

**OMB Supporting Statement
IRS Large & Mid-Size Business Division
Form 1040NR Improvement Discussion
International Customer Focus Groups 2008**

Background

In FY07 a reorganization of International led to LMSB acquiring a new group of International taxpayers from Small Business/Self Employed. These taxpayers are individuals, partnerships and corporations with addresses outside of the US but who have US taxable income. Nonresident aliens engaged in a trade or business in the United States must file a Form 1040NR. The majority of these returns are completed by tax professionals on behalf of the taxpayers. These taxpayers' returns are audited by field audits and correspondence audit. . .

IRS hosts annual Nationwide Tax Forums to inform practitioners and professionals about current laws, practices, procedures, and other topics that affect the tax professional community. Aside from seminars and workshops, the Forums also include focus group sessions with approximately twelve tax professionals in each group. The focus groups provide an opportunity for IRS to solicit feedback from tax professionals.

LMSB is seeking innovative ways to improve relationships, save resources and make compliance with tax law easier. To this end, LMSB seeks comments from tax professionals on the redesign of Form 1040NR. LMSB is proposing to conduct two focus group sessions at four of the Nationwide Tax Forums. By surveying and analyzing the comments and suggestions of tax professionals, it will afford LMSB management the opportunity to make informed business decisions to improve the form to reduce taxpayer and Internal Revenue Service burden and ultimately enhance tax administration.

Objectives

The overall objective is to use the practitioner feedback to identify and prioritize improvements to the Form 1040NR. The moderator's guide will be designed to gather practitioner feedback, experiences and suggestions with regard to the completion of Form 1040NR. The product of the International Focus Groups should facilitate more effective management of LMSB by:

- Providing insight from the customer's perspective about possible improvements to the Form 1040NR.
- Providing useful input for program evaluation and execution of the revision of the Form 1040NR.

Methodolgy

Sample Design

IRS staff will randomly solicit Nationwide Tax Forums attendees to participate in the focus groups. Staff will use the Screener's Guide (Attachment A) to select participants. The focus groups will only generate qualitative data that will not be, nor presented to be, representative of the population.

Data Collection Dates

Data will be collected at the following Nationwide Tax Forums 2008 locations.

Orlando	Aug 5-7
Las Vegas	Aug 19-21
New York	Aug 26-28
San Diego	Sep 9-11

Data to be collected

Since the focus group analysis is strictly qualitative in nature, feedback and impressions noted during the sessions will be reported. The data will result from critical questions and themes contained in the Moderator's Guide (Attachment B) that will be answered by the participants during the focus group sessions.

Demographic information and participant comments will be collected during the focus groups.

How data will be used

The data will be used to evaluate how to revise the Form 1040NR that will reduce taxpayer and Internal Revenue Service burden and enhance tax administration.

How data will be analyzed

As the data resulting from focus groups is qualitative in nature, the analysis will consist of a report of the feedback and behaviors recorded during the focus groups. The demographic data will be tabulated and frequencies will be reported.

Who is conducting research?

LMSB Planning, Quality, Analysis and Support in conjunction with LMSB International, Globalization Strategy & Policy will be conducting the research.

Location- Region/city and facilities

Orlando, FL Aug 5-7	Orlando World Center Marriott 8701 World Center Dr. Orlando, FL 32821
Las Vegas, NV Aug 19-21	RIO All Suites Hotel 3700 W. Flamingo Las Vegas, NV 89103
New York, NY Aug 26-28	Hilton New York 1335 Avenue of the Americas New York, NY 10019
San Diego, CA Sept 9-11	Town and Country Resort and Convention Center 500 Hotel Circle North San Diego, CA 92108

Recruitment efforts

Recruiting will be conducted onsite to ensure that twelve participants at each location will meet the eligibility requirements listed below. IRS screener/scribes will recruit the participants by advertising from a booth at each of the forums and record each attempt on the Recruiting Attempts Sheet (Attachment C). They will use the Screener's Guide (Attachment A) to screen volunteers for eligibility. No more than 20 individuals will be recruited for each focus group. Each of these 20 individuals' first names will be noted on the Participant List (Attachment D) and they will receive a reminder card (Attachment E) so that they know when and where the focus group will be conducted. At the beginning of each session, the first 12 focus group participants to arrive at the designated room (from the 20 recruited) will be the participants for that session.

Participants Criteria

In order to participate in these focus groups, participants must have the following characteristics:

1. Be over the age of 18
2. Enrolled attendee at the IRS Nationwide Tax Forums
3. Experience with Form 1040NR

Privacy, Security, Disclosure, Confidentiality

LMSB, PQAS will ensure that the utmost scrutiny is given to privacy, security, and disclosure when reporting comments from the focus groups. No individual taxpayer data will be used for this project. Only qualitative data derived from focus group discussion will be used in the

report. During recruiter screening and moderation of the focus groups only the first name of participants will be used (and the initial of the last name in the event of duplicate first names). We will limit and control the amount of information that we collect to those items that are necessary to accomplish the research objectives.

We will protect the privacy of the focus group participants by not using names in our report. We will also control official access to the information and will not allow public access to the information. The demographic questionnaires will be destroyed when we have completed the project and there is not further need for the data. Tapes used to record focus group discussions will immediately be erased when we have completed the project and there is no further need for the data or after the information is transcribed.

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.

Burden Hours

The estimated time to complete the participant screening is 5 minutes and the estimated time for each focus group session is 2 hours. An estimated 25% of tax professionals contacted for the focus groups will qualify and be willing to participate. Using this percentage, a total of 640 individuals will need to be screened to recruit the needed 96 participants (96 focus group participants and 64 reserve participants).

Total number of potential participants screened	640
Estimated time to complete screening	5 minutes
Estimated participant screening burden	53 hours (640 x 5/60)
Estimated number of participants	96
Time to conduct study	2 hours
Estimated participation burden	192 hours (96 x 2)
Total project burden hours	245 hours

Justification for responses rate below 50%

Through the attendance of seminars and workshops, the primary goal of tax professionals who attend the IRS Nationwide Tax Forums is to learn about current laws, practices, and procedures related to tax preparation. Due to scheduling and the multiple demands on their time, the majority of attendees will not have the availability to participant in focus groups. It is therefore estimated that more individuals will need to be screened to achieve the necessary 12 participants per session.

Estimated Cost

The total estimated cost associated with this study is: \$11,500.

Attachments

- A: Screener's Guide
- B: Moderator's Guide
- C: Recruiting Attempts Sheet
- D: Participant List
- E: Reminder Card