

OMB Clearance Package

OMB CLEARANCE PACKAGE **IRS TAXPAYER ASSISTANCE BLUEPRINT STUDY** FACILITATED SELF-ASSISTANCE PROJECT, PHASE II

I. Introduction

Background: The Taxpayer Assistance Blueprint (TAB) study was implemented as a result of congressional directive to provide insight into questions about service preferences and needs of individual taxpayers and to develop a five year plan for taxpayer service delivery. TAB is a collaborative effort of the IRS, National Taxpayer Advocate and the IRS Oversight Board. Tremendous amounts of data have been secured and analyzed through research. A significant finding of TAB research is that most, but not all, taxpayers who seek assistance in a Taxpayer Assistance Center (TAC) are willing to consider using lower cost IRS service channels. The 2006 IRS Oversight Board Survey indicated that up to 42% of TAC users would consider using the website instead of visiting a TAC. Research also suggested that TAC users may be unaware of other channels. Analysis of the research pointed to a Facilitated Self-Assistance Research Project (FSRP), formerly known as Facilitated Self-Assistance Model (FSM), as an opportunity to deliver TAC services in a new way which may enhance both customer and business value. TAB recommendations included a test of the facilitated self-assistance during the FY 2007 filing season. The FSRP was approved by the TAB Executive Steering Committee on September 29, 2006. FSRP was administered during the 2008 tax season and has been expanded to a total of 50 sites and will be conducted for the 2009 tax season.

Objectives of data collection: The objective of the FSRP is to determine if self-serve computer workstations are an effective and efficient means of providing customer service.

The primary research question of this study is:

- Does changing the TAC business model to more differentiated service delivery increase taxpayer and/or government value?

Additional questions to examine are:

- o Are taxpayers with transactional service tasks more likely to use facilitated self-assistance in TACs?
- o Do FSRP eligible participants have similar demographic characteristics (e.g., age, income) as the United States' head of household population?
- o Are certain demographic groups more likely to use FSRP?

To evaluate taxpayers' willingness to use facilitated self-assistance in TACs, study participants will be asked to answer short intake and exit surveys. In addition, a refusal

survey will be offered to taxpayers who opt to not participate in FSRP. The intake survey will collect data regarding main reason for taxpayer's visit and demographics. The exit survey will capture prior IRS service channels used to attempt resolution for main issue, participant satisfaction with service received, ease or difficulty of using IRS.gov, perceptions of issue resolution, likelihood of using IRS.gov in the future, and other methods participants plan to use to resolve their tax issues. The refusal survey will capture the taxpayer's reason for not participating, as well as demographic information. Results from the data collected will impact future decisions regarding the TAC business model. Data from the study will also show whether certain population subgroups appear more likely to try facilitated self-assistance in TACs. These subgroups will be characterized by age, income, gender and nature of service task.

II. Methodology

Sample design – Convenience sample of taxpayers seeking service at TACs

Data collection dates – Tax Season 2009 (January 02 through April 14)

Data to be collected – Quantitative assessment of a Field Assistance trial of facilitated self-assistance. Taxpayers will be asked to complete a questionnaire following a service session where they use, with IRS assistance available, a computer to seek service through IRS.gov.

Data regarding service task, amount of time spent obtaining service, web pages visited, attitude regarding the system, satisfaction with service, perceived resolution of issue, future use of IRS website and any general comments taxpayers have will also be collected.

How data will be used – To determine if modifying the TAC business model to more differentiated service delivery increases taxpayer and/or government value. Data will be used solely for determining the usefulness and success of the facilitated self-assistance service option.

How data will be analyzed – Data from the study will be analyzed to show whether certain population subgroups appear more likely to try facilitated self-assistance in TACs. These subgroups will be characterized by age, income, and gender. Data will also be examined regarding whether type of task (transactional vs. interactive) is a determinant of willingness to use the system.

Analysis of all data will be coordinated by researchers within IRS Wage and Investment Research Division.

Data analysis will consist of frequencies, means, and cross tabulations. All analysis will be conducted using the statistical software packages, SAS 9.1 for Windows (SAS

Institute Inc., Cary, NC), SPSS 8.0 for Windows (SPSS Inc., Chicago, IL), or Microsoft Excel 2003 (Microsoft Corporation, Redmond, WA).

Who is conducting research – W&I Research and Analysis

Location – region/city and facilities - This will be a test at 50 TACs selected from the total of 400 TAC locations.

Expected Response Rate – Given that taxpayers will have already invested time to seek service at a TAC, we expect substantial willingness to participate. For the preliminary interview questions, we expect a 40 percent participation rate. For the follow-up (exit) survey we will administer to taxpayers that elect to use facilitated self assistance, we expect a 50 percent response rate.

Test structure/design – Through standard initial contact with an IRS assistor, taxpayers will be categorized as eligible or ineligible for facilitated self-assistance. Eligible taxpayers will be asked to participate in the facilitated self-assistance test. If they refuse participation, they will be asked to respond to three demographic questions and three additional interview questions to ascertain the reason for non-participation and placed in the normal TAC service queue. . If they agree to the test, they will be asked to respond to four demographic questions and given a customer access number to log-on to a computer terminal.

Upon accessing a computer terminal, taxpayers will be informed that their IRS.gov views will be recorded by software to record only that information necessary to determine the service path of the participant – no Private or identifying information will be gathered. Information will be used to help assess whether participants found information related to the main task that brought them to the TAC.

Following the service event, the participant will be asked to participate in an interactive, computer mediated follow-up survey. The results of this survey, the visit tracking software and the initial interview will be combined using the log-in number given during the initial interview. There will be no way of relating the customer access number to individual taxpayers.

