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**Attachment 1:  
Screener Guide**

Hello, my name is \_\_\_\_\_. I am calling on behalf of Macro International, a research and consulting firm in the Washington DC area. We are working with the Internal Revenue Service (IRS) to obtain feedback about the tax-related information needs of small business owners, who operate or would like to operate as Limited Liability Companies and the needs of tax professionals who prepare Federal tax returns for clients who operate as Limited Liability Companies. We are seeking participants for a focus group we are holding in [insert city].

*IF ASKED: (EACH INTERVIEWER WILL HAVE THIS INFORMATION)*

If respondents ask how their name was obtained, tell them their phone number was randomly selected from a list of small business owners and tax professionals in the local calling area.

If respondents are concerned about participating, tell them that our contract with the IRS specifically prohibits me from revealing their name or any information about them to the IRS or anyone else, whether or not they participate in the focus group. Participation in this focus group will not affect your taxes or filing status.

*This project has been approved by the U.S. Office of Management and Budget (OMB). The OMB Clearance Number is 1545-1349. If you like, I can give you a name and address where you can send comments and questions or suggestions for making this process simpler.*

Internal Revenue Service  
Tax Products Coordinating Committee  
1111 Constitution Ave, NW IR-6526  
SE:W:CAR:MP:T:T:SP  
Washington, DC 20024

Your answers to these questions will be held completely private by Macro, meaning we will not provide your name or any identifying information to the IRS.

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1. Would you consider yourself to be fluent in English?  
 Yes  
If yes ask: Do you read and write in English?  
(Yes)..... Continue  
(No) ..... Terminate  
 No..... Terminate
2. Are you a small business owner? **[Note to recruiter: if someone asks what a small business is, say it is a business with assets of less than \$10 million.]**  
 Yes..... Continue to Q2a  
 No..... Continue to Q4
- 2a. Is your small business a Limited Liability Company or LLC?  
 Yes .....If yes ask:  
When you completed your 2007 Federal income tax return, did you file a:  
(check all that apply)  
 Schedule C (Profit or Loss from Business) .....Continue to Q4  
 Schedule E (Supplemental Income or Loss) .....Continue to Q4  
 Schedule F (Profit or Loss from Farming) .....Continue to Q4  
 Form 1120 (U.S. Corporation Income Tax Return) or  
1120S (U.S. Income Tax Return for an S Corporation).....Continue to Q4  
 Form 1065 (U.S. Return of Partnership Income).....Continue to Q4  
 No.....Continue to 2b
- 2b. Have you investigated and are interested in becoming a Limited Liability Company  
 Yes..... Continue  
 No..... Terminate
3. Are you a tax professional? (Individual who prepares 25 or more Federal tax returns each year)  
 Yes.....Continue to Q3a

Participant Screener for  
Testing IRS Tax Issues for Limited Liability Companies

OMB #1545-1349

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( ) No.....  
.....Terminate

- 3a. In Tax Year 2007, did you prepare any tax returns for LLCs?  
 Yes.....Continue  
 No.....Terminate

**For questions 4-7, recruit a mix of individuals**

4. Into which of the following categories does your age fall?  
 less than 18.....Terminate  
 18 to 33  
 34-44  
 45 to 65  
 66 and older
5. Please identify your highest completed level of education. [May opt-out if they wish to.]  
 Some High School  
 High School Diploma/GED  
 Some College or Associate's Degree  
 Bachelor's Degree  
 Graduate or Professional Degree (M.D., J.D.)  
 opted out
6. So that we can be sure that all backgrounds are represented in our project, could you please tell me the race or ethnic origin you identify with [1 or more responses OK; may opt-out if they wish to].  
 Hispanic or Latino/a  
 American Indian or Alaska Native  
 Asian  
 Black or African American  
 Native Hawaiian or other Pacific Islander  
 White  
 Opted out

7. *Record Gender—DO NOT ASK UNLESS UNABLE TO DETERMINE; may opt-out if they wish to.*
- Female
  - Male
  - Opted out

INVITATION

Thank you for answering our questions. Based on your responses, we would like to invite you to participate in a focus group which will be held in [insert city] [insert date] at [insert time]. The total time will be no more than 2 hours. We will provide everything that you need to participate in the focus group. Your participation is completely voluntary. We will provide you with a [insert amount of incentive] stipend for participating as well as a light meal and refreshments.

