

OMB Clearance Package Form 1040EZ Instructions Redesign

Introduction

The Tax Forms and Publications (TF&P) Office of the Internal Revenue Service, Wage and Investment division, creates tax forms, instructions, and related publications to enable taxpayers to understand and fulfill their filing and reporting obligations under the tax laws of the United States. Many of the provisions of the tax laws are very complex. The forms, instructions, and publications developed in TF&P necessarily reflect this complexity and may be lengthy, complex, and difficult for taxpayers to understand.

TF&P has used focus groups, laboratory testing, and other methods in the past to determine the usability by taxpayers of various forms, instructions, and publications. These have resulted in the adoption of various specific suggestions for improvement to specific products. TF&P requires the continued use of such tools to improve the materials it produces.

Background

TF&P has used focus groups in the past to determine the usability by taxpayers of various forms, instructions, and publications. These have resulted in the adoption of various specific suggestions for improvement to specific products. TF&P requires the continued use of such tools to improve the materials it produces.

Objectives of Research

The objective of the focus group is to gather input from taxpayers on the revised Form 1040EZ instructions to ensure the instructions are clear and user friendly. Feedback from the focus group participants will be used to improve the product.

The specific business questions to be explored by this project are:

- What are the taxpayers' views on the redesigned Form 1040EZ instructions?
- What improvements, if any, are needed to make the Form 1040EZ understandable and user friendly?

This information will assist the division in developing clear tax products that assist taxpayers in voluntarily meeting their tax obligations. To achieve these objectives, the service has developed test scenarios and plans to conduct a total

of 8 focus groups, (two per city) in four separate cities. Each focus group will consist of at least eight (8) participants, with ten (10) being the ideal number of participants. Upon arrival, participants will be re-screened to confirm their eligibility.

TF&P also expects to gain knowledge of the overall reaction to the revised instructions, discover what parts of the documents lead to error or misunderstanding, and to determine what in the documents taxpayers find most useful. TF&P also expects that taxpayers will provide specific suggestions for improvement to these draft documents. Upon completion of this project, the moderator will submit a report of findings to TF&P to assist in finalizing the format and language of the forms and instructions.

Methodology

Sample Design

The population for this study consists of taxpayers, who file a Form 1040A or 1040EZ and are familiar or prepare their own tax return. In addition, at least 50% of participants must have completed their own tax return last year. Although taxpayers that are paper filers are most desirable, the 50% self-prepared recruitment requirement can be met with a mixture of both paper and software self-preparers. The maximum number of participants per focus group will be twelve.

Data Collection Date

Data will be collected in May 2008.

Data to be collected

Data gathered will be the opinions to taxpayers' reactions to the redesigned Form 1040EZ instructions. Data will be gathered on the following:

- ease of use
- readability
- overall content
- usefulness
- clarity of language
- layout and organization
- ease of navigation
- graphics
- type size and font
- order of presentation
- ease of locating information

- navigational aids

How the data will be used

The goal of a focus group is to solicit general opinions about a topic. An important aspect of focus groups is that they give rise to insights and solutions that may not be derived from other methods. Focus groups interviews are qualitative research, meaning no statistical difference between groups can be determined. Specifically they are a directed discussion with small groups of six to twelve people on a specific topic.

Experienced moderators from TF&P will conduct the focus groups utilizing the moderator's guide developed (see Attachment 2).

Audiotapes and scribes' notes will be utilized to assist with feedback documentation during the focus groups.

Who is conducting the research?

TF&P will conduct the research.

Location- Region/city and facilities

TF&P will conduct two focus group at each of the following cities:

- Austin, Texas;
- Chicago Illinois;
- Seattle, Washington; and,
- Virginia Beach, Virginia.

Facilities to conduct the focus groups will be provided by the vendor.

Stipend

The stipend will be \$75 per participant for a 2 hour session. The stipend is a reflection of the length of time required for participation in this study.

Recruitment efforts

Using a screening guide, a vendor will recruit participants for this study. (See Attachment 1)

Efforts to not duplicate research

Direct interaction with taxpayers through focus groups has been a research design used by the IRS for a number of years. Since the redesigned Form 1040EZ instructions are new, they have not been previously tested. There is no duplication of research.

Test structure / design

First, participants will look at the current Form 1040EZ instruction booklet to gather information on the current product. Participants will be asked questions specific to the content, layout and appearance of the instructions. Next the participants look at the revised Form 1040EZ instructions. Following this portion of the testing session, participants will be asked a series of open-ended questions about their reaction to and recommendations for changes to the revised Form 1040EZ instruction booklet and asked a series of questions to gather information on the revised product. Next, participants will be asked to fill out a Form 1040EZ using the revised instructions. Participants will be asked a series of questions on how useful the revised instructions were in completing the form.

