

**OMB Supporting Statement  
IRS Large & Mid-Size Business Division  
CONJOINT ANALYSIS FOCUS GROUPS 2010**

**Background**

During the redesign and modernization of IRS, one of the principles behind the creation of LMSB without a taxpayer assistance section was that LMSB taxpayers were sophisticated in the area of tax law and did not require assistance with filing their returns or in determining their tax positions. The primary customer facing section of the organization is the examination function. Therefore our primary measure of customer satisfaction is with the examination process through transactional surveys of our audited customers.

A second customer interface is through the Technical Advisors in Pre-Filing and Technical Guidance (PFTG) section. The Technical Advisor Program in PFTG was established to ensure uniform and consistent treatment of issues nationwide, provide for better identification, development and resolution of issues and provide a vehicle for coordination of technical issues at Large and Mid-Size Business Division and other Operating Divisions. Technical Advisors and Technical Advisor Managers assist Examiners in identifying, developing and resolving industry specific and cross-industry technical issues, both domestic and international; ensure uniform and consistent treatment of issues; provide educational opportunities to internal and external customers as appropriate; and maintain/develop industry and issue expertise.

Several other issue resolution programs have been launched over the past several years including Pre-Filing Agreements (PFA), Limited Issue Focused Examination (LIFE) process, Fast Track Settlement, Advanced Pricing Agreements (APF), Alternate Dispute Resolution (ADR) and Tiered Issue Process. These programs are all designed to increase efficiency of tax administration and reduce taxpayer uncertainty and burden.

While LMSB has designed and implemented a number of customer satisfaction surveys and programs to increase efficiency and reduce taxpayer uncertainty and burden, there has not been an overarching analysis of what LMSB customers value and/or prefer in working with the IRS.

**Objective**

The purpose of conjoint analysis is to help LMSB determine what our customers' value and prefer in terms of the products, processes, and policies that we offer or that we might be able to offer. Framing this task not in the open marketplace but recognizing that LMSB is in the unique position of a government agency tasked with insuring voluntary tax compliance and enforcement of tax laws. The goal of the conjoint analysis is to assist LMSB in improving customer relationships by offering services and processes that meet customer needs while furthering LMSB's primary directives.

## **Research Methodology**

The methodology used will be in person focus groups. There will be two LMSB taxpayer focus groups conducted in-person. The moderator's guide and screener script are attached. This is a one-time set of two focus group sessions to be held in a single day at a single location. Each group will be approximately 90 minutes in length, and be held during one day/evening. The groups will include a mix of tax managers/executives of mid-size and large business organizations. Respondents will be offered a \$150 honorarium for their participation. This honorarium amount is a standard amount that has been offered in other IRS focus group sessions among tax executives. The sample will be comprised of approximately 20 heads of tax departments from mid-size and large business organizations. A total of 20 individuals will be recruited for each session to ensure participation by 8 people per session. The contractor will strive to create a representative mix of taxpayers by organization size and industry.

## **Information Collection Dates**

This is a one-time set of two focus group sessions to be held in a single day at a single location during the period April-June 2010.

## **Data to be Collected**

The objective of the focus groups and survey is to gain information that will assist the IRS in identifying attributes that are important taxpayers when trading off disclosure of information in exchange for tax certainty. Information gained from the focus group sessions will be used to inform the development of the quantitative conjoint survey. The focus group moderator's guide is based on Pacific Consulting Group's methodology, which asks respondents to evaluate various aspects of their experience and to provide input as to establishing the areas of the process that need improvement.

## **Estimated Burden Hours**

The research has been designed to minimize burden on the taxpayer. The time that a respondent takes to participate has been carefully considered and only the most important areas are being asked.

We estimate contacting 400 participants to recruit 20 needed for the two sessions. The total burden estimate for recruiting and administering the two focus groups is 52.33 hours.

Recruiting 20 participants @ 10 minutes per person = 200 minutes or 3.33 hours  
Recruiting 380 non-participants @ 3 minutes per person = 1,140 minutes or 19 hours  
Participation by 20 participants (10 per focus group) @ 90 minutes per focus group = 1,800 minutes or 30 hours  
Total minutes = 3,140 minutes or 52.33 hours

## **How data will be used**

LMSB serves a return population comprised of approximately 138,000 corporations and partnerships whose assets are in excess ten million dollars. This customer base is further broken out into two distinctive classifications: Industry and Coordinated Industry. LMSB has been tasked to survey these two distinct groups and create valid output to be used to determine the overall level of satisfaction of these groups. By surveying and analyzing this customer base, it will afford LMSB management the opportunity to make informed business decisions to improve tax administration and customer satisfaction.

## **How data will be analyzed**

The culmination of the focus group responses will create a basis for development of the conjoint survey questions.

## **Who is conducting research?**

LMSB Planning, Quality, Analysis and Support contract the survey which is conducted by an outside contractor, Pacific Consulting Group (PCG).

## **Confidentiality, Disclosure, and Security**

Participation in the focus groups is completely voluntary. All focus group and survey responses will be released only as summaries. No individual answers will be reported and survey responses will have no effect on individual tax accounts. Customers are under no obligation to participate in the focus groups, it is completely voluntary. However, the participation solicitation will encourage their participation so that their answers will help the IRS provide better service to the business community. Our contract with PCG authorizes them to collect taxpayer specific information. Therefore responding to the survey is not an unauthorized disclosure of taxpayer information. Prior to taking the survey, each participant who would like to verify the authenticity of the survey request, may contact Jim Morton, LMSB Program Analyst by phone (404-338-7127) or by email ([jim.morton@irs.gov](mailto:jim.morton@irs.gov)).

## **Estimated Cost**

**The total estimated cost associated with this study is: \$75,000.**

## **Contact**

For questions regarding the study or discussion guide design, contact:  
Jim Morton  
Program Analyst, LMSB  
Performance, Quality Assurance and Audit Assistance  
401 W. Peachtree Street, Stop 151-R  
Atlanta, GA 30308

404-338-7127

[jim.morton@irs.gov](mailto:jim.morton@irs.gov)

## **Attachments**

**A: Draft Focus Group Recruiter's Guide**

B: Draft Focus Group Moderator's Guide