

**Office of Management and Budget (OMB)**

**Clearance Package**

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**Internal Revenue Service (IRS)**

**2010 Nationwide Tax Forums**

**Focus Groups for the**

**Return Preparer Review Implementation Team**

Internal Revenue Service  
Return Preparer Review Implementation Team  
February, 2010

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## Background

On January 4, 2010, following an extensive six month study, the IRS Commissioner released the “Return Preparer Review Final Report” (Publication 4832) outlining multiple recommendations for increasing government oversight of federal tax return preparers. To execute the recommendations a formal Implementation Team was established with six focus areas: Communication, Registration/Renewal/Filing, Compliance, Policy and Procedures, Technology, and Testing and Continuing Education.

The recommendations entail changes that will impact, at varying levels, the entire population of compensated U.S. federal tax return preparers – estimated at between 900,000 and 1.2 million individuals. Soliciting and considering input from the return preparer community was a major component of the study phase of the review and will continue throughout planning and implementation.

The IRS Nationwide Tax Forums, held annually in six locations across the country, provide an opportunity for the Implementation Team to conduct focus group sessions with individuals who will be directly impacted by the changes. The information obtained will allow the IRS to better understand the interests and perspectives of the return preparer community, and to make well informed decisions on implementation issues.

The Return Preparer Review (RPR) Implementation Team would conduct focus group sessions at each of the six 2010 IRS Nationwide Tax Forums as follows:

Atlanta, GA	June 22 – 24, 2010
Chicago, IL	July 13 – 15, 2010
Orlando, FL	July 27 – 29, 2010
New York, NY	August 10 – 12, 2010
Las Vegas, NV	August 24 – 26, 2010
San Diego, CA	August 31 – September 2, 2010

## Objectives

This submission is to obtain OMB approval for the RPR Implementation Team to conduct the focus group sessions with tax forum participants at the 2010 IRS Nationwide Tax Forums.

Throughout the RPR process, the IRS gathered feedback in order to gain the perspective of those affected by the proposed changes. The focus groups would continue this effort by gathering feedback on numerous aspects of the upcoming Return Preparer Program Implementation.

There are numerous facets of the program that will affect return preparers such as required registration and competency testing. In the future, they will also have to complete continuing education in order to maintain their registration with the IRS.

The objectives of each focus group meeting would be to gain insight and feedback on the proposed new program (and supporting processes) from those that will be most involved. Topics will include:

- **Communication:** Identify the preferred methods for return preparers to receive instructions about the new requirements.
- **Registration:** Document the questions and concerns return preparers have about the registration process and the anticipated affect it would have on their business.
- **Education:** Understand issues regarding testing, as well as continuing education needs of return preparers.
- **Compliance:** Gather input on alternative treatments for compliance. Evaluate knowledge of Treasury Circular 230.

## **Methodology**

We propose conducting focus group interviews with tax practitioners to achieve the research objectives described above.

Focus group interviews are proposed because they will allow us to achieve the desired objectives, which is acquiring the opinion and feedback of the tax preparer community most affected by the changes. 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 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 the participants' opinions. The main advantage focus groups offer is the opportunity to observe considerable interaction on a topic in a limited period of time. An important aspect of focus groups is that they give rise to insights and solutions that may not come about without them.

The market segment of interest for this research consists of tax return preparers. They are the entity that we hope to impact by using the results of the focus groups to positively affect changes related to the RPR Implementation. Primarily the intended participants would include individuals who are not attorneys, CPAs, or enrolled agents. In addition, the participants would be individuals who have at least three years of experience in return preparation.

The RPR Implementation Team will conduct the focus group interviews at the 2010 IRS Nationwide Tax Forums. [Appendix A](#) provides the schedule of the tax forums, which are being held in six cities across the country between June and September 2010. One focus group will be conducted in each of the six cities, for a total of six focus groups.

The RPR Implementation Team moderators conducting the focus groups will screen and recruit potential participants. It is estimated that they will speak to approximately 60 individuals before inviting 20 of them to participate in a group. Approximately 20 invitations will be issued for each group. Past experience shows that eight to ten people out of the 20 invited will actually attend the focus group. Screening guides have been developed for the topics to ensure that all focus group participants have the experience to offer opinions on the topics. If a preparer meets the criteria, they will be invited to participate in the focus groups. The screener and moderator guides are contained in the following appendices:

[Appendix B](#) - "Screener Guide for the Return Preparer Review Implementation Focus Group." Each focus group will consist of eight to ten participants and be limited to ninety minutes in duration.

