

[IRS E-File Conjoint 2009]
February 11, 2009 – OMB

Welcome to the IRS E-File Survey. The IRS is interested in understanding your preferences in the way you file your federal individual income taxes. Thank you very much for your responses. Your participation in this survey is entirely voluntary and your responses will be kept strictly anonymous.

For most questions on this survey, there is no right or wrong answers. We are simply interested in your opinions.

1. Who is the adult, aged 18 or older, in the household who is the most familiar with filing last year's federal individual income tax return for your household?

- Myself (*Continue*)
- Myself and other adult equally (*Continue*)
- No, someone else in household (*Terminate*)
- Didn't file taxes last year (*Terminate*)

2. Are you currently employed by the IRS?

- Yes – (*Terminate*)
- No – (*Continue*)

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 1545-1432. 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, Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

(If terminate) Thank you for your time. Unfortunately, you are not eligible for this survey.

(If Continue, go to Q3)

Demographic Questions

Most Recent Federal Tax Filing Situation

3. Which of the following best describes your filing status for your most recent federal tax return? [Select only one]

- Single
- Married filing jointly
- Married filing separately
- Head of household (single with qualifying child, dependent parent, or other relative)
- Qualifying widow(er) with dependent children
- Don't know/not sure

4. What is the zip code where you lived when you filed your most recent federal tax return?_

5. Which of the following forms did you use when you filed your most recent federal tax return?

If you are unsure which form you used, you may click on the names below to see an image of the forms. If you do not recall and have the form available, you may choose to pause the survey and verify the form you used to file your most recently filed tax return. [Select only one]

- 1040EZ
- 1040A
- 1040 with Standard Deduction
- 1040 with Itemized Deductions
- Don't know

6. Who was the main person who prepared your most recent tax return? Was it: *[Select only one]*

- You (yourself)
- A Paid Preparer (such as H&R Block, Jackson Hewitt, or an accountant)
- An Unpaid Preparer (such as a friend, relative, colleague, or IRS representative at a community-based Tax Assistance site)

7. Not counting any change in filing method you may have made to receive the stimulus payment for tax year 2007, how do you typically choose to file your federal tax returns?

- Electronically (E-file)
- By mail (mail a paper return)

- Don't know (e.g., preparer filed for me)

7a. (If Q7 is e-file) Including this most recent tax return, for how many years have you filed your return electronically? _____ years

7b. (If Q7 is e-file) For the most recent tax return, did you use Free-File? Free-File is a free tax preparation and e-filing service offered through the IRS website (www.irs.gov) to households with adjusted gross income equal to or less than \$54,000.

- Yes
- No

8. For the most recent tax return, did you owe money to the IRS or did you receive a refund from the IRS?

- Owed money
- Received a refund
- Neither (zero balance)

9. What is the total income of your **household** for the last full calendar year? Please include your income **plus** the income of all members living in your household (including cohabiting partners and armed forces members living at home). Please count income **before taxes**, including income from all sources (such as wages, salaries, tips, net income from a business, dividends, child support, alimony, and Social Security, pensions, or retirement benefits).
\$_____,000

Q9a. (If no answer to Q9) We'd like to assure you again that any information you provide us will be kept strictly confidential and will not be used for any purpose other than for this research. It is important for us to know approximately how much your household income is. We'd appreciate your selecting one of the categories below that best matches your household income for the last full calendar year.

- \$25,000 or less
- \$25,001 to \$54,000
- \$54,001 to \$75,000
- \$75,001 to \$100,000
- Over \$100,000
- Prefer not to answer

10. Which of the following categories most closely describes how you use the Internet?

- Don't use the Internet
- Browse Internet for information or just go online for e-mail

- Buy items online or do online banking

11. What is the highest level of education that you have completed?

- High school or less
- Technical, trade, or vocational school (for example, Associate's Degree or Vocational Technical School)
- Attended college but did not complete degree
- College undergraduate degree (such as BA, BS)
- Post-graduate degree (such as Master's, PhD, MD, DD, JD, MBA)
- Prefer not to answer

Now we are going to ask you about different ways that you could prepare and file your tax return. Some of these methods currently exist, and some may not be possible today.

