

**OMB SUPPORTING STATEMENT  
FOR THE STUDY TO MEASURE SATISFACTION OF TAX PROFESSIONALS  
FOR IRS SMALL BUSINESS/SELF-EMPLOYED CUSTOMERS  
September 2009 – January 2010**

**Introduction**

IRS has replaced its traditional measures of accomplishment with a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. IRS currently has twelve transactional surveys involving Small Business and Self-Employed customers (ACS, Adjustments, Automated Underreporter, Field Collection, Compliance Services Collection Operations, Field Examination, Excise Tax, Employment Tax, Estate and Gift Tax, Compliance Center Examination, Practitioner Priority Service (PPS), and Toll-Free). These surveys concentrate primarily on the post-filing aspect of the customer's experience and focus on those who have had an interaction with the IRS to resolve an issue. While the Toll-Free operation does deal with pre-filing and filing concerns, it does so reactively: the customer takes the initiative because of a problem issue or question they have, and the Toll-Free assistants respond as best they can. Only one of these surveys directly addresses the experience of tax professionals as customers -- Practitioner Priority Service [PPS] -- whose results may represent the experience of tax professionals who call PPS (especially on accounts-related matters) but is not representative of the entire tax professional population nor of their broader experience of dealing with SB/SE.

In 2003 SB/SE and PCG conducted the first customer base survey and learned that 87% of SB/SE taxpayers use a tax professional and that the tax professional experience significantly differs from the taxpayer experience. These findings demonstrate how critical it is for SB/SE to have a thorough understanding of tax professionals and their experience with the IRS. The Taxpayer Education and Communication (TEC) organization within SB/SE had commissioned a research program to profile tax professionals, which provides rich information about the demographics and attitudes of tax professionals, but there is no other current comprehensive research that evaluates the tax professional's experience with the IRS as a customer. In order for SB/SE to make the best decisions possible for setting its customer satisfaction strategy, it is essential that the organization gain a better understanding of the needs and preferences of tax professionals, who handle the vast majority of SB/SE interactions.

SB/SE initiated a Customer Base Survey in FY 2003, surveying Small Business/Self-Employed taxpayers and a small sample of their tax professionals in September and October 2003. In 2004, SB/SE developed and conducted a separate Tax Professional survey. The results of this survey provided SB/SE with its first-ever strategic measure of customer and tax professional satisfaction. It also provided critical information that has helped SB/SE better understand the SB/SE customers' and tax professionals' expectations, experiences, and needs -- thus, assisting SB/SE leadership in determining a strategic agenda for customer satisfaction improvement. This survey was continued in 2005, 2006, 2007, and 2008.

The purpose of this task is for PCG to assist the Small Business and Self-Employed Division in continuing to develop a more thorough understanding of the tax professional experience as a customer. The survey will yield valuable information on SB/SE tax professional behavior patterns, their interactions with the IRS, and fail points in the system. In addition, it will prioritize their needs and preferences and gauge the need for additional pre-filing and filing information to help them avoid problems or errors.

**Tax Professional Satisfaction Survey**

The survey (attached) will be conducted via a computer-assisted telephone interview. Completion of the survey interview is expected to take approximately eighteen minutes.

The questionnaire was developed based on the questionnaire used in 2008, which incorporated information learned in three telephone focus groups in 2004 with tax professionals whose clients include SB/SE taxpayers, as well as information learned in the surveys conducted from 2004 through 2008. The questionnaire covers the following areas: tax professional experiences with various aspects of the tax system, satisfaction with various aspects of experience, feedback on avoiding problems or errors, and demographics. In addition, space will be provided for suggestions for improvement. The results should facilitate more effective management of SB/SE by:

- Providing insight from the tax professional’s perspective about possible improvements.
- Providing useful input for program evaluation and execution at the programmatic and area office level of service delivery.

Survey scoring for this contract will be based on the Tax professional Satisfaction Survey Score response average to the keystone question – “How satisfied are you with your overall experience with 2008 SBSE taxes?” Questions will utilize a 5-point rating scale, with 1 being very dissatisfied and 5 being very satisfied. The vendor shall ensure that all taxpayers responding to the survey interview are guaranteed that all survey responses will be released only as summaries—no individual answers will be reported and survey responses will have no effect on individual tax accounts.

### **Design and Methodology**

The computer-assisted telephone survey will be based upon a sample of 3,000 tax professionals from a purchased Dun and Bradstreet (D&B) list. Using SIC codes, PCG will design and construct a sample that aims to achieve the IRS’s goal of 60% CPA, 18–20% Enrolled Agents, and 18–20% Unenrolled Return Preparers.

Screening questions will include only those tax professionals who have filed at least 25 returns for tax year 2008, with at least 50% of those SB/SE returns, and at least 10 business returns (Forms 1120, 1120S, or 1065). The data collection contractor will order the sample into replicates to maximize the response rate.

A response rate of 60% will yield a total of 1,800 completed surveys.

### **Data Collection Timeframe**

The vendor will administer the survey by telephone from October 2009 through January 2010.

### **Who is conducting research**

Pacific Consulting Group (PCG) and its sub-contractor Pacific Market Research (PMR) will conduct this research. PMR will conduct data collection at their Seattle facility. PCG will oversee the pre-test, data collection, and produce all reports

### **Testing structure/design**

PCG/PMR will conduct two types of questionnaire testing. First, PCG/PMR will check the internal consistency of the questionnaire, including all branching and drill-down. Second, PCG/PMR will also conduct a field test of the questionnaire, with a minimum of 25 completed responses, to ensure: 1) correct CATI programming; 2) good questionnaire flow and logic based on the ease of the respondent being able to follow the questioning; 3) clarity of the questions and rating scales for the respondents and an interviewer debriefing each night of pre-testing. Based on the test, PCG will make necessary changes approved/requested by SBSE.

