

**OMB Supporting Statement
IRS Large & Mid-Size Business Division
CORPORATE COMPLIANCE PERSPECTIVE SURVEY**

Background

For a number of years, IRS has obtained data from an outside research service regarding attitudes of Americans toward governmental agencies. The data, which is collected via surveys of a nationally representative sample of Americans age 18 and older, includes responses to favorability questions about governmental agencies, including the IRS. The IRS question asks, Is your opinion of IRS highly favorable, moderately favorable, not too favorable, or rather unfavorable? In 1999, on behalf of the IRS Oversight Board, the outside research service began asking survey participants about their attitudes toward tax compliance, using questions such as, How much, if any, do you think is an acceptable amount to cheat on your income taxes? and to what degree participants agree/disagree with statements such as, It is every American's civic duty to pay their fair share of taxes; Everyone who cheats on their taxes should be held accountable; Taxpayers should just have to pay what they feel is a fair amount; and The more information and guidance the IRS provides, the more likely people are to correctly file their tax returns.

IRS and the IRS Oversight Board use this information to gauge changes in public perceptions and attitudes over time. The data is also one of the inputs considered during the IRS strategic and business planning processes. The Large and Mid-Size Business Division (LMSB) of IRS, which provides tax services to corporations with assets over \$10 million, seeks to obtain similar data about favorability and compliance attitudes of corporate taxpayers, specifically, Corporate 1120 return filers. Currently, there are approximately 170,000 corporate entities in the LMSB taxpayer base, of which approximately 50,000 file a Corporate 1120 return.

Objective

The objective of the corporate compliance survey will be to gauge coordinated industry and industry casework customer perceptions about corporate tax compliance. Each customer surveyed will be given an opportunity to express their opinion about their experiences and perceptions about current administration of tax laws. A primary goal for the contractor shall be to use the customer feedback to identify and prioritize service improvements the IRS should make in the improvement of overall level of customer service and customer satisfaction. The survey questions will be designed to gather customer feedback and experiences with regard to IRS fulfillment of its tax administration responsibilities, corporate tax compliance, and tax shelters. The product of the corporate compliance survey should facilitate more effective management of LMSB by:

- Providing insight from the customer's perspective about possible improvements.

- Providing useful input for program evaluation and execution at the programmatic and field office level of service delivery.

Research Methodology

The methodology used in this survey will be via telephonic contact with the taxpayer using a scripted survey questionnaire. Recipients will receive advance letters on IRS letterhead to encourage participation. Due to the sensitivity of the survey subject matter, the representative of the customer contacted should be the Chief Executive Officer (CEO) or Chief Financial Officer (CFO) or equivalent position of authority.

Contractor will design a survey methodology and approach for determining corporate favorability attitudes toward the IRS and corporate attitudes toward tax compliance. The survey will be administered by telephone to a representative sample of LMSB taxpayers. The Government will create and provide to the contractor data extract of LMSB customers in a mutually agreeable format containing the variables customer name, customer address, LMSB industry designation, coordinated industry designation, total assets, and whether audited in last three years. No individual's name or information will be provided. Contractor will obtain customer representative contact information from third party sources such as Dun and Bradstreet.

Survey questions will be developed by Contractor with assistance from LMSB. Using the established survey questions, the Contractor shall be responsible for directly contacting the LMSB taxpayers, conducting the survey, compiling results and reporting the findings. Statistically valid survey results, will be at a 95% confidence level with a margin of error of +/- 3.5%, compiled for the LMSB taxpayer population of corporate 1120 return filers overall and for two subsets, 1120 return filers with assets between \$10 million and \$250 million and 1120 return filers with assets over \$250 million.

At conclusion of the survey, Contractor will prepare a report that will summarize the results of the survey. Contractor will ensure the anonymity of corporate taxpayers who participated in the survey and will not disclose any information to LMSB that would allow the identification of individual corporate taxpayers. Additionally, contractor will present results to the LMSB leadership team in Washington, D.C. The presentation will be designed to be interactive providing opportunity for discussion and questions regarding the survey findings.

Information Collection Dates

Mailings of the survey will be conducted during a 5 consecutive week period beginning within 30 days of OMB approval. Customers surveyed will be taxpayers who have filed a Form 1120, Corporate Income Tax Return with assets of \$10 million or more. Approximately xxx customers will be solicited to participate in the survey. Total cost of survey will be \$175,785. The survey will be conducted March 2009- April 2009.

Estimated Burden Hours

Reading the pre-note survey solicitation will take 1 minute and each interview will take about 10 minutes. We try to target 60% response rate and we estimate based on the goal of 770 completed interviews the number of invitations will be 1,283.

Prenote survey solicitation would be 1,283 minutes (1 minute X 1,283)
Completed interviews 7,770 minutes (10 minutes x 770)
Total 8,983 minutes or 150 hours

Privacy, Disclosure, and Security

The answers provided are private and the business and individual identity information is not shared with the IRS. They are under no obligation to participate or complete the survey, it is completely voluntary. However, the participation solicitation pre-note will encourage their participation so that their answers will help the IRS provide better service to the business community. Our contract with PCG authorizes them to collect taxpayer specific information. Therefore responding to the survey is not an unauthorized disclosure of taxpayer information. Prior to taking the survey, each participant who would like to verify the authenticity of the survey request, may contact Jim Morton, LMSB Program Analyst by phone (404-338-7127) or by email (jim.morton@irs.gov).

Contact

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