12a. Regardless of how you recently prepared and filed your taxes, select whether you **would** use any of the following methods, choosing always, sometimes, rarely, or never for each row. Again, some methods may not be possible today. [Choose one response per row]

Always Sometimes Rarely Never

- 1. Prepare yourself and mail** in your **paper** return: You prepare your federal tax return yourself using your tool of choice (e.g., paper forms, computerized forms, return preparation software), and then you submit your paper tax return by mail.
- 2. Prepare yourself using tax preparation software and e-file:** You prepare your federal tax return yourself using easy-to-use software that guides you through your return, and then you submit your tax return electronically (e-file). The software's features include a question-answer approach that simplifies the process, explains relevant tax law, and completes the required forms for you, as well as the ability to save your work and continue later.
- 3. Prepare yourself using an online fillable form and e-file:** You prepare your federal tax return yourself by filling in blank tax form(s) on your computer, using only the standard IRS instructions with no additional assistance, and then you submit your tax return electronically (e-file). The online fillable form(s) includes automated calculations, hyperlinks to IRS instructions, and the ability to save your work and continue later.
- 4. Prepare yourself using the phone with the keypad or your voice and e-file:** You prepare your federal tax return yourself using the telephone by responding to prompts with the touch-tone keypad or by saying your answers aloud, and then you submit your tax return electronically (e-file).
- 5. Hire a preparer and mail** in your **paper** return. You hire a preparer to prepare your federal tax return, and the paper tax return is submitted by mail.
- 6. Hire a preparer and e-file** your return. You hire a preparer to prepare your federal tax return, and the tax return is submitted electronically (e-file).

12b1. Of the following, which tax preparation filing method would you be MOST likely to use?

12b2. Of the following, which tax preparation filing method would you be MOST likely to use?
[Show items not selected in Q12b1]

12b3. Of the following, which tax preparation filing method would you be MOST likely to use?
[Show items not selected in Q12b2]

12b4. Of the following, which tax preparation filing method would you be MOST likely to use?
[Show items not selected in Q12b3]

[PROGRAMMING NOTE: CREATE DATA VARIABLES NAMED “PREP1, PREP 2, PREP3 AND PREP4 TO BE USED IN THE DESCRIPTION OF THE METHODS IN THE CONJOINT SCENARIOS]

- 1 = Prepare yourself using tool of choice and File by Mail
- 2 = Prepare yourself using Tax Preparation Software and E-file
- 3 = Prepare yourself using Online Fillable Form and E-file
- 4 = Prepare yourself using Phone with Keypad or Voice and E-file
- 5 = Hire a Preparer and File by Mail
- 6 = Hire a Preparer and E-file

IF Q12b1-4 Not shown:

- 1) if one item selected on Q12a, then PREP1-4=one item
- 2) if two items selected on Q12a, then the two items are repeated twice. Randomly assign the two items to PREP1-4
- 3) if three items selected on Q12a, then one of the three items repeated twice. Randomly assign to PREP1-4.
- 4) if four items selected on Q12a, then each item randomly assigned once to PREP1-4.
- 5) If no item selected on Q12a, then randomly select four items from Q12a to PREP1-4.

IF Q12b1-4 shown:

- 1) If q12b1-4 not skipped, randomly assign answers from Q12b1-4 to PREP1-4
- 2) If q12b4 skipped, randomly assign answers from Q12b1 and Q12b2 and Q12b3 and one of the remaining unselected items from Q12b3 to PREP1-4
- 3) If q12b3 skipped, randomly assign answers from Q12b1 and Q12b2 and two of the remaining unselected items from Q12b2 to PREP1-4
- 4) If q12b2 skipped, randomly assign answers from Q12b1 and three of the remaining unselected items from Q12b2 to PREP1-4.
- 5) If q15b1 skipped, randomly assign four items from Q15b1 to PREP1-4.

Choice Factor Definitions

We are going to ask you to think about when you might consider filing your tax return electronically (e-file). Before we do that, we want to explain a few terms that will be used. Please read these descriptions carefully.

