OMB Survey Clearance Package
Modernized Internet Employer Identification Number
(Modernized IEIN)

Introduction

The purpose of the Modernized Internet Employer Identification Number (Mod IEIN) system is to provide a fully automated web-based interface to all US taxpayers, including third party designees who wish to apply for an Employer Identification Number (EIN). The system provides the IRS with extensive labor cost and operations savings through the automated assignment of EINs.

Modernized IEIN automatically processes 100% of Internet EIN applications by using a real-time environment to perform validity checks on information submitted by the taxpayer. If the information passes the upfront analysis, a permanent EIN is issued directly to the taxpayer.

The success and impact of Modernized IEIN has been dependent upon the use of the Internet EIN website by taxpayers. To gauge this success, OMB approved the use of two surveys to be issued from September 2007 to September 2008 to obtain feedback from customers who were successful in applying for an EIN and from those who were unsuccessful.

After nearly a year in production, the survey results have yielded valuable information, which has resulted in enhancements that have increased customer satisfaction with the application. However, several major changes are scheduled to be made to the application during Fiscal Year (FY) 2009, which will significantly alter many of the users' experiences. To ensure our customers are not negatively affected by these changes, it will be necessary to extend the issuance of the surveys for an additional 10 months.

Background

When Modernized IEIN was implemented in September 2007, two EINs needed to be issued to single member limited liability companies (SMLLCs); one for the owner and one for the LLC. Effective January 1, 2009, new regulations will require that only one EIN be issued to these entities. The application will be changed significantly to accommodate this, which will affect over 16% of our customers and it will be necessary to monitor customer satisfaction to determine if enhancements are needed to make the customer experience better.

In addition to the SMLLC change, the primary link to the application is accessed through the IRS.gov website. During non-peak filing season periods, a link to Mod IEIN appears on the IRS.gov home page, which is easy to locate and access for our customers. However, during peak filing season periods, our application is not accessed as frequently as other applications, such as Where's My Refund, so the link is pulled from the home page and has to be hunted for by our users. To make a case for having a permanent link to our application on the IRS.gov home page, additional survey results indicating that the application was difficult to find during these peak periods are necessary.

Objectives

The objectives of this project's surveys are to:
- Determine barriers encountered by taxpayers during the IEIN application process;
- Compare and contrast with findings from the survey;
- Determine the significance of these barriers; and
- Determine potential changes to the program.

Methodology

Sampling Design

The market segment for this survey is taxpayers who use the Internet EIN application to request an EIN.

Results from the survey will be divided into two groups:
1. Taxpayers who were unable to complete the application process based on the information provided.
2. Taxpayers who were successful in the application process.

Sample Size: Approximately every 50th successful applicant and every 50th unsuccessful applicant are offered a survey. From October 1, 2007 through July 31, 2008, 2.84 million EIN applications were received through the Internet. Of those 2.84 million applicants, 60,106 were offered surveys (50,006 surveys for successful applicants and 10,100 for unsuccessful applicants), which was 2.1%. The surveys are voluntary for anyone who is offered one. Of the 50,006 surveys offered to successful applicants, 33,130 (66.25%) actually took the survey. Of the 10,100 surveys offered to unsuccessful applicants, 4,265 (42.23%) actually took the survey.

Based on this historical data for the first 10 months of FY'08, we project that the same amount of surveys will be offered and completed for the requested extension period from October 1, 2008 through July 20, 2009.

Data Collection Date

The requested extension period of the survey will be from October 1, 2008 through July 20, 2009, for a total extended run-time of approximately 10 months.

Data to be Collected

The surveys will collect the number of taxpayers who were unable to receive an EIN electronically because:
- The system could not accept the information submitted
- Taxpayer did not understand the information on how to correct the error in the submission process
- Taxpayer did not understand what the system was asking for
- Taxpayer did not have time to correct the error
- Taxpayer did not have the information to enter

Or the number of taxpayers who successfully received an EIN and the degree of difficulty it was to:
- Locate the EIN Assistant on the IRS.gov web site
- Use the EIN Assistant
- Get an EIN quickly
- Understand the information he/she was asked to provide
- How to get help if needed
- Use the online application vs. filling out a paper form
- Recommend the EIN Assistant to a friend who needs and EIN

How Data will be Used

The data will provide the business with an understanding of experiences the taxpayers had during the application process.   The information will be used to assess what barriers exist for taxpayers and to make recommendations for improving the application process.