Sampling Plan

Each focus group will have eight to ten participants. Research has demonstrated that this number of participants helps create the best group dynamics: the groups are sufficiently large to stimulate relatively spontaneous interaction, but small enough to give everyone sufficient opportunity to speak.

The Screener's Guide will be used to qualify and select focus group participants. The interviews will gather qualitative data only that will not be, nor presented to be, representative of the population.

III. Participants Criteria

In order to participate in the study, participants must have the following characteristics:

1. Form 1040A or 1040EZ filer and familiar with their own tax return
2. File as Single or Married Filing Joint
3. Have no dependents
4. Wage earners

In addition, at least 50% of participants must have completed their own tax return last year and 75% to 80% filed a Form 1040EZ. Although taxpayers that are paper filers are most desirable, the 50% self-prepared recruitment requirement can be met with a mixture of both paper and software self-preparers.

IV. Privacy, Security, Disclosure, Confidentiality

The data returned to IRS TF&P will not have any form of identifying information relating specific records to individual taxpayers. Nonetheless, TF&P will ensure that privacy, security, and confidentiality of the aggregated results will receive utmost attention. Public and official access to the information will be tightly controlled. The computer files containing this tabulated information will remain password protected at all times. Data security approaching level C-2 will be accomplished using the Windows XP operating system.

DVDs used to record testing sessions will be either erased or destroyed when the project is completed and there is no further need for the data.

We will apply fair information and record-keeping practices to ensure protection of all taxpayers. The criterion for disclosure laid out in the Privacy Act, the Freedom of Information Act, and section 6103 of the Internal Revenue Code, provides for the protection of taxpayer information as well as its release to authorized recipients.

Estimated burden hours

The estimated time to complete the participant screening is 5 minutes. The estimated time for each reminder call is 1 minute, with each testing session lasting 2 hours. It is estimated the 10 percent of taxpayers contacted for the study will qualify and be willing to participate. Using this percentage, a total of 960 individuals will need to be screened to recruit the needed 12 participants (10 study participants and 2 back-up participants).

Total number of potential participants screened	960
Estimated time to complete screening	5 minutes
Reminder phone calls (study participants only) 1 minute/call)	80 minutes (80 x

**Estimated participant screening burden
(960 x 5 + 80 minutes) 81.3 hours**

Number of participants	80
Time to conduct study	2 hours

**Estimated study burden
(80 x 2) 160 hours**

Estimated Total project burden hours 241.3 hours

Focus group arrangements

A vendor will handle all logistical arrangements for the focus groups to ensure that:

- Each participant receives directions to the focus group room;
- Each participant is re-screened upon arrival at the facility to confirm eligibility;
- All materials are ready for use in the focus group session, including tables and chairs, flip charts, colored markers, note pads, pencils and audiotapes;
- Customary refreshments appropriate to the time of day are available for the focus group participants;
- Audio equipment is operating properly;
- Honoraria to participants are distributed upon the completion of the session;
- Last names or other identifying information is NOT available to IRS personnel.

VI. Estimated Costs

The total estimated cost associated with this study is \$38,000.

Special Tallies and Other Information

Within 60 days after the focus groups are completed, we will provide the following information:

- 1) Findings.
- 2) Actions taken or lessons learned.
- 3) Number of requests or attempts for taxpayer participation.
- 4) Number of focus group participants.
- 5) Date the data collection began.
- 6) Date the data collection ended.
- 7) Actual Burden Hours
- 8) Cost.

Attachments

Attachment 1 Screener Guide and Reminder Call Script

Attachment 2 Moderator Guide

Attachment 1
Form 1040EZ Instructions
Screener's Guide

Introduction: Hello, I'm _____ with the research firm of XXXX. We are assisting the Internal Revenue Service with a research study on a revised tax form instruction booklet they are developing. The IRS is interested in getting your opinions about the changes to this revised booklet, compared with the earlier version, and in getting your recommendations for further changes. You would be part of an informal group discussion—commonly known as a focus group—along with about 10 other people. Your assistance will help the IRS make further improvements to this product.

Qualifying Questions: If you are interested in participating, I need to ask you a few qualifying questions. These questions should take no more than five minutes of your time. Your name and 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, with your total involvement requiring about three hours, including your travel time.

If you like, I can give you a name and address where you can send comments and questions regarding these time estimates or suggestions for making this process simpler.

[Read only if Respondent asks for address]

IRS Tax Products Coordinating Committee, 1111 Constitutions
Avenue NW, Washington, DC 20224

IRS personnel will observe and moderate the focus group, but they will be given no information about you other than your first name.

[If Participants ask how their name was obtained, tell them their name was randomly selected from a national listing of individuals who could potentially file a Form 1040EZ.]

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

1. Are you filing a tax return, or have you already filed a tax return, for tax year 2007?
[] Yes. Continue.
[] No. Thank and Terminate.