13. **Filing Cost** means how much you will pay to file your federal taxes. This does **not** include the cost of preparing them yourself, **nor** the cost of hiring a preparer, **only** the cost of sending your finalized tax return to the IRS.

[PROGRAMMING NOTE: Q13A FOR PRETEST ONLY, PURPOSE OF THE QUESTION IS TO TEST LEVELS]

13a. The **filing cost** ranges from a cost of \$0 to \$15 that you pay for choosing a particular method of filing your federal taxes. How pleased would you be if there was a \$6 cost for filing your tax return?

Cost	Very Displeased	Somewhat Displeased	Neutral	Somewhat Pleased	Very Pleased
\$6					

13b. (If Q7 is e-file) Approximately to the dollar, how much did it cost you to e-file? \$ _____

14. **Filing and Payment Deadline** means the official deadline for submitting your federal tax return and paying any balance due, regardless of whether you request an extension. The filing deadline is currently April 15.

15. **Waiting Time for Refund** means the time you spend waiting for your refund to arrive, by check or by direct deposit into your bank account, after you've filed your tax return. This assumes you were expecting a refund.

15a. (If Q8 is received a refund) Approximately how much time (in days) did you wait for your refund? _____ days

[PROGRAMMING NOTE: Q15B FOR PRETEST ONLY]

15b. (If Q8 is received a refund) The wait time for a refund usually ranges from 2 days to 6 weeks. How pleased would you be if the wait time to receive your refund was 2 weeks?

Wait Time for refund	Very Displeased	Somewhat Displeased	Neutral	Somewhat Pleased	Very Pleased
2 weeks					

16. **Acknowledgment of Filed Return** means that the IRS informs you (or your preparer) that your return has been received and accepted. You may receive this acknowledgment as an e-mail.

16a. For your most recent tax return, did you (or your preparer) receive an acknowledgment from the IRS that your return was received and accepted?

- Yes
- No

17. **Time to be Notified of a Simple Error** means how long it takes the IRS to notify you (or your preparer) that there was a **simple** error on your tax return. Examples of a simple error include forgetting to sign your return, entering incorrect information into a box on the tax return, or a simple math error.

17a. If you were notified of an error on your most recently filed return, how long did it take from the time you filed your return to the time you were informed of a simple error? Please enter approximate number of days. _____ days

[PROGRAMMING NOTE: Q17B FOR PRETEST ONLY]

17b. The Time to Notify the Taxpayer of a Simple Error usually ranges from 2 days to 6 weeks. How pleased would you be if the time to notify you of a simple error was 2 weeks?

Time to Notify Taxpayer of Simple Error	Very Displeased	Somewhat Displeased	Neutral	Somewhat Pleased	Very Pleased
2 weeks?					

18. **Provider of Preparation Tool** means the organization that offers the different tools (such as tax preparation software, online fillable forms) to prepare your tax return electronically. Tools could be provided by commercial vendors or by the IRS for free.

18a. *(If Q6 is Yourself)* You indicated earlier that you prepared your return yourself. Who provided the tool (such as tax preparation software) you used to prepare your return?

19. **How E-filed** means regardless of how an e-filed return is prepared, it may be sent from the software used to prepare it to another company that takes your e-filed return and sends it to the IRS for processing. An alternative would be to submit the return from the software used to prepare it directly to the IRS. In the first case, the transmitting company provides the primary e-filing customer support. In the alternative case, primary e-filing customer support is provided by the IRS.

Practice Question for Tax Preparation and Filing Methods

Please answer the following practice question to make sure we are explaining the task clearly.

20. Imagine that you need to file your taxes. You have narrowed your choices down to two choices. Assume that the only difference between the two methods is the time for the IRS to notify you, the taxpayer, of a simple error. One choice is 2 days. The other choice is 6 weeks. Please select the option that you prefer based on the time to notify taxpayer of a simple error.

Paper File Yourself	Paper File Yourself
Time to Notify Taxpayer of Simple Error 2 days	Time to Notify Taxpayer of Simple Error 6 weeks
*	*

20a. *(If Q20 is 6 weeks)* The question was not clear. You chose the option of 6 weeks for the IRS notifying taxpayer of a simple error. Are you sure that you want to wait 6 weeks instead of 2 days to be notified of a simple error? Select one answer only

- Yes, I'm sure that I want to choose the option where I wait 6 weeks to be notified of a simple error instead of receiving 2 days.
- No, I'm not sure. Ask the question again.

