

Office of Management and Budget Clearance Package

2008 IRS Nationwide Tax Forum Focus Groups:

Improving IRS Service to Exempt Organizations

Internal Revenue Service
Tax Exempt and Government Entities Division

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Introduction

Background

The U.S. tax-exempt sector consists of over 1.6 million organizations (not including most churches). These organizations are diverse in size, ranging from small volunteer-run charities to large hospitals and universities.

There are numerous tax laws and filing requirements applicable to obtaining and maintaining an organization's exempt status. Tax Exempt & Government Entities (TEGE) Exempt Organizations (EO) office of Customer Education and Outreach (CE&O) develops and delivers programs and products designed to assist exempt organizations understand their tax responsibilities. The CE&O office, headquartered in Washington, DC, coordinates with Exempt Organization Rulings & Agreements and EO Exam to deliver workshops and other presentations, web-based programs, marketing and communication programs, and publications related to exempt organizations.

In their 2007 Annual Report to Congress, the IRS Taxpayer Advocate Service (TAS) recognized the significant challenges facing CE&O, stating "More and better education and outreach, developed with EOs' input, would help the IRS better leverage its limited resources by reducing inadvertent noncompliance and processing time."¹ TAS recommendations included conducting further research about the tax exempt sector at the tax forums.²

In recent efforts to reach as many EOs as possible with few resources, CE&O has developed many web-based and electronic educational products. This resource-based decision is perceived to have been a good one, as TEGE continues to receive positive feedback on their electronic tools.³ However, TEGE and CE&O recognize the need to better understand the educational needs and preferences of EOs, as well as conduct research on their customer bases use of the internet.

The IRS Nationwide Tax Forums are the IRS' most significant outreach programs to the tax professional community. The 2008 IRS Nationwide Tax Forums will be held in six cities across the nation during July, August and September. These forums provide an excellent opportunity to collect customer opinions and attitudes from practitioners on the current and future products and services of CE&O.

Objectives of Data Collection

The objectives of this data collection effort include obtaining preparers' and Circular 230 practitioners' feedback related to current CE&O products. Specifically, how the products are currently used, how the products can be improved, and how the educational materials could be better disseminated to reach as many EOs as possible.

¹ Taxpayer Advocate Service – 2007 Annual Report to Congress – Volume 1, p. 197.

² Id., p. 209.

³ Survey ratings of EO's StayExempt.org tool have been consistently high – 90 percent of users rate the site as either 'effective' or 'very effective.' Other antidotal evidence suggests users are satisfied with electronic products.

Methodology

Sample Design

A focus group is a qualitative research technique. Data cannot be statistically projected to a universe of respondents. This study will take place at a voluntary IRS customer event.

The attendees of the Tax Forums are primarily practitioners, e.g., return preparers, the majority of whom are enrolled agents or sole practitioner CPAs that may have served EOs as part of their normal tax practice.

In recent years, over 3,500 people have approached the EO exhibit booth at the tax forums. This presents a unique opportunity to obtain feedback from a diverse group of practitioners. Participants for the study will be determined as they approach the TEGE EO exhibit booth and are screened for participation (see **Attachment 1**, *Participant Screener Guide*, for specific screening criteria).

Data to be Collected

Attachment 3, *Moderator's Guide*, contains topics for discussion and outlines the information that will be collected from participants. Primarily, CE&O seeks to obtain practitioner perceptions and usage patterns of EO educational materials.

How Collected and Used

Each focused group discussion will be captured on audiotape, and note-takers will be present in the room. The audiotapes will be reviewed and summarized by CE&O and TEGE Research & Analysis staff. The findings will be reviewed and considered by CE&O in planning how resources will be devoted to future products and services. These findings will be used in conjunction with other research findings obtained by CE&O through other channels. For example, TEGE recently conducted a survey to determine the readiness of small organizations to electronically file an e-Postcard.⁴ CE&O anticipates these research efforts will help them understand if and how EOs use the electronic and web-based products that have been developed to date.

Dates Collection Begin/End

The 2008 tax forums are held in six cities throughout the United States, between July 1 and September 11. TEGE will hold focus groups in all six. The forums run from Tuesday to Thursday in each location.⁵ TEGE will screen candidates for participation on Tuesdays and Wednesdays in each location, and focus groups will be held on Wednesdays. The following table displays the specific dates.

⁴ See "Findings from Mandate Awareness Research For 990-N/e-Postcard," January 2008, Russell Research.

⁵ The Las Vegas location forum runs from Tuesday to Friday.