2. Do you, or anyone else in your immediate family, work in the market research or survey research industry?
 Yes. Thank and Terminate.
 No. Continue.
3. Are you single?
 Yes. Go to Question 5.
 No. Continue.
4. Do you file a joint return with your spouse?
 Yes. Continue.
 No. Thank and Terminate.
5. Do you claim any dependents?
 Yes. Thank and Terminate.
 No. Continue.
6. For tax year 2007, how did you prepare your return?
 - a. Prepared it yourself using paper and pencil? Continue.
 - b. Prepared it yourself using a computer? Continue. (Try to get a mix between 6a and 6b respondents, with a concentration on 6a respondents.)
 - c. Used a preparer? Thank and Terminate.
7. For tax year 2007, what type of tax return did you file?
 - a. Form 1040 (the "long" form—printed in blue if you got a form with color)? Thank and Terminate.
 - b. Form 1040A (the "short" form—printed in red if you got a form with color)? Continue.
 - c. Form 1040EZ (the shortest form—printed in green if you got a form with color)? Continue. (Try to get 75% to 80% that filed a 1040EZ.)
8. Did you work for wages in 2007?
 Yes. Continue.
 No. Go to Question 10.
9. Were your wages the only type of income you received and reported in 2007?
 Yes. Go to Question 11.
 No. Continue.
10. If you had other income, was it interest or unemployment?
 Yes. Continue.
 No. Thank and Terminate.
11. Have you worked as a paid preparer of income tax returns for others in 2008 or 2007?

- Yes. Thank and Terminate
- No. Go to Invitation.

12. Gender (RECORD; TRY TO GET A MIX)

- Male.
- Female.

INVITATION TO ELIGIBLE RESPONDENTS:

[IRS would like to get as many participants who filed Form 1040EZ (i.e., they answered 7c), but will accept participants who answered 7b or finally 7a, if they otherwise qualify.]

We would like to invite you to attend a focus group discussion with about 10 other people to discuss a revised IRS tax form instruction booklet. We are not trying to sell you anything and you will only be asked to express your opinions. This discussion will last approximately two hours and will held at (INSERT LOCATION). You will receive \$XX for participating in this important research study.

13. Can you attend?

- Yes. Continue.
- No. Go to Question 15.

14. If yes, say: Thank you for agreeing to participate. We will be mailing you a letter and calling you the day before the discussion to confirm the time and location. Could you please give me your:

Name: _____

Address: _____

_____ (zip) _____

Phone # (home) _____ (work)

Email: _____

If you have any questions about the group, please feel free to call Patricia Wagner at the following toll-free number: 1-202-622-3296.

We look forward to seeing you at the group discussion and appreciate your willingness to take part in this important research study.

15. If NO, say: I'm sorry that you are not interested in participating in the session. May I ask why you are not interested? (RECORD RESPONSE.)

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

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 IR-6526, Washington, DC 20224*

Reminder Call Script

Hello, my name is _____ with _____. May I speak with _____{Participant name}.

{Once you have participant on the phone}

We just wanted to remind you that we are looking forward to seeing you tomorrow at (time) at (location) to talk about the Form 1040EZ instructions.

Attachment 2

Focus Group Moderator's Guide Revised 2008 Form 1040EZ Instruction Booklet Focus Groups

INTRODUCTION

Introduction of the moderator.

Explanation of the nature of the general study—to provide input on the revised Form 1040EZ instruction booklet to the Tax Forms and Publications Division of the IRS.

Explanation of the purpose of the focus group approach—to explore in a semi-structured manner what people think about the issues.

- The group discussion of the issues often generates deeper insights than individual one-on-one interviews.
- A topic oriented discussion of issues allows the participants to identify the important dimensions that might be lost in a structured interview setting.
- It's interactive so that the participants can talk back to us—ask what we mean, tell us when a question doesn't make any sense, or means different things to different people.

BASIC GROUND RULES:

- For the IRS to speak with the public, we are required to have approval from the Office of Management and Budget. The approval number for this project is 1545-1349. Also, if you have any comments regarding the time estimates associated with this study or suggestions for make this process simpler, please write to the: IRS Tax Products Coordinating Committee, 1111 Constitutions Avenue NW, Washington, DC 20224.
- To ensure your privacy, our contract with this facility forbids them to tell us anything about you except your first name.