[Appendix C](#) – "Moderator's Guide for the Return Preparer Review Implementation Focus Group." One moderator will facilitate each group and one will take notes. The sessions will also be audio taped.

The RPR Implementation Team will document the results of the focus groups from the six cities in a formal research report. The findings section of the reports will summarize the responses for each question from the moderator's guide and the team will offer summary observations and conclusions, if appropriate, based on the groups' results.

## **Burden Estimates**

The estimate of taxpayer burden for this research is based on the approach described in the methodology section.

### **Screening Burden Estimate**

For screening, we will assume that 60 people will be screened before 20 invitations are issued. We will assume that 20 invitations will be issued to ensure that ten people will be present for each focus group. Each screening contact will average three minutes.

For each of the six cities:

Estimated number of potential participants screened for one focus group.....	60
Estimated screening time per potential participant.....	3 minutes
Total estimated burden (time) for screening (one city).....	3 hours
<b>Total estimated burden (time) for screening (six cities).....</b>	<b>18 hours</b>

### **Focus Group Burden Estimate**

For the focus group burden, we will assume a maximum number of ten participants in each focus group. In each of the six cities, we will conduct one focus group.

Estimated number of participants for 1.5 hour focus groups (six cities).....	60
<b>Total estimated participant burden (time) for all focus groups (six cities).....</b>	<b>90 hours</b>

### **Total Burden Estimate**

**The total burden estimate in time is 108 hours.**

## Cost Estimate

The only cost, outside of normal salary, to conduct these focus groups, is travel. We estimate \$1,488 for one Return Preparer Review Implementation Team focus group moderator to attend one tax forum.

Hotel at \$150 for 4 nights.....	\$600.00
Per Diem of \$64 for 3 full days and 2 travel days.....	\$288.00
Flight.....	\$600.00

To adequately recruit participants and conduct the focus groups, two moderators are needed in each of the six cities. Therefore, **the total estimated cost of conducting the focus groups with two moderators in all of the six cities is \$17,856 (\$1,488\*12).**

## Privacy, Security and Disclosure Requirements

The RPR Implementation Team will ensure the privacy of those who participate in the focus groups. During the focus groups, no taxpayer identifying information will be obtained from or about the participants. First names only will be used to facilitate all discussion. Audiotapes made during the focus groups will be used only to document notes for the report and then will be destroyed. The team will apply fair information and record-keeping practices to ensure protection of privacy of all participants. The criteria for disclosure, as specified in the Privacy Act, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code, provide for the protection of taxpayer information as well as its release to authorized recipients. The RPR Implementation Team will ensure adherence to these standards, where applicable.

The RPR Implementation Team will also ensure that security requirements are followed regarding the information obtained during the groups, according to the Internal Revenue Manual (IRM) 1.7 (Research and Analysis for Tax Administration) and applicable federal guidelines, including the Federal Information Security Management Act of 2002 (FISMA). The information will be stored on the RPR Implementation Team computer system located in a secured area. The information will be maintained in a restricted access folder, so that only those researchers participating in the project will have access to the information (either on paper or electronically).

Any information the RPR Implementation Team obtains from the focus groups will be used only for this research project. Once the project is complete, the information (paper and electronic) obtained for this project will be archived for one year and then destroyed.

## Tallies and Other Information

The RPR Implementation Team will provide the following information to OMB within 90 days following the last focus group conducted in September 2010:

- Number of Tax Forum attendees screened for the focus groups in each of the six cities
- Number of Tax Forum attendees invited to participate in a focus group in each city

- Number of participants in each focus group in each city
- Dates and times of each focus group in each city

## **Appendix A: Schedule for 2010 IRS Nationwide Tax Forums**

<b>City</b>	<b>Dates</b>
Atlanta, GA	June 22-24
Chicago, IL	July 13-15
Orlando, FL	July 27-29
New York, NY	August 10-12
Las Vegas, NV	August 24-26
San Diego, CA	August 31-September 2