20b. *(If Q20a = No)* Imagine that you need to file your taxes. You have narrowed your choices down to two choices. Assume that the only difference between the two methods is the time for the IRS to notify taxpayer of a simple error. One choice is to pay 2 days. The other choice is 6 weeks. Please select the option that you prefer based on the time to notify taxpayer of a simple error.

Paper File Yourself	Paper File Yourself
Time to Notify Taxpayer of Simple Error 2 days	Time to Notify Taxpayer of Simple Error 6 weeks
*	*

Choice Tasks for Tax Filing Methods

Thanks for that answer. The questions on the following screens will have additional factors to consider. Each screen will show you four approaches you may use to prepare and file your tax returns in the future (one in each column). The four approaches on each of the following screens will have different characteristics.

Please compare all four approaches on each screen carefully and choose the one you MOST prefer on each screen.

Your actual experience will likely differ from the specifics we will show you. There is no right or wrong answer. We are only interested in how you would react to the different methods and characteristics. The first seven screens assume that you have a balance due (owe money) to the IRS.

[PROGRAMMING NOTE: CREATE HYPERLINK TO DEFINITIONS FOR EACH UNDERLINED ITEM UNDER FILING METHOD. EACH RESPONDENT RECEIVES 14 CHOICE SCENARIOS: 7 WITH PAYMENT DEADLINE ATTRIBUTE, AND 7 WITH WAITING TIME FOR REFUND ATTRIBUTE]

[PROGRAMMING: PLEASE REFER TO SPREADSHEET FOR COMPLETE LIST OF CONJOINT CHOICE FACTOR LEVELS]

Q21-Q27. Which of the following four approaches would you most prefer for preparing and filing tax returns?

Sample of Choice Scenario for Owe Money/Bal Due Screens (7 screens)

Filing Method	PREP1	PREP2	PREP3	PREP4
<u>Filing Cost</u>	\$0	\$6	\$15	\$0
<u>Filing and Payment Deadline</u>	3/15	4/15	5/15	4/15
<u>Acknowledgment of Filed Return</u>	Yes	No	No	Yes
<u>Time to be Notified of a Simple Error</u>	2 days	2 weeks	6 weeks	2 weeks
<u>Provider of Preparation Tool</u>	IRS	Commercial Vendor	IRS	NA
<u>How E-filed</u>	Direct to IRS	Through Commercial Transmitter	Direct to IRS	NA
	*	*	*	*

Q28-34. The next seven screens assume that you are expecting a refund from the IRS. Again, Please compare all four approaches on each screen carefully and choose the one you most prefer on each screen.

Sample of Choice Scenario for Refund Screens (7 screens)

Filing Method	PREP1	PREP2	PREP3	PREP4
<u>Filing Cost</u>	\$0	\$6	\$15	\$0
<u>Filing Deadline</u>	3/15	4/15	5/15	4/15
<u>Waiting Time for Refund</u>	6 weeks	2 weeks	2 days	2 weeks
<u>Acknowledgment of Filed Return</u>	Yes	No	No	Yes
<u>Time to be Notified of a Simple Error</u>	2 days	2 weeks	6 weeks	2 weeks
<u>Provider of Preparation Tool</u>	IRS	Commercial Vendor	IRS	NA
<u>How E-filed</u>	Direct to IRS	Through Commercial Transmitter	Direct to IRS	NA
	*	*	*	*

35. Do you have any final comments about how you'd like to file your taxes?

[PROGRAMMING NOTE: Q35A AND Q35B ARE FOR PRETEST ONLY]

35a How difficult was this survey to complete?

- Not at all difficult
- Not very difficult
- Somewhat difficult
- Very difficult

35b (If Q35a is somewhat or very difficult) What was particularly difficult for you?

You have reached the end of the survey. Thank you for participating in this research. Your feedback is very valuable.

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