

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

**Clearance Package**

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**Internal Revenue Service (IRS)**

**2010 Nationwide Tax Forums**

**Focus Groups on  
Health Care, HIRE Act Tax Credits for the Small Business Community**

Internal Revenue Service  
**2010 Nationwide Tax Forums: Small Business Focus Groups Team**  
May 2010

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## **Background**

Under the Affordable Care Act, enacted March 23, 2010, one new tax credit is available to certain small employers that provide health care coverage to their employees. The tax credit is effective with tax years beginning in 2010. The IRS has publicized information on the credit as it applies for 2010-2013, including information on transition relief for 2010.

Under the Hiring Incentives to Restore Employment (HIRE) Act, enacted March 18, 2010, two new tax benefits are available to employers who hire certain previously unemployed workers (“qualified employees”). The first, referred to as the payroll tax exemption, provides employers with an exemption from the employer’s 6.2 percent share of social security tax on wages paid to qualifying employees, effective for wages paid from March 19, 2010 through December 31, 2010. In addition, for each qualified employee retained for at least 52 consecutive weeks, businesses will also be eligible for a general business tax credit, referred to as the new hire retention credit, of 6.2 percent of wages paid to the qualified employee over the 52 week period, up to a maximum credit of \$1,000.

The IRS Nationwide Tax Forums, held annually in six locations across the country, provide an opportunity for the IRS to conduct focus group sessions with practitioners and other stakeholders that interact with the small business community directly impacted by the changes. The information obtained will allow the IRS to better understand the interests and perspectives of the small business community and help the IRS make informed decisions on implementation issues.

The 2010 Nationwide Tax Forums: Small Business Focus Groups Team will conduct focus group sessions at each of the six 2010 IRS Nationwide Tax Forums as follows:

Atlanta, GA	June 21 - 24, 2010
Chicago, IL	July 12 - 15, 2010
Orlando, FL	July 26 - 29, 2010
New York, NY	August 9 - 12, 2010
Las Vegas, NV	August 23 - 26, 2010
San Diego, CA	August 30 - September 2, 2010

## **Objectives**

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

Under the Affordable Care Act, enacted March 23, 2010, one new tax credit is available to certain small employers that provide health care coverage to their employees. Under the Hiring Incentives to Restore Employment (HIRE) Act, enacted March 18, 2010, two new tax benefits are available to employers who hire certain previously unemployed workers (“qualified employees”).

The IRS Nationwide Tax Forums, held annually in six locations across the country, provide an opportunity for the IRS to conduct focus group sessions with practitioners and other stakeholders that interact with the small business community directly impacted by the changes. The information obtained will allow the IRS to better understand the interests and perspectives of the small business community and help the IRS make informed decisions on implementation issues.

The objectives of each focus group meeting would be to gain insight and feedback on the new tax credits and IRS communications regarding these new tax credits. Topics to discuss with the small employer community include:

- Awareness: Identify the level of awareness for each of the three tax credits.
- Interest: Identify whether any of the three tax credits has influenced business decisions.
- Barriers to Usage: Document the questions and concerns small employers have about claiming any of the three tax credits.
- Communication: Identify the preferred methods for the small business community to receive information about new tax credits.

## **Research Methodology**

The methodology used will be six in-person focus groups held during the 2010 IRS Nationwide Tax Forums. The moderator’s guide and screener script are attached. Each group will be approximately 90 minutes in length, and be held during one day/evening. The groups will include small employers and tax practitioners with small employer clients. A total of 20 individuals will be recruited for each session to ensure participation by 8-10 people per session.

The market segment of interest for this research consists of small employers with less than 25 full-time equivalent employees and tax return preparers who work with this target group of small employers.

The Small Business Tax Credit Team will document the results of the focus group research in a summary report. The report 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 results.

The Small Business Tax Credit 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 Small Business Tax Credit Team moderators will screen and recruit participants. Recruiters will invite approximately 20 participants for each group. Past experience indicates that this recruiting quota will actually yield 8-10 participants. 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](#) - Recruiter's Guide for the "Health Care, HIRE Act Tax Credits for the Small Business Community Focus Group." Each focus group will consist of 8-10 participants and be limited to 90 minutes in duration.

[Appendix C](#) -Moderator's Guide for the "Health Care, HIRE Act Tax Credits for the Small Business Community Focus Group." One moderator will facilitate each group and one will take notes.

## **Data to be Collected**

The primary objective of the focus group research is to learn how IRS can effectively communicate with the small business community when new tax credits become available. Information will be used to evaluate the level of awareness, interest, usage and satisfaction in the context of eligible small businesses claiming tax credits newly available through the Affordable Care Act and the HIRE Act. Participants will be asked to share how/if they know about the credit, whether the credit impacts any business decisions, and how they might change the structure or eligibility rules of the credit to make it more accessible. Participants will also be asked to share how they prefer to receive information from the IRS about new tax credits. This information will help IRS understand how to effectively communicate with small employers and the practitioners with small employer clients. In this case, small

employers are defined as those with less than 25 full-time equivalent employees.

### **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

**Total estimated burden (time) for screening (six cities)  
.....18 hours**

#### **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

**Total estimated participant burden (time) for all focus groups (six cities)..... 90 hours**

#### **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 Small Business Tax Credit 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 2010 Nationwide Tax Forums: Small Business Focus Groups 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. 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 2010 Nationwide Tax Forums: Small Business Focus Groups Team will ensure adherence to these standards, where applicable.

The 2010 Nationwide Tax Forums: Small Business Focus Groups 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 2010 Nationwide Tax Forums: Small Business Focus Groups 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 2010 Nationwide Tax Forums: Small Business Focus Groups 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 2010 Nationwide Tax Forums: Small Business Focus Groups 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 21-24
Chicago, IL	July 12-15
Orlando, FL	July 26-29
New York, NY	August 9-12
Las Vegas, NV	August 23-26
San Diego, CA	August 30-September 2