- We are audio-taping the meeting for use in preparing a report about findings. Because we are taping this meeting, I ask that you speak loudly and clearly. If I think you are speaking too softly to be heard on the tape, I will ask you to speak up.
- Please speak just one at a time so everyone has a chance to participate.
- Don't engage in side conversations—we need for everyone to hear what the others are saying and for everything that's said to be heard easily on the tape.
- Sometimes I'll go around the table and ask everyone for their input. At other times, I will just throw a topic open for general discussion.
- Participation—we need to get a full range of opinions, and we need everyone's participation. You are here to talk. I am here to listen. I am not an expert in tax law so I cannot answer questions that involve tax law represented in the revised instruction booklet.
- No evaluation—there are no right and wrong answers. We expect differences in how people see things, and we need to know about these differences.
- Feel free to disagree or question each other. The purpose of a group session is that we learn things in group interchanges that we don't get out of one-on-one discussions. If someone says something you disagree with, please let us know.
- Some observers are present behind the two-way mirror. They want to hear what you have to say about the topics we'll discuss, but we don't want you to feel constrained by their presence.
- If you have a cell phone, please turn it off, or set it to vibrate. We don't want the group to be disturbed and we also need your full attention during the session.
- The session will last about two hours.

SPECIFIC GROUND RULES

While there may be other issues that participants would like to raise with respect to the IRS, our time is limited and we want to focus on the particular tax product we will be discussing—a revised Form 1040EZ instruction booklet.

INTRODUCTION OF PARTICIPANTS

Let's go around the table. Please introduce yourself (first name only, please) and tell us what you do.

How many of you have been in a focus group before?

CURRENT (2007) FORM 1040EZ INSTRUCTIONS

Let's talk about the current Form 1040EZ instructions.

Many of you have seen these instructions before. I am passing out copies to refresh your memory.

- What is your reaction to these instructions?
Probe: Concerns and comments about print size, font type, graphics, layout, organization, etc.
- Has anybody recently used the Form 1040EZ instructions to complete their tax return?
- Thinking back to preparing Form 1040EZ, how would you describe your experience in completing the form using the current instructions?
Probe: Details about the experience.
- Where do you get the Form 1040EZ instructions (mail, online, library, post office, etc.)?
- How would you rate your experience with finding something in the instructions?
Probe: Is it easy? If so, why? Is it difficult? If so, why?
- What are you looking for in the instructions?
- How do you go about finding something in the Form 1040EZ instructions?

- Overall, how would grade the current Form 1040EZ instructions, using a grading scale from A to F? Why would you give the instructions that grade?

REVISED (2008) FORM 1040EZ INSTRUCTIONS

Now we are going to hand out the revised Form 1040EZ instructions. We are also handing out a copy of the 2008 Form 1040EZ because you will need it for our discussion and also to do an exercise later on.

- What do you think about the general look and layout of the 2008 Form 1040EZ instructions?
Probe: Concerns and comments about print size, font type, graphics, layout, organization, etc.
- How easy is it to find something in the instructions? Is there anything that would make this process easier for you? Is there anything that makes it more difficult for you?
- Are there any design features that help you when you are reading the instructions?
- How easy is it to understand the language in the instructions?
 - Probe: Is the language clear?
- I am now going to go over some information in the instructions to get your opinion on how helpful they are for completing your return:
 1. Index
 2. Charts and worksheets
 3. Examples
 4. Icons
 5. Tables
 6. Tax help
- How complete are the instructions? Is there any additional information you would like added to the instructions?
- What do you like most about the revised 1040EZ instructions?
- What do you like least about the revised 1040EZ instructions?
- Do you think the revised instructions are an improvement over the current instructions?

- For those that think it is an improvement, can you please explain why?
- For those that think it is not an improvement, can you please explain why not?
- Are there any other suggestions you have for improving the instructions?

SCENARIO WITH THE FORM 1040EZ INSTRUCTIONS

I want to ask you to work with a scenario we have developed. You will be using copies of the 2008 Form 1040EZ instructions and copies of Form 1040EZ. Please take 15-20 minutes to complete the scenario and then we will continue our discussion. Please mark any areas of difficulty you encountered so we can discuss these issues later.

Discussion points

- As you completed the form using the scenario, did you encounter any difficulties?
- Were these difficulties resolved by reference to the instructions?
- What difficulties did you have with the instructions?
- How easy was it to go back and forth between the instructions and the Form 1040EZ?
- How useful were the instructions in completing the scenario?
- Was there anything about the revised instructions that assisted you in completing the scenario?
- Now that you have completed the scenario, are there any specific changes you can suggest to improve the instructions, other than changes you suggested earlier in our discussion?
- If you had a computer available, would you use the IRS website (www.irs.gov) to find the information you need?
Probe: How would they use it? Would it be to get forms and publications mentioned, get answers to questions about preparing their return, etc?

SUMMARY

Thinking about our entire discussion tonight about the Form 1040EZ instructions, is there anything else you would like to share about them?

(Moderator excuses herself to go into the client room to ask observers if there is anything they would like to ask or have clarified.) Asks any other questions/clarifications upon return.

Thank you for coming here tonight and sharing your thoughts and ideas with me. You have given us a great deal of help. Please check with the hostess on your way out of this room. Good night!