Are you willing to participate?

- Yes.....Continue
- No.....Terminate

I'm glad that you will be able to join us! At this point I need to collect some contact information from you. Then we will send you a confirmation letter and directions to the facility via e-mail.

Name: _____
Address: _____
Telephone # (Day): _____ (Evening) _____
E-mail Address: _____

We are only inviting a few people, so it is very important that you notify us as soon as possible if for some reason you are unable to participate. Please call *[insert recruiter contact and phone]* if this should happen. We look forward to having you participate on *[insert day]* at *[insert time]*.

Do you have any questions?

Great! Thank you for your time and we will be in touch again the day of the focus group. Please remember to bring reading glasses if you use them.

TERMINATE TEXT

Thank you very much for your time, and thank you for answering our questions. Unfortunately, based on the focus group requirements, we cannot extend you an invitation. Perhaps at a later time we can include you in a future focus group. Have a good [*day/evening*].

**Attachment 2:  
Moderator's Guide**

*[Note: Information in regular type is meant to be said by the moderator. Instructions for the moderator are included in italics].*

**I. Welcome/Introduction**

Welcome and thank you very much for agreeing to participate in this focus group. I'll start out by introducing myself: my name is \_\_\_\_\_ and I work for a research company called Macro International, which is located near Washington, D.C.

The Tax Forms & Publications Division of the IRS wants to develop a deeper understanding of LLC taxpayers and tax preparers to capture insights about the attitudes and understanding of this population as it relates to their tax reporting and filing obligations. The IRS has contracted with Macro to gather this information.

I will be your moderator for the discussion. I'll be asking you some questions and inviting you to tell us about your experiences, thoughts, and opinions. Remember—there are no right or wrong answers. I didn't create these materials, so whatever you say, you're not going to hurt my feelings. We are most interested in your honest responses and reactions to the questions. That will help the most in any steps that are taken after these focus groups.

You will see me referring to this outline during our session. The outline includes all issues I need to raise with the group, and helps me keep the discussion on track. It is important that we cover all the issues. Therefore, I may have to break off the conversation in order to move on to another area in the guide.

**Informed Consent**

Before coming into the room, you were asked to review and sign an informed consent form for your participation in the discussion. Did everyone have a chance to sign that? I just want to go over some of the points on that consent form with you quickly to make sure we are all in agreement. *Review consent form, emphasizing audiotaping, observers, privacy, and using first names only.*

Before we begin, I'd like to go over some basic ground rules for our discussion tonight.

**Ground Rules**

1. We've invited you here tonight to hear a range of responses and opinions to the questions we're going to be discussing. For that reason, I'd like to ask that everyone actively participate in the discussion.
2. We are audio-taping the meeting for use in preparing a report about findings. Because we are taping this meeting, I ask that you speak loudly and clearly. If I think you are speaking too softly to be heard on the tape, I will ask you to speak up.
3. Please do not have side conversations—we need for everyone to hear what the others are saying and for everything that's said to be heard easily on the tape.
4. Sometimes I'll go around the table and ask everyone for their input. At other times, I will just throw a topic open for general discussion.
5. Feel free to disagree or question each other. The purpose of a group session is for us to learn things in group interchanges that we don't get out of one-on-one discussions. If someone says something you disagree with, please let us know.
6. There are some observers are present behind the mirror. They want to hear what you have to say about the topics we'll discuss. Please don't feel constrained by their presence.
7. If anyone needs to use the restroom, they are located (specify). There is no need to stop the discussion.
8. Your participation is voluntary.
9. Everything that is said in this session is private; your name will never be linked to anything that you say in any future reports.
10. Please be sure to turn off your cell phone or set to them to vibrate if you have not already done so.
11. Finally, for the IRS to speak with the public, we are required to have approval from the Office of Management and Budget. Their approval number for this project is 1545-1349. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the: IRS Tax Products Coordinating Committee, 1111 Constitution Avenue, NW, IR-6526, Washington, DC 20224. [*Moderator: Post this bullet on newsprint/white board for each session*]

Do you have any questions before we get started?

