift card) for your time.

IRS CLD personnel will be provided summaries of the focus group discussions, but they will be given no information about you other than your first name.

If Respondents ask how their name was obtained, tell them their name was randomly selected using lists of businesses, provided by the U.S. Chamber of Commerce or other industry and citizen groups, for whom the IRS has assigned a formal liaison.

If Respondents are concerned about participating, tell them that your contract with the IRS specifically prohibits you from revealing their name or any information about them to the IRS or to anyone else.

SCREENING QUESTIONNAIRE TO QUALIFY CANDIDATE FOCUS GROUP PARTICIPANTS: If you are interested in participating, I have to ask you a few qualifying questions. These questions will take no more than five minutes of your time. Your name and your answers to these questions will not be provided to the IRS. If you are eligible and agree to participate, the discussion itself will take approximately two hours, plus travel time.

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 ####-####. 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:

Internal Revenue Service
Tax Products Coordinating Committee
SE:W:CAR:MP:T:T:SP
1111 Constitution Ave. NW, Washington, DC 20224

Telephone Screening Questionnaire

1. Are you working as a?:

- Small business owner
- Independent contractor

2. Do you file an IRS Schedule C (Form 1040), Profit or Loss from Business?

- Yes
- No

3. This question is to ensure proper representation by race. Do you consider yourself?

Race:

- American Indian or Alaskan Native [GET A MIX]
- Asian or Pacific Islander
- Black
- White

Ethnicity:

- Hispanic origin [GET A MIX]
- Not of Hispanic origin

4. Which age group represents your age?
[] 18-29 [GET A MIX]
[] 30-54
[] 55-64
[] 65+
5. Gender (by recruiter observation)
[] Male [GET A MIX]
[] Female
6. Have you ever participated in a focus group before?
[] Yes
[] No

EXTEND INVITATION TO ELIGIBLE RESPONDENTS: We would like to invite you to attend an informal group discussion with about 7 other people to discuss your views on the IRS and the tax system as it relates to providing tax information and education to small business owners and independent contractors. Once again, we are not trying to sell you anything; you will only be asked to express your opinions. This discussion will last approximately two hours. You will receive a stipend of \$100 for participating in this research study and light refreshments will be served.

The group discussions will be held at **TBD** _____ on:

- Group 1** Date / Time TBD
Group 2 Date / Time TBD
Group 3 Date / Time TBD

ACCEPT FOCUS GROUP INVITATION?

[IF ACCEPTS, SAY]:

Thank you for agreeing to participate. If you have provided your contact information, we will be sending you a reminder email and/or phone call before the discussion to confirm the time and location. If you need to cancel for any reason, please be sure to give us a courtesy call.

We look forward to seeing you at the group discussion.

[IF DECLINES, SAY]:

If an eligible respondent chooses not to participate in the focus group session, ask for the general reason:

Attachment 2 - Focus Group Confirmation Email/Letter

NOTE: Confirmation Email/Letter only sent if participant provides contact information voluntarily.

Name/Title
Company (if applicable)
Mailing Address
City/State/Zip Code

Dear ():

Thank you for speaking with us by phone, and for accepting our invitation to participate in a focus group designed to help the Internal Revenue Service (IRS) Communications, Liaison and Disclosure (CLD) organization collect thoughts and experiences from small business owners regarding IRS's tax information, education and outreach.

Your participation will assist the IRS toward a better understanding of how citizens view their tax reporting obligations in this area and, more importantly, help us improve our education, outreach and services. A key component of this process is obtaining input from small business owners and tapping into your experience and ideas.

Your focus group will be one of a series of focus groups we are conducting over the next few months to hear from a wide range of taxpayers like you who are interested in improving IRS's outreach, education and services.

This letter is confirmation that you will attend the focus group of *(type of focus group participants)* on: *(day)*, *(date)* from *(start time)* to *(end time)*; at *(location and address)*.

The two-hour focus group will include 8 participants, and will be co-facilitated by a consulting firm who is helping us gather information. The focus group will be audio-taped; however, your Anonymity is assured - no participants will be named in the focus group report.

Light refreshments will be provided, and we will provide a stipend of \$100 for your participation. We have enclosed a map to *(the focus group location)*, along with information about parking. If you have any specific needs related to your participation, please let us know so we can accommodate them.

