

**OMB Clearance Package  
Project 3-08-09-S-024  
Nationwide Tax Forums 2008 Focus Groups  
Alternative Minimum Tax Patch**

**I. Introduction**

Background/Overview

The Alternative Minimum Tax (AMT) attempts to ensure that everyone who benefits from statutory tax advantages (credits, deductions, etc.) pays at least some tax. When originally imposed, AMT primarily affected wealthier taxpayers. Through the years inflation has begun to push people with moderate income towards the AMT threshold. A temporary patch to correct this was being considered by Congress up until December 19, 2007, when they passed legislation. The president signed the law on December 26, 2007. Following are some key elements of the Alternative Minimum Tax Patch legislation:

- Without a patch, nearly 20 million additional taxpayers would have had to pay AMT in the 2008 filing season (2007 returns).
- Following final passage of AMT “patch” on December 19, 2007 the IRS immediately began the final stages to reprogram its income-tax processing systems to prepare for the upcoming tax season.
- Due to advance coordination and planning, the filing season will start on time for the vast majority of taxpayers. Only those taxpayers filing returns with one of five forms have to wait until February 11, 2008 to file their returns.

Each year the Internal Revenue Service hosts 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 groups with approximately eight to twelve tax professionals in each group. The focus group discussions for this project will inquire of the practitioners how well the IRS did in communicating information regarding the Alternative Minimum Tax Patch. We will also discuss how practitioners believe the IRS could improve the communication process on late legislation.

The tax forums are a joint effort between National Public Liaison, the functional units within IRS, and external stakeholders. W&I Communications and Liaison (C&L) made arrangements to conduct focus groups at the 2008 Tax Forum sessions. The Tax Forums are scheduled in the following six cities.

<b>City &amp; State</b>	<b>2008 Dates</b>	<b>AMT Patch Focus Group</b>
Atlanta, Georgia	July 1 – 3	
Chicago, Illinois	July 22 – 24	X
Orlando, Florida	August 5 – 7	
Las Vegas, Nevada	August 19 – 21	
New York, New York	August 26 – 28	
San Diego, California	September 9 – 11	X

The Tax Forums focus groups present an opportunity for the IRS to solicit feedback from tax professionals to determine how effective the communication was on the Alternative Minimum Tax Patch and solicit suggestions for improvement on future late legislation. Focus groups will be held in two (Chicago and San Diego) of the six Tax Forum cities. W&I C&L requested W&I Research Group 3 (RG3) to assist in the planning, screening, and moderation of these focus groups. The results of the focus groups will be presented to C&L.

### Objectives of Data Collection

The overall objective of this project is to provide qualitative data to W&I C&L with regard to tax professional's experience with IRS communication on the AMT Patch. The specific business questions to be explored by this project are:

1. *How well did IRS communicate information regarding the AMT Patch?*
2. *How can the IRS improve the communication process on late legislation?*

The focus group discussion will cover the following themes:

- How effectively the IRS communicated the AMT Patch.
- Solicit suggestions from practitioners to improve the communication process on future late legislation.

W&I R&A will moderate the focus groups and prepare a report in which the qualitative feedback from tax professionals will be discussed.

## **II. Methodology**

### Sample Design

IRS staff will randomly solicit Nationwide Tax Forums attendees to participate in the focus groups. The Screener's Guide (Attachment A) will be used to qualify and select focus group participants. The focus group interviews 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 two Nationwide Tax Forums locations:

Chicago, Illinois	July 22 – 24, 2008
San Diego, California	September 9 – 11, 2008

### 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 (Attachment G) and participant comments will be collected during the focus groups.

How Collected Data Will Be Used

The data will be used to determine how well the IRS communicated information regarding the Alternative Minimum Tax Patch and determine what suggestions tax practitioners recommend to improve the communication process on future late legislation (as previously stated in the *Objectives of Data Collection* section).

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 the Research?

W&I Research and Analysis in collaboration with C&L will be conducting the research.