**II. Warm-Up**



Now that you've gotten to know a little more about why we are here and how things will go, I'd like you to introduce yourselves. Please share with me: [*Post the bullets on flip chart*]

- Your first name
- Whether you are a small business owner or a tax preparer (or both)
- If you are a small business owner, what type of business you own
- If you are a tax preparer, what types of LLC's do you generally prepare tax returns? *We're looking for general industry information here—medical, food service, etc.]*

### III. General Questions

Tonight we are going to be talking about Limited Liabilities Companies – hereafter referred to as LLCs.

1. By a show of hands—how many of you are members of an LLC?  
(*Moderator: you may need to tell participants that owners of an LLC are call members.*)
  - o Probe: How many of you are the only member of your LLC?  
How many of you are a member of an LLC that is a corporation?  
How many of you are a member of an LLC that is a partnership?

For anyone that did not raise his/her hand—ask if they are interested in becoming an LLC or if they prepare tax returns for LLC clients.

2. How do you get information on filing requirements for LLCs?
  - o Probe: Where did they get their information (e.g., IRS.gov; Google; LegalZoom.com)
3. Can you find answers to your LLC tax filing questions in Pub 334 (Tax Guide for Small Business), Pub 541 (Partnerships), and/or Pub 542 (Corporations)?
  - o Probe: Do these publications answer all your questions on LLC filing requirements?

### IV. Opinions of Current IRS Publication (Pub 3402)

#### ***Pass out Publication 3402***

Let's take a couple of minutes to silently read through this IRS publication. Then I have some questions for you on what you think about it.

4. Before today, have any of you seen this Publication?

*Moderator - Get a count.*

o Probe: For those who have seen it, ask:

- How did you find it?
  - Did participants search for it themselves or did someone else share it with them?
  - Did they get it on-line?
- Had you read the pub?

5. Who do you think this publication is for?

- o Probe: For people who are considering becoming an LLC; for tax preparers; for small business owners who do their own taxes.

6. When you first saw the title of this publication—*Tax Issues for Limited Liability Companies*—what specific types of information did you expect to find in it?

- o Probe: Did this publication meet your expectations?  
If needed, ask: What would it need to include in order to meet your expectations?

7. What do you think about the amount of information in the Publication?

- o Probe: Enough? Too much? Too little?  
If too much – what would you eliminate?  
If too little – what's missing?

8. How easy was it for you to understand the information in the Publication?

- o Probe: Did you learn anything new?  
Was it easy to read?  
What captured your attention?

9. How well does this publication answer your questions about tax issues for LLCs?

10. Next I'd like you to rate whether or not this publication included all the information you needed. Using a 5 point scale, with 1 being that the publication did not include any information I needed to a 5 being the publication included all the information I needed, how would you rate this publication?

- o Probe: For people who rated the publication a "1" or "2" ask what other information should be included.

Now let's talk about the different topics that are included in the Publication.

11. Okay, let's look at "What kind of Tax Return do I File? Does the content answer the question?"
  - o Probe: What else would you like to see?
12. The next section is "How do I handle employment taxes? After reading this section, do you understand what you need to do?"
  - o Probe: Would you add anything else?
13. You'll notice a section on Employer Identification Numbers (EINs) and a reference to Publication 1635. What other information, if any, would you like in this publication about EINs?
14. The next section is "Are there any pitfalls?" Do you understand how to avoid the common errors that are mentioned?
  - o Probe: Where would you go to find out more information?
15. What do you think about the section, "What if I need more help?"
  - o Probe: Does the list of phone numbers, website address, and publications provide enough information?  
What other information, if any, would help you?
16. How helpful would it be to include publication numbers/names in each section rather than in a list?
  - o Probe: For example, what if the last sentence of each section said something along the lines of, "For more information on this subject, please see Pub ..."
17. How many of you have referenced the publications listed here? Please raise your hand if you have used one or more of these publications.  
*Moderator: read each pub name and get a count.*
18. On a scale of 1 to 5 with 1 being not at all useful and 5 very useful, overall how useful do you think Pub 3402—Tax Issues for Limited Liability Companies is?
  - o Probe: please explain your score

19. How would you feel if this Publication were available only electronically –in other words you could not order a “hard copy?”
20. What other resources or websites do you regularly use in filling out your tax return for your LCC or those of others?