You can call *(contact)* at *(area code/telephone number)* to confirm any details, or to request additional information. We appreciate your acceptance of our invitation, and look forward to meeting with you on *(date)*.

Attachment 3 - Moderator's Guide and Discussion Questions

INTRODUCTION

Hello! My name is _____ and I am a focus group moderator from the MITRE Corporation. MITRE is a federally-funded research and development center supporting the Internal Revenue Service (IRS) Communication, Liaison and Disclosure (CLD) organization. I am conducting a series of focus group interviews with individuals like you, who are small business owners within _____ small business market segment.

OBJECTIVE

The Communications, Liaison and Disclosure (CLD) organization is critical to the overall Mission of the IRS. This organization helps educate taxpayers by providing them with the necessary information about fulfilling their tax obligations and income reporting obligations. CLD wants to improve their understanding of the outreach preferences and tax education needs of small business owners who file an IRS Form 1040 Schedule C and are within the emerging small business market segment, _____. To achieve this, the IRS is especially interested in the views of the groups regarding communication, outreach and education of income reporting and income tax filing.

Your ideas and opinions, as a small business owner within the emerging small business market segment, _____, will help IRS management decide how better to accomplish this goal.

WHAT ARE FOCUS GROUPS?

Focus groups are a type of group interview designed to elicit a diversity of views, ideas, and opinions about the topics under discussion. Focus groups are used to:

- discover consumer preferences for products in market research,
- get people together to brainstorm about new ideas, or
- gather general opinions about a topic.

For the IRS, focus groups are one method of obtaining opinions and information about taxpayer attitudes that can assist management in making decisions.

Focus groups will be used to discuss a series of questions, which will explore your experiences and perceptions about dealing with understanding and fulfilling your tax obligations and your thoughts about what works well and what needs improvement. Your responses will help IRS management understand what you face as you conduct your business, while trying to meet your fair tax obligations, and how that can be made easier.

WHAT IS A MODERATOR?

My job as a moderator is to:

- help guide the flow of conversation,
- make sure everyone's comments are heard, and
- ensure that questions about various aspects of the topic are covered.

GROUND RULES

Have any of you ever participated in a focus group before (ask for show of hands)? Let me review some ground rules for our session this evening.

- We will be here for about 2 hours. There will not be a formal break. If you need to stand up and stretch please feel free to do so. (At this point, describe the layout of the facilities, including Restrooms, Water Fountains, Emergency Exits, etc.)
- If anyone needs to leave because they become ill during this session, or because of a situation beyond their control, please call the following number (*Provide a telephone contact number*); we will complete the interview by phone.
- No smoking is allowed, per building regulations.
- Groups are being audio taped—the tapes are for the moderator's use only.
- Please talk one at a time and avoid side conversations.
- Please speak in a voice at least as loud as mine.
- Anonymity – we will only use your first names.

The most important thing about a focus group is the exchange of ideas and opinions. There are no wrong answers. Please feel free to let me know what you feel.

We are required by law to report to you the OMB control number for this public information request. That number is OMB 1545-1349.

WARM UP

Before we start on the discussion, going around the table, introduce yourself to the group using your first names only. Also tell us how long you have been in the area, and what type of work you do as a small business owner or independent contractor.

Purpose of Groups

Although you may each operate differently, many of you have similar needs and issues related to the IRS. We have asked you here to talk about how the IRS CLD can better serve you as you fulfill your obligations as a taxpayer. One similarity between all of you is that you are all small business owners within an

emerging small business segment (*insert: emerging small business market segment*). Knowing this, the IRS CLD is interested in understanding how you handle the challenges of being a small business owner, how you prefer to receive tax information and education, and how you view meeting your tax filing and reporting obligations.

While these questions get to the core of us being here, we are also interested in any ideas you may have for improving the effectiveness of IRS CLD in providing you tax outreach, education and services. Please speak up and let me know what's on your mind.