III. Participants Criteria

A taxpayer's eligibility for FSRP participation will be determined by two factors. First, taxpayers must possess adequate English language skills and the physical ability to use computer workstations. Sufficient language and equipment use ability will be determined by the Individual Tax Account Specialists (ITASs) or Initial Assistance Representatives (IARs) who conduct the screening for the study.¹ Second, taxpayers will be eligible to participate if they are visiting the TAC for one of the following 10 tax activities that are within the scope of this project:

¹ Per the IRS, Facilitated Self-assistance Research Project (FSRP) Operations Guide (November 14, 2007) some decisions "Do *not* require questions but rely on the good judgment of the Screener."

1. File/Prepare My Taxes
2. Find Out About My Refund
3. Get a Blank Tax Form for Current or Prior Year
4. Find Help with Earned Income Tax Credit (EITC)
5. Set Up a Payment Agreement
6. Get an Answer to a Tax Law Question
7. Get an Employee Identification Number
8. Economic Stimulus Payment/Rebate
9. E-File Locator Service
10. Use EFTPS to make a payment

Taxpayers visiting the TAC for reasons outside of the scope of the FSRP will not be eligible to participate and will proceed with normal TAC assistance via the Q-matic system.

IV. Privacy, Security, Disclosure

At the point of initial contact and possible initial interview, potential respondents will be referred to a placard describing the project, and the OMB Paperwork Reduction Act description and reference number. (See Appendix A)

The IRS TAC assistor responsible for initial contact with participants will have printed copies of the OMB Paperwork Reduction Act description and reference number available for distribution. (See Appendix B)

A similar placard placed on the facilitated self-assistance computer terminal will describe the Privacy and anonymity guarantees for the taxpayer data collection as well as the Paperwork Reduction Act description and reference number. (See Appendix D)

The follow-up survey will be accompanied by an electronic version of the paperwork reduction act description and reference number. (See Appendix D)

Wage and Investment Research will ensure that the utmost scrutiny is given to privacy, security, and disclosure when describing the taxpayers that respond to this survey. Every precaution will be taken to assure the proper protection of the taxpayer's survey responses. The survey will be associated with only the amount of taxpayer data that is necessary to accomplish the objective. We will limit and control the amount of information that we collect to those items that are necessary to accomplish the research objective.

We will carefully safeguard the security of data utilized, as well as, the privacy of the taxpayers. Physical security measures include a locked, secure office. In addition, we will store printouts of sensitive data in locked cabinets, and shred them when no longer needed. We will accomplish data security at the C-2 level through the Windows NT operating system. Systems are password protected, users are profiled for authorized use, and individual audit trails will be generated and reviewed. We will apply fair

information and record-keeping practices to ensure protection of all taxpayer information.

We will protect the privacy of the taxpayers that participate in the survey by not using names or any other personal identifiers in our report. We will control official access to the information and will not allow public access to the information. The survey and taxpayer data will be destroyed when we have completed the project and there is no further need for the data.

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

V. Burden Hours

Considering all 50 sites, we estimate that approximately 100,000 taxpayers will be judged eligible to participate in the FSRP. We expect approximately 40 percent of eligible taxpayers will choose to participate in the study (40,000). Of those, we expect 70 percent to participate in the intake survey (28,000). The three demographic questions on the intake survey will take a maximum of 30 seconds. Therefore, the maximum burden for determining the demographics of taxpayers who are willing to try facilitates self-assistance in TACs will be 233.3 hours.

With regard to the 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 by Wage & investment solely 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 needs related to services provided by the IRS.

Eligible taxpayers who decline participation in the study will be asked to participate in a refusal survey. The refusal survey consists of six questions – knowledge of IRS service channels, basic demographics and main reason for declining participation. We estimate that these six questions will take a maximum 90 seconds. Of the 50 percent (60,000) who decline participation in the study, we expect 30 percent (18,000) will participate in the refusal survey. Therefore, the burden for determining why taxpayers are unwilling to try facilitated self-assistance will be a maximum of 450 hours.

After study participants seek service using IRS.gov and log out, they are offered an exit survey in order to assess their attitudes and experiences with facilitated self-assistance. There are 11 multiple choice questions and two optional open ended questions on the exit survey and we estimate three minutes for its completion. Of the estimated 40,000 study participants, we expect 50 percent will take the exit survey (20,000). Therefore we estimate the maximum burden for the exit survey to be 1,000 hours.

The maximum total burden projection is: 1,683.3 hours
The estimated cost of the study is \$20,000

VI. Attachments

1. Appendix A: Initial contact Placard and handout Paperwork Reduction Act (PRA) language
2. Appendix B: Eligibility, Refusal, and Intake Surveys
3. Appendix C: Login screen anonymity and Privacy language
4. Appendix D: Exit Survey Script – including PRA statement & OMB control number

Appendix A

Language for placard at reception desk:

The Internal Revenue Service (IRS) is conducting a study at this Taxpayer Assistance Center. If you choose to participate, an IRS employee will guide you in helping yourself to services available on the IRS website.

Privacy Statement: Answering any survey questions for the Facilitated Self-Assistance Research Project (FSRP) is voluntary. If you choose to answer survey questions, your answers will be kept anonymous and Privacy. You can skip any survey questions or stop answering survey questions at any time. You do not have to answer any survey questions to get guided assistance as part of the FSRP.

The Paperwork Reduction Act Notice: The IRS is conducting a study at this Taxpayer Assistance Center. If you choose to participate, an IRS employee will guide you in helping yourself to services available on the IRS website.” The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study 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: Internal Revenue Service, Tax Products Coordinating Committee SE:W:CAR:MP:T:T:SP1111 Constitution Ave. NW, Washington, DC 20224