

Office of Management and Budget (OMB)

Clearance Package

Internal Revenue Service (IRS)

2008 Nationwide Tax Forums

**Improving the IRS First Contact Resolution
With
Tax Practitioners**

Taxpayer Assistance Blueprint (TAB) Project 2.02 (2)

**Internal Revenue Service
Small Business/Self-Employed Research
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Background

In 2005, Congress requested the IRS develop a five-year plan for taxpayer service. The IRS implemented the Taxpayer Assistance Blueprint (TAB) project as a two-phase effort designed to answer questions about the service needs and preference of individual taxpayers. TAB is a collaborative effort of the IRS, the National Taxpayer Advocate and the IRS Oversight Board.

TAB Phase 1 included significant stakeholder and employee engagement, as well as preliminary research relative to taxpayer needs, preferences and behaviors. TAB Phase 2 built on the themes identified in Phase 1 with extensive additional research, including taxpayer surveys. The significant stakeholder engagement begun in TAB Phase 1 continued throughout Phase 2. Delivered to Congress in April 2007, the TAB Phase 2 report outlined the Strategic Plan for taxpayer service that will help the IRS enhance the services we deliver to taxpayers and partners.

The Strategic Plan includes:

- A comprehensive portfolio of service improvement recommendations.
- A sound implementation strategy to ensure that taxpayer service remains a key consideration in IRS budget and strategic planning processes.
- A recommended set of future research studies to further enhance understanding of taxpayer and partner service needs, preferences and behaviors.
- A governance structure to facilitate and monitor implementation of TAB recommendations.

The mission of the IRS Small Business/Self-Employed (SB/SE) operating division is to provide SB/SE customers with top-quality service by educating and informing them of their tax obligations, developing educational products and services, helping them understand and comply with applicable laws, and to protect the public interest by applying the tax law with integrity and fairness to every taxpayer.

SB/SE Research is committed to supporting this mission by providing support to Servicewide priorities including TAB and expanding research on taxpayer assistance issues. The Nationwide Tax Forums sponsored each year by the IRS offer a unique opportunity for SB/SE Research to solicit the opinions, experiences, and ideas of tax practitioners about important issues for taxpayers and for the IRS. The TAB project has identified an area this year in taxpayer service that would benefit greatly at this time from practitioner input. The topic is first contact resolution with tax practitioners. The initiatives are in process and changes based on practitioner input could be made at this time to improve service to practitioners.

Objectives

The objectives are:

1. To understand the problems encountered by tax practitioners upon their first contact with the IRS; and
2. To learn how to improve IRS first contact resolution with tax practitioners upon their first contact with the IRS.

Methodology

We propose that a focus group interview be conducted with tax practitioners to achieve the research objectives described above concerning how the IRS can improve first contact resolution.

Focus group interviews are proposed because this technique would allow us to achieve the desired objectives, acquiring the opinion information required. As a type of group interview, focus groups use group interaction to stimulate relatively spontaneous responses to the supplied topics. The goal is to explore the feelings, opinions and beliefs people hold, and to learn how these feelings shape overt behavior. Focus groups provide insight and direction rather than quantitatively precise or absolute measures. They are useful for gathering information in a given field and generating hypotheses based on participants' opinions. The main advantage focus groups offer is the opportunity to observe considerable interaction on a topic in a limited period of time. An important aspect of focus groups is that they give rise to insights and solutions that may not come about without them.

Trained focus group moderators from the SB/SE Research division will conduct the group interviews at the 2008 IRS Nationwide Tax Forums. Focus group participants will be solicited from the tax practitioners attending the Forums. Appendix A provides the schedule of the tax forums, which are being held in six cities across the country between July and September 2008. One focus group on the topic will be conducted in each of the six cities, for a total of six focus groups.

The market segment of interest for this research consists of tax practitioners and the taxpayers who are their clients. These are the entities that we hope to impact by using the results of the focus groups to effect changes concerning the focus group topics.

The focus group will consist of from 10 to 12 participants and will be limited to two hours in duration. The SB/SE Research personnel conducting the focus groups will screen potential participants. It is estimated that Research personnel will speak to approximately 60 individuals before inviting 20 of them to participate in the group. Research will issue approximately 20 invitations for the group, since past experience shows that 8 to 10 people out of those 20 will actually come to the focus group. A screening guide has been developed to ensure that all focus group participants have the experience needed for them to offer opinions on the topic. If a practitioner meets the criteria, they will be invited to participate in a focus group. Appendix B

contains the screener guide.

Two trained focus group moderators from the SB/SE Research staff will moderate the focus group. They will use moderator guides developed for the topic. The questions contained in the guide support the objectives. Appendix B also contains the moderator’s guide. One moderator will facilitate and one will take notes during each group. The sessions will also be taped (audio).

The cost of this study will be the travel costs to the IRS incurred by the two SB/SE Research moderators. No cost will be incurred by focus group participants.

SB/SE Research will document the results of the focus group in a formal research report for the IRS. The findings section of the report will summarize the responses for each question from the moderator’s guide and SB/SE Research will offer conclusions, if appropriate, based on the group results.

Burden Estimates

The estimate of taxpayer burden for this research is based on the approach described in Methodology.

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 should be issued to ensure that 10 people will be present for each focus group. Each screening contact will average three minutes.

Estimated number of potential participants screened for the focus group.....60
Estimated screening time per potential participant.....3 minutes
Total estimated burden (time) for screening.....3 hours

Focus Group Burden Estimate

For the focus group burden, we will assume a maximum number of 12 participants in the focus group which will last no longer than two hours.

Estimated number of participants for the focus group.....12
Maximum time per focus group.....2 hours
Total estimated participant burden (time) for the focus group.....24 hours

Total Burden Estimate

The total burden estimate in time is 27 hours.

Privacy, Security and Disclosure Requirements

SB/SE Research will ensure the privacy of those who participate in the focus groups. During the focus groups, no taxpayer identifying information will be obtained about the participants. First names only will be used to facilitate discussion. Audiotapes made during the focus groups will be used to document notes for the report and then will be destroyed. Research 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. SB/SE Research will ensure adherence to these standards, where applicable.

SB/SE Research 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 SB/SE Research 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).

The information Research obtains from the survey 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

SB/SE Communications will provide the following information to OMB within 90 days following the last focus group in September 2008:

1. Findings (a brief summary of significant findings)
2. Number of Conference attendees screened for the focus group
3. Number of Conference attendees invited to participate in the focus group
4. Number of participants in the focus group
5. Date, time, and location of the focus group

Appendix A. Schedule for 2008 IRS Nationwide Tax Forums

<u>City</u>	<u>Dates</u>
Atlanta, GA	July 1-3
Chicago, IL	July 22-24
Orlando, FL	Aug. 5-7
Las Vegas, NV	Aug. 19-21
New York, NY	Aug. 26-28
San Diego, CA	Sept. 9-11

Appendix B. Screener and Moderator’s Guide for “Improving First Contact Resolution with Tax Practitioners” Focus Groups – TAB Project 2.02 (2)