DISCUSSION QUESTIONS

Trusted Sources of Information

1. If a friend or relative who just started a business asked you about tax obligations, where would you tell them to go for help? Why did you identify those resources?
2. How did you learn about your tax obligations? What specific information and education have you received that has helped you understand your tax obligations? How can the IRS assist you to better understand your tax obligations?
3. If you were to be contacted by the IRS about tax compliance, who would you go to first for advice? Why?
4. Do you have community-based organizations that offer you advice on important matters (tax and non-tax related)? How do you get that information from the organization? What are some examples of groups you trust when receiving government, financial or tax related information? Would you like to receive that type of information directly from the IRS?
5. Although many businesses use a tax professional for assistance, it is important for small businesses themselves to remain aware of legislative changes that impact them. For example, are you aware that in the next few years, credit card issuers will provide the IRS with information relative to the volume of business generated through credit card transactions? Where did you or where would you be likely to hear about a change such as this? How would you like to receive this type of information and from what types of sources?

IRS Awareness and Perception

6. Are you aware of various IRS products and services including:
 - IRS Web Site:
 - e-News for Small Businesses
 - [Worker Classification Webcast](#)
 - FAQs, Etc.
 - Small Business Self Employed (SBSE) 2010 Tax Calendar (Publication 1518)
 - Tax Information for Small Business and Self-Employed Taxpayers (Publication 4667)
 - Small Businesses Tax Responsibilities (Publication 4591)
 - Small Business Tax Workshops

- In person
- On line / virtual
- CD / DVD format

How did you learn about these products and services? Were any especially useful for starting and continuing to run your business and why? Were any of these products useful in resolving tax issues? Why?

7. Is there anything that keeps you from contacting the IRS directly for assistance (i.e. obstacles, lack of information, IRS perceptions)? What can the IRS do to increase your level of comfort in communicating about your tax questions?
8. Are you currently receiving routine tax information or reminders from sources other than the IRS? What are you receiving, what is most helpful and from whom? What routine tax reminders/resources would be helpful to receive from the IRS and how would you prefer to receive them (i.e., email, text, YouTube, twitter, voice, other)?

Tax Lessons Learned

9. If a friend or relative started a business today, what are the top three pieces of advice you would give regarding federal tax obligations? Regarding your federal tax obligations, what top three things do you wish you had more information on? How can the IRS better assist you in these areas?
10. What is the most difficult tax issue you deal with as a small business owner? Why is it so difficult? How have you dealt with it and where did you go to solve the problem? How can the IRS better assist you in working with this issue in terms of outreach and education?

Compliance

11. What can IRS do to make it easier to meet your tax responsibilities relating to reporting, filing and payment (i.e., receiving tax guidance, understanding instructions, completing forms, cost to complete and submit forms, finding dollars to pay taxes, YouTube, FormWizards, etc.)? What might the IRS do to make things easier for you to be compliant?
12. A lot of small businesses have tax compliance issues – it happens! What factors (i.e., lack of knowledge, too difficult, economic situation) would most influence a small business to be non-compliant? How can the IRS provide a small business with information to increase the level of compliance?

Communications

13. Have you had any direct contact with the IRS or any of its representatives in the past 5 years? If so, could you share what the most recent experience was like?
14. If you were given the opportunity, would you provide the IRS with an email address for communications purposes so that the IRS could send you emails that would contain links

- to relevant tax information and other alerts related to small business owners (filing date reminders, 1099 contractor payment levels, etc.)? Why or why not?
15. What is your experience in working with or communicating with the IRS as compared to other federal agencies (e.g., SSA, OSHA, etc), state agencies or other companies? Are there parts of those examples that the IRS should consider using? How could IRS communications be improved?
 16. Do you have any communication examples from private industry that could serve as best practices for the IRS to model? (i.e., sign up for alerts / email distribution for interested topics, tracking of returns similar to FedEx, tailored communications based on small business attributes, etc.)

WRAP-UP

As I mentioned earlier, the IRS CLD continues to seek ways to understand how small business owners perceive their tax obligations and how IRS CLD can improve this understanding through more effective tax information, outreach, education and services.

If needed: I would like to go in the back room and ask my colleagues if they have any questions or if they need any clarification of what we've discussed.

- A. Ask any new questions or for any clarification.

[Summarize discussions].

- B. Any other thoughts or comments before we close?

CLOSING

Thank you for sharing your ideas with us this evening. You've given very useful information. Thank you!

Please don't forget to see the hostess (host) on the way out.