Location – City, Date, and Facilities

Chicago	July 22 – 24, 2008	Hyatt Regency Chicago on the Riverwalk 151 E. Wacker Drive Chicago, IL 60601
San Diego	September 9 – 11, 2008	Town and Country Resort and Conference Center 500 Hotel Circle North San Diego, CA 89103

Recruitment Efforts

Attachment C includes the participant recruiting criteria that will be collected and recorded at each forum on the Recruiting Attempts Sheet (Attachment D). Recruiting will be conducted onsite to ensure that up to twelve participants at each location meet the eligibility requirements listed in Attachment C. IRS screeners will recruit the participants by advertising from a booth at each of the forums. They will use the Screener’s Guide (Attachment A) to screen volunteers for eligibility. No more than 18 individuals will be recruited for each focus group. Each of these 18 individuals’ first names will be noted on the Participant List (Attachment E) and they will receive a reminder card (Attachment F) providing the time and location of the focus group. The first 12 focus group participants to arrive at the designated room (from the 18 recruited) will be the participants for that session.

Stipend

Participants are volunteers and no stipend will be offered or paid.

### Efforts to Not Duplicate Research

The Alternative Minimum Tax Patch was considered by congress up until December 19, 2007. The president signed the law on December 31, 2007. While legislation still needed to be passed by Congress and enacted into law, the IRS immediately began planning for communications with those who would be impacted. The tax forums present an opportunity for IRS to determine the effectiveness of the communication plan for this late legislation. This information will be used by C&L in the development of future communication plans.

### **III. Participants Criteria**

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

1. Be registered at the 2008 Tax Forum
2. Be a return preparer
3. Serve clients impacted by AMT Patch (at least four)

### **IV. Privacy, Disclosure, Confidentiality, Security Issues**

W&I RG 3 will ensure that the utmost scrutiny is given to privacy, security, and disclosure when reporting the comments from the focus groups. No individual taxpayer data will be used for this project. Only qualitative data derived from focus group discussions 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 no further need for the data. Tapes used to record focus group discussions will be erased (or destroyed) upon project completion.

We will apply fair information and record-keeping practices to ensure protection of all participants. 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 information as well as its release to authorized recipients.

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests along with the address where you can send comments regarding the study. The OMB number for this study is 1545-1349. Participants will be offered the address to send comments regarding the study (included in Screener's Guide and Moderator's Guide).

## V. Estimated Burden Hours

The estimated time to complete the participant screening is three minutes and the estimated time for each focus group attendee is 1.5 hours. We will assume a 25% success rate in soliciting qualified participants. Using this percentage a total of 144 individuals will need to be screened to recruit the needed 36 participants (24 focus group participants plus 12 reserve participants).

<b>Screening Burden</b>		
Total number of potential participants screened: (72 participants screened at each of the tax forums X 2 locations = 144 participants)	144	People
Estimated time to complete screening	3	Minutes
<b>Estimated participant screening burden</b> (144 X 3 = 432 minutes / 60 = 7.2 )	<b>7</b>	<b>Hours</b>
<b>Focus Group Participation Burden</b>		
Estimated number of participants: (12 participants selected at each of the tax forums X 2 locations = 24 participants)	24	People
Time to conduct the focus group	1.5	Hours
<b>Estimated focus group participant burden</b> (24 participants X 1.5 hours = 36)	<b>36</b>	<b>Hours</b>
<b>Total project burden hours</b> (screening and focus group participation (7 hours + 36 hours = 43)	<b>43</b>	<b>Hours</b>

### Expected Response Rate - 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 group. It is therefore estimated that many more individuals will need to be screened to achieve the necessary 12 participants.

The data collected is qualitative in nature and no critical decisions will be made by Wage & Investment solely from the analysis of data collected.

## VI. Estimated Cost of Study

The total estimated cost associated with this study is \$2,300 for travel expenses.

## VII. Attachments

- A: Screener's Guide
- B: Moderator's Guide
- C: Eligibility Requirements
- D: Recruiting Attempts Sheet
- E: Participant List
- F: Reminder Card
- G: Demographic Questionnaire

