

Prepared For Office of Management and Budget
June 25, 2010

Submission for OMB Clearance

Online Questionnaire for Internal Revenue
Service (IRS) Online Tax Tool Cognitive and
Psychological Quantitative Survey

OMB Number: 1545-1349

Table Of Contents

I. Introduction.....	3
Background.....	3
Objectives for Data Collection.....	3
II. Methodology.....	4
Who Is Conducting Research.....	4
Sample Design.....	4
Data to Be Collected.....	4
How Data Will Be Used.....	4
How Data Will Be Analyzed.....	4
Data Collection Date.....	5
Location.....	5
Cost of Study.....	5
Stipend.....	5
Recruitment Efforts.....	5
Expected Response Rate.....	5
Methods to Maximize Response Rate.....	5
Efforts to Not Duplicate Research.....	6
Test Structure/Design.....	6
III. Participant Criteria.....	7
IV. Privacy, Security, Disclosure, Anonymity.....	8
V. Burden Hours.....	9
Attachment A: Taxpayer Survey.....	10
Attachment B: Tax Preparer Email Invitation to Participate.....	35

The OMB number for this study is 1545-1432.

If you have any comments regarding this study, please write to:

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

I. Introduction

Background

The Joint Operations Center (JOC) supports 25 contact center locations providing enterprise direction and solutions to enhance the delivery of the taxpayer experience in a multi-channel environment. The IRS ITLA/COLDS R2 team is in the process of developing an interactive online tax tool to encourage taxpayers to migrate online to answer their tax law related questions instead of using other more costly channels like call for toll-free telephone assistance or visit IRS walk-in centers.

Accordingly, the IRS is seeking to understand what drives customers to migrate online for self-service, which functionality would enhance the migration, which types of tax law related questions they'd like to answer in the online channel and what barriers to self-service may exist if they have ever navigated the IRS.gov portal.

In order to understand these relationships, the IRS has determined that it must assess customer behavior and preferences to understand the categories best suited to online self-service. The IRS has contracted with Forrester Research (under subcontract to Lockheed Martin, MSD, Inc.) to execute quantitative research with taxpayers who have had a tax law related questions in the past two years or anticipate having a tax law related question in the next year in order to understand which tax law categories should be migrated to an interactive online tax tool.

The primary objective of preceding research efforts commissioned by the IRS has been to optimize the IRS website content effectiveness in meeting taxpayer needs. The results of the previous survey provided definitive guidance regarding the relative appeal and likely utilization of each of the twelve meta-content categories.

Objectives for Data Collection

Forrester Research will profile the approach behavior preceding a site visit provides valuable context for understanding the specific role played by the IRS website in meeting the overall taxpayer information needs.

Developing the approach profile involves:

- Identifying the full range of resources that are used to address the customer's tax related question;
- Determining the sequence in which these resources are used and any common patterns related to how one tax information resources influences use of another;
- Determine how each tax information resource is used to address the taxpayer's question; and
- Determining the role played by the IRS website in addressing the customer's need (i.e., are there dependencies on other resources; how important is the IRS website?).

The OMB number for this study is 1545-1432.

If you have any comments regarding this study, please write to:

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

II. Methodology

Who Is Conducting Research

The IRS has contracted with Forrester Research under subcontract to Lockheed Martin, MSD Inc. to conduct the research. Forrester Research is partnered with Momentum Market Intelligence to provide design and analysis of custom primary research. Momentum Market Intelligence will subcontract the data collection tasks of the research to an online panel vendor, eRewards.

Sample Design

The primary target audience for this research is taxpayers participated in the 2009 IRS Online Tax Information Tool Feasibility Study. There are 2080 taxpayers to be re-contacted for this research. The goal is to re-contact a sufficient number of taxpayers (total N=600) to achieve a total of 1,800 evaluations across the 12 TLC categories (N=120 per category).

eRewards will administer the online panel portion of the study. The sample will consist of the 2,080 taxpayers from their Consumer panel of approximately 2.5 million participants that participated in the 2009 study. More information about eRewards can be found by contacting them at ask@e-rewards.com or 1-888-203-6245.