How the Data will be Analyzed

The business owner (W&I CAS AM PP&G Analyst; Becky Herzog) will monitor the results periodically and will make recommendations for system enhancements based on the results. For example, if 90% of users who couldn't get an EIN online answer that the reason why was that they didn't understand what the system was asking for, the business owner will put together a team to look at the wording of the questions and the help content associated with each.

Who is Conducting the Research?

The business owner (W&I CAS AM PP&G; Becky Herzog) will be primarily responsible for conducting analyses of the feedback results.

Methods to Maximize Response Rate

Instead of giving the taxpayer the option to click on a button that says "Take Survey" or "Exit Application," the system either gives them an error message with a "Continue" button or a page with their EIN and a "Continue" button. Users will then click on this "Continue" button and the survey will appear. They can then either take the survey or exit the program. (See below attached file titled "Mod IEIN Survey Proposal" for page mock-ups.)

Mod IEIN Survey Proposal

Expected Response Rate

From October 1, 2007 through July 31, 2008, 2.84 million EIN applications were received through the Internet. Of those 2.84 million applicants, 60,106 were offered surveys (50,006 surveys for successful applicants and 10,100 for unsuccessful applicants), which was 2.1%. The surveys are voluntary for anyone who is offered one. Of the 50,006 surveys offered to successful applicants, 33,130 (66.25%) actually took the survey. Of the 10,100 surveys offered to unsuccessful applicants, 4,265 (42.23%) actually took the survey.

Based on this historical data for the first 10 months of FY'08, we project that the same amount of surveys will be offered and completed for the requested extension period from October 1, 2008 through July 20, 2009.

Justification for expected response rate being less than 50% for unsuccessful applicants: With regard to the low response rate, the IRS will assume that all data collected from this survey is qualitative in nature, and that no critical decisions will be made from the analysis of data from this survey. The results from this survey are simply one piece of a larger set of information needed to assess practitioner/taxpayer needs related to services provided by the IRS.

Test Structure/Design

See above attached file titled "Mod IEIN Survey Proposal" for survey design.

Efforts to not Duplicate Research

Since significant changes are being made to the application, we feel that the survey results in the new environment will yield different results and will not duplicate prior research. The purpose of our research is to determine taxpayer experiences with the IEIN application process in the new environment. In addition, the majority of EIN applicants are one-time users, so the chances of getting multiple responses from the same individual are rare.

Participants Criteria

The only participant criteria will be whether or not the taxpayer attempted to use the IEIN application and whether or not they were the 50th user to be rejected or the 50th user to successfully obtain an EIN. Every 50th rejected user will be offered the "Reject Survey" (cannot pass all of the required validations and gets a reject error code) and every 50th successful user will be offered the "Successful Survey" (passes all of the required validations and successfully gets an EIN).

Privacy, Security, Disclosure, Confidentiality

All of the survey information will be available on the MITS Applications Development ICCE website (http://icce.irs.gov/~irfof/MISTool.shtml), which is an internal website only available to IRS personnel with intranet access. However, as you can see in the below attached files titled "Successful Survey MIS" and "Reject Survey MIS," no identifying taxpayer information will be captured. Only the taxpayers' answers to the questions will be displayed on the reports. Therefore, there are no privacy, security, disclosure, or confidentiality issues with the survey feedback.

Successful Survey
MIS

Reject Survey MS

Burden Hours

The Reject Survey is only one question with six possible answers. The Successful Survey is only seven questions with five possible answers for each. Each survey should take no more than one minute on average for each participant to respond. If 66.25% of the 50,000 offered the successful survey actually take it, approximately 33,125 minutes will be spent on the survey, which is approximately 552 burden hours. If 42.23% of the 10,100 offered the unsuccessful survey actually take it, approximately 4,265 minutes will be spent on the survey, which is approximately 71 burden hours, for a grand total of 623 burden hours. Calculations are as follows:
- 50,000 successful surveys offered * 66.25% actually taken = 33,125 minutes
- 10,100 unsuccessful surveys offered * 42.23% actually taken = 4,265 minutes
- 33,125 minutes spent on successful surveys + 4,265 minutes spent on unsuccessful surveys = 37,390 total minutes
- 37,390 total minutes / 60 minutes per hour = 623 burden hours

Cost

Aside from the costs of analyzing the survey results, there will be no cost to the IRS to conduct the survey. The survey will be online, so no mailings will be sent and no stipends will be paid to participants.

Attachments
Embedded files within this document include:
- Mod IEIN Survey Proposal
- Successful Survey MIS
- Reject Survey MIS