Data Collection Dates

<u>Recruiting</u>	<u>Focus Groups</u>
Tuesday/Wednesday July 1/2, 2008	Wednesday July 2, 2008
Tuesday/Wednesday July 22/23, 2008	Wednesday July 23, 2008
Tuesday/Wednesday August 5/6, 2008	Wednesday August 6, 2008
Tuesday/Wednesday August 19/20, 2008	Wednesday August 20, 2008
Tuesday/Wednesday August 26/27, 2008	Wednesday August 27, 2008
Tuesday/Wednesday September 9/10, 2008	Wednesday September 10, 2008

Who is Conducting the Research

CE&O requests this research. The moderator's and screener's guides were developed by TEGE Research & Analysis staff with the assistance of CE&O.

The focus groups will be moderated by trained IRS facilitators and assisted by TEGE EO staff.

Cost of Study

The estimated cost of this study is \$6000. This amount includes travel expenses for IRS moderators to travel to each of the six US locations. TEGE staff already attending the event will assist with recruiting and note taking.

Stipend

A monetary stipend will not be offered to participants.

Recruitment Efforts

Practitioners approaching the TEGE EO information booth will be asked to participate in the focus groups. TEGE expects – based on interest for TEGE EO seminars and workshops – those practitioners who prepare returns for exempt organizations will be interested in EO educational materials and willing to participate in focus groups.

Additional recruiting beyond the EO information booth will not take place.

Location and Facility

Seminar rooms are reserved for the purpose of conducting the focus groups at each of the tax forums.

Expected Response Rate

TEGE expects to have 8 participants for each focus group. Groups will be held with as many as 10 or as few as 6 participants.

Methods to Maximize Response Rate

Up to 20 persons will be recruited to attend each session. This will allow for a focus group discussion with at least 6 persons.

Test Structure/Design

The moderator's guide serves as a road map to the focused discussion. Moderators have a clear understanding of TEGE's true purpose, and can direct the discussion through the key issue areas. The guide has been approved by CE&O staff.

CE&O staff will attend each focus group, and meet with the moderator after each group to debrief and compare notes. If problems arise, modifications can be made to the moderator's guide for subsequent groups.

Efforts to not Duplicate Research

The subject matter for this study includes products such as StayExempt.org as well as the following educational materials developed by CE&O:

Applying for 501(c)(3) Tax Exempt Status
Compliance Guide for 501(c)(3) Public Charities
Compliance Guide for 501(c)(3) Private Foundations
Tax Guide for Churches and Religious Organizations
Charitable Contributions: Substantiation and Disclosure Requirements
A Charity's Guide to Vehicle Donations
A Donor's Guide to Vehicle Donations
EO Navigator
Life Cycle of an Exempt Organization <http://www.irs.gov/charities/article/0,,id=169727,00.html>

Other than the previously mentioned survey on 990-N/e-Postcard readiness and a survey on the StayExempt.org website, CE&O has not performed qualitative research on its products. The tax forums provide a unique opportunity to conduct focus groups because of the large practitioner attendance and because the IRS office of National Public Liaison coordinates all space and other logistics which TEGE may not have the time or resources to do. As such, no other research efforts will duplicate this study.

Participants Criteria

TEGE EO will recruit tax professionals that have assisted or are preparing to assist an exempt organization complete its application process and filing requirements with the IRS, and have at least a basic familiarity with IRS Exempt Organizations' educational materials.

Privacy/Disclosure/Confidentiality/Security Issues

Practitioners will be instructed to identify themselves by first name only during the focus groups. No identifying or taxpayer information will be collected.

The Paperwork Reduction Act Statement & OMB Control Number will be provided on reminder cards and posted during the focus groups.

Burden Hours

The IRS plans to conduct six focus groups with 8 participants each. It is estimated that approximately 40 persons will be greeted and screened to obtain 8 participants for each group. Total estimated public burden is 80 hours.

For persons dismissed for lack of interest or not meeting screening criteria, burden time is estimated at 1 minute. For persons meeting screening criteria and agreeing to participate in the group, initial burden time is estimated at 2 minutes. For persons attending each focus group, burden time is estimated at an additional 90 minutes.

Participants will not experience travel time for this study. The following chart details the total burden calculation.

Total Estimated Burden Hours

	<u>Number of Persons</u> (1)	<u>Number of Groups</u> (2)	<u>Time Estimate</u> (3) (Minutes)	<u>Total Burden</u> (4) (Hours) [(1)*(2)*(3)]/60
Contacted and dismissed*	40	6	1	4.00
Contacted and agreed	20	6	2	4.00
Focus Group Participants	8	6	90	72.00
				80.00

*Dismissed for lack of interest or did not meet screening criteria.

Study Contact

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OMB Submission
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2008 Nationwide Tax Forums
Focus Groups
Attachment 3

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