Re-contact participants will receive an invitation to participate in the research via email. (See attachment B for example email invitation). Although these participants have been pre-screened, they will be asked to answer an additional screening question to identify eligible survey respondents (see survey instrument in Attachment A for specific screening questions).

Data to Be Collected

Please see the attached questionnaire (see Attachments A) for the details of information to be collected. Data from the surveys will be quantitative in nature. The surveys will consist of a series of closed-ended and open-ended questions designed to meet the objectives stated above and elicit customer preferences for an online self-service tool.

How Data Will Be Used

This information can be used to develop marketing/communication strategies, IRS website user segmentation profiles, and website customization recommendations designed to align content with the actual experience of the customer. The proposed survey would address the question – how can the content delivered via the IRS website be best leveraged with the full range of other resources used by a customer to address the underlying tax question(s).

How Data Will Be Analyzed

The proposed approach is a hybrid ethnographic type study that will produce a series of path charts showing the sequence of events surrounding use of the IRS website. These path charts will indicate the relative utility/influence of each resource involved in the path and identify any critical inter-dependencies related to the IRS content. Expected analytic techniques include frequency distributions, cross-tabulations, mean scores, T-tests, analysis of variance (ANOVA) to determine significant differences between groups, and correlation analysis.

The OMB number for this study is 1545-1432.

If you have any comments regarding this study, please write to:

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

Data Collection Date

The survey will be fielded approximately two-three weeks after OMB approval is received, to enable programming and testing of the survey prior to launch. Data will be collected over a 30-day period. Ideally, survey fielding will take place between September and October, 2010.

Location

Data will be collected over the phone and online, so there is no specific location for testing.

Cost of Study

The approximate cost of this study is \$138,847. This number includes recruitment costs, labor costs, participant stipend, and other direct costs.

Stipend

Each individual participant will receive an incentive as a token of appreciation for their time participating in the voluntary research. Each taxpayer that completes the survey online will receive the typical incentive provided as part of their participation in the eRewards panel (incentive costs are built into overall interview costs; these are not provided separately).

Each eRewards' panel member earns eRewards currency or points (depending on the panel) for the time he/she spends answering market research surveys. Members can redeem their currency/points for a variety of valuable rewards that are of interest to them. Incentives are based on the value of the sample group (B2B, B2C, or Specialty Group) and estimates of the time and effort required to fully complete a survey.

Recruitment Efforts

This data gathering effort will be carried out by re-contacting respondents from the 2009 IRS Online Tax Information Tool Feasibility Study.

All respondents, have been prescreened and will be further qualified for participation by answering an additional question in the screening section of the overall survey instrument (see Attachment A).

Expected Response Rate

The expected response rate for the online re-contact survey is 30%. This means that 2,080 respondents will be invited to participate, which will ultimately result in 600 completed web interviews, since we estimate the qualifying incidence among these re-contacted respondents to be approximately 100%.

Justification for Response rate less than 50%

The standard response rate for panel sample such as we are using for the online survey is 20%. Given the time lapse between the original survey and this re-contact we anticipate that respondents will be less likely to make the connection between the two surveys and participant in the latter.

Methods to Maximize Response Rate

Forrester/MMI will strive to maximize response and cooperation rates among those selected in the sample. Online potential respondents will receive up to 3 reminder email invitations to participate in the research. Respondents who partially complete surveys will receive extra reminder emails in order to maximize responses.

The OMB number for this study is 1545-1432.

If you have any comments regarding this study, please write to:

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

Efforts to Not Duplicate Research

The goal of the research is to build upon the foundation already laid by previous research efforts. While some similar questions and answer option lists may be used in the current research in order to ensure continuity of data across studies, the research design team has reviewed previous research conducted in the past by the IRS on channel usage and other topics associated with the objectives of this research in order to avoid duplication of the research.