#### **V. New IRS Publication**

21. Based on your experiences, what if any issues are you having when you file your tax returns?
- o Probe for informational needs

The IRS is considering creating a new publication for LLCs. We've talked about the information in Pub 3402 and what you like and don't like about this publication.

22. Do you think the IRS should create a new, more comprehensive publication for LLCs?
- o If no, probe why not?
  - o If yes: Probe:
    - Why?
    - Who should this publication be targeted to: those interested in becoming an LLC, those who are LLCs, individuals who prepare tax returns for LLCs?
    - What types of information would you like included?
      - Forming an LLC
      - Dissolving an LLC
      - An explanation of the nature of LLC for tax purposes while still remaining the same type of entity under state law
      - Information about Partnership Entity. How election is made, guaranteed payments and the difference between those and partners' distributive shares, difference between common types of recourse and nonrecourse debt in the LLC context.
      - Information about C Corporation. How election is made, from corporate to non-corporate status, classification issues. Employer Identification Number. What type of information should be included? All the rules?

- Tax Information for LLC members
- "Tips"
- Examples

23. On a scale of 1 to 5 with 1 being no need to a 5 being a great need, how much of a need is there for the IRS to produce a new more comprehensive LLC publication?

Probe: Explain your response.

24. How would you like to get this new publication?

- o Probe: view and download online, order publication online, pick up a copy at an IRS office, post office?

## **VI. Conclusion**

25. Thinking about our discussion tonight, what other advice or suggestions would you offer the IRS about the tax-related needs of LLCs?

## **VII. False Close**

*[Let participants know that you are going to step out of the room to see if the observers have any final questions.]*

## **VIII. Closure and Thank You**

Thank you very much for taking your time to participate in this discussion. Your input has been very helpful. Please stop and see the receptionist before you leave to get your incentive.

**Attachment 3:  
Informed Consent**

## INFORMED CONSENT

Macro International Inc. (Macro) is conducting focus groups on behalf of the Internal Revenue Service (IRS), to gather reactions and opinions about tax reporting and filing obligations of Limited Liability Companies (LLCs).

You have been invited to participate in a discussion that will last no more than 2 hours with a representative of Macro. The IRS will be using these findings to develop clear tax products that assist LLC taxpayers in voluntarily meeting their tax reporting and filing obligations. A report of the results from all of the discussions will be prepared by Macro for IRS.

Before you agree to join in this discussion, please review and consider the conditions listed below:

- Participation in this discussion is completely voluntary.
- Any questions you have about this study will be answered before the discussion begins.
- The discussion will be audio taped.
- The information you give will be private and your name will not be associated with your answers.
- Your name will not be used in any reports about this group and no quotes will be attributed to you.
- You may choose not to answer questions that you do not want to answer.
- You may choose to leave the discussion at any time for any reason.
- Although we believe that participation in this focus group poses little or no risk to you, some people may feel a little anxious about the discussion. You can choose not to answer any questions you do not want to answer.
- You will receive a monetary stipend to compensate you for your time.
- **Contact information:** If you have any questions or concerns about your participation in this focus group or have any questions about the study, please contact the project manager, Arlen Rosenthal at 301.572.0222. If you think participation in this research has caused you any harm, please contact the Institutional Review Board (IRB) at Macro International Inc. at 301-572-0340 and ask to speak to Ms. Rená Agee, the IRB secretary.

Your signature below indicates that you understand the conditions stated above and agree to participate in this focus group.

Print your name: \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_