Test Structure/Design

Data collection for taxpayers will occur via an online survey of approximately 20 minutes in length.

Sections of the survey instruments include:

1. Introduction and Screening
2. Evaluation of TLC categories
3. Rating of IRS.gov

Please see the attached survey instrument for details about the specific questions that will be asked (Attachment A).

III. Participant Criteria

The target population for this test is the universe of people who may call an IRS call center for customer service. Please refer to the attached survey instrument (Appendix A) for more specific qualification criteria. A summary is below:

Taxpayer Qualification Criteria Summary

- Must not work in tax preparation, for the IRS, in market research, or in management consulting
- Must be between 18 years old and 65 years old
- Must have filed (or had a representative file) a tax return in 2009 (for the 2008 year) – either electronically, or via mail
- Must have had a question in the past two years, currently, or anticipate having one in the future regarding any of the following tax law issues **(WILL SOFT QUOTA FOR MIX OF ISSUES)**:
 - o How to file taxes or filing requirements
 - o Who they can claim on their return
 - o Money paid, received, or saved for education
 - o Credits they may be able to take on their return
 - o What they can take as a deduction or expense
 - o Claiming various types of income, payments, awards, winnings, etc.
 - o Work related questions or questions around if they employed others
 - o Retirement savings including IRAs, pensions & annuities, social security, etc.
 - o Gains/losses from selling or losing investments or property
 - o Questions for foreigners living or working in the U.S. or who won property in the US
 - o Questions for U.S. citizens with foreign income or who paid taxes in another country
 - o Questions about your responsibility for your spouses or ex-spouses debt
- Soft quotas for mix (based on IRS tax filing population data) of:
 - o Age
 - o Income
 - o Method of filing – electronic, mail
 - o Preparation of return – use tax preparer or not
- Soft quota of future/anticipated tax law questions only not to exceed 25%

The OMB number for this study is 1545-1432.

If you have any comments regarding this study, please write to:

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

IV. Privacy, Security, Disclosure, Anonymity

We will protect the privacy of participants by not connecting respondent names or other personal identifying information to the data used in analysis and reporting. All respondents will be issued an ID number as the only identifier in the data. We will also control official access to the information and will not allow public access to the information. The questionnaires and any data collected during the survey will be stored in a secure location for three years, and then destroyed.

Forrester Research, Momentum Market Intelligence, and data collection subcontractors adhere to the CASRO (Council of American Survey Research Organizations) standards for privacy and anonymity. The IRS will ensure compliance with Taxpayer Bill of Rights II. All participants will be treated fairly and appropriately.

The security of the data used in this project and the privacy of participants will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A7B. Physical security measures include a locked, secure office. Data security at the appropriate levels has been accomplished. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all participants. This includes criterion for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

Anonymity will be safeguarded. During the data collection process, participants will not be identified to IRS personnel. In addition, no participant names will be mentioned in the reports or data files. Participants will be advised that comments will be audio taped. Anonymity is assured by virtue of agency policy. The terms of IRS's contract with the data collection requires that the anonymity of any data be maintained.

V. Burden Hours

The estimated time to complete each survey, from screening to completion, is 20 minutes.

ONLINE- The 2080 taxpayers that participated in the 2009 IRS Online Tax Information Tool Feasibility Study will be re-contacted. We anticipate a 30% response rate, but we know that not all respondents will open the email invitation. We are assuming that 50% of those invited will actually spend any time reading the invitation. The time to read and decide to not take part in the survey is estimated at 1 minute. We further anticipate that approximately 100% of taxpayers screened for this study will qualify. Generally, participating taxpayers are pre-screened for this survey. The additional screening portion is estimated to be 2 minutes.

2028 online participants screened at 3 minutes each = 6,084 minutes = 101.4 hours

600 online participants completed at 17 minutes each = 10,200 minutes = 170 hours

Total burden hour estimate = 271.4 Hours