### **Maximizing Response Rates**

Standard procedures will be used in order to obtain the highest response rate possible for the phone survey. These will include: 1) an advance letter about the survey; 2) the initial phone call with an explanation of the survey, its importance,

and the Anonymity for the respondent; and 3) up to six callbacks for those who do not answer the phone (e.g., answering machines, busy signals, forwarding number). Taxpayers who refuse to participate will not receive any additional calls. Interviewers will go through study-related training, part of this training will be teaching them refusal avoidance and refusal conversion techniques.

### **Stipend**

No payment or gift will be provided to respondents.

### **Reporting**

PCG will provide a draft report by March 12, 2010, which will include survey results and recommendations. A month after the delivery of the draft report, the vendor will produce a final report. PCG will include any relevant database variables in the analysis and will weight the survey responses as necessary to reflect accurately the entire customer base.

### **Evaluation**

For the report of survey findings, PCG will use basic and advanced statistical techniques including, but not limited to, analysis of variance and the prioritization of improvement priorities using PCG's established technique.

- Survey counts and overall response rate.
- The overall level of tax professional satisfaction with services provided by SB/SE.
- The averages and frequencies for all ratings questions.
- The differences in satisfaction ratings and attitudes across customer segments.
- Which areas of service, in priority order, SBSE should focus its resources to improve overall satisfaction.
- Cross tabulations of variables for the tax professional surveys.
- Analysis of the relationship between survey responses.
- Analysis of the one open-ended question for improvement suggestions
- Analysis of other open-ended questions.

### **Efforts to Avoid Duplicating Research**

This is the only survey that provides quantitative and qualitative data on the pre-filing and filing process for tax professionals for small business and self employed tax professionals. Little, if any, duplication exists, as no similar information is collected by SBSE in the other customer satisfaction surveys and tax professional attitude surveys currently in use.

### **Privacy, Security, Disclosure, Anonymity**

The IRS will ensure compliance with Taxpayer Bill of Rights II. All participants will be treated fairly and appropriately.

We will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. The security of the data used in this project and the privacy of participants will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A7B. Physical security measures include a locked, secure office. Audiotapes are stored in locked cabinets. Transcription of audiotapes are stored in locked cabinets or shredded. Data security at the C-2 level is accomplished via the Windows NT operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all participants. This includes criterion for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section

6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

Anonymity will be safeguarded. During the data collection process, participants will not be identified to IRS personnel. In addition, no participant names will be mentioned in the reports or data files. Participants will be advised if comments will be audiotaped. Anonymity is assured by virtue of agency policy. The terms of IRS's contract with Pacific Consulting Group requires that the Anonymity of any data be maintained.

Participants will also be given the OMB Control number for this collection, 1545-1432, and an address for directing comments. The address is:

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

### **Estimates of the Burden of Data Collection**

The survey interview has been designed to minimize burden on the taxpayer. The time that a respondent takes to complete the survey has been carefully considered and only the most important areas are being surveyed. The average time of survey completion is expected to be 18 minutes. The advance letters will take about 2 minutes to read and understand.

We have made every attempt in designing this survey to maximize response rate. Using the response rate of 60 percent, the total burden in hours is estimated to be 669 hours broken down as follows:

Survey Respondents: 600 hours (1,800 surveys X 20 minutes (18 minutes for the survey plus 2 minutes for reading advance letters) / 60 minutes).

Survey non-respondents: 60 hours (1,200 surveys X 3 minutes (1 minute for survey refusal plus 2 minutes for reading advance letters)/ 60 minutes).

Pre-test respondents: 8 hours (25 surveys X 18 minutes / 60 minutes). The pre-test will have no advance letter.

Pre-test non-respondents: less than one hour (17 surveys X 1 minute / 60 minutes).

The grand total is estimated to be 669 hours.

### **Cost**

The cost for this survey will be **\$296,583.00**.

### **Other Information**

The following information will be provided to the Statistics of Income Division (SOI) within 90 days after the close of the survey data collection operations:

- Findings: A brief summary of significant findings that were evidenced in the results.
- Actions taken or lessons learned: A brief summary of any action taken or lessons learned as a result of the findings.

- Number of completed questionnaires

### **Statistical Contact**

For questions regarding the study or questionnaire design or the statistical methodology, contact:

Beruria Novich  
Pacific Consulting Group  
399 Sherman Avenue, Suite 1  
Palo Alto, California 94306  
(650) 327-8108



15 South Grady Way Ste 620 Renton, WA 98057

OMB No. 1545-1432

Dear **XXXX**,

Pacific Market Research, on behalf of the Internal Revenue Service, would like to ask you to participate in a very important nationwide Customer Satisfaction study of tax professionals for small businesses. The Small Business/Self Employed Business Division (SBSE) of the Internal Revenue Service is undertaking the Customer Satisfaction Survey to better understand the process of filing taxes from the tax professional's viewpoint. We are enclosing a letter from the IRS which describes the Customer Satisfaction study and asks for your valuable feedback. You have been randomly selected from a Dun and Bradstreet list of tax professionals.

Within the next week an experienced, professionally trained interviewer will be contacting you to ask you to participate in this survey. The telephone interview takes approximately 18 to 20 minutes and will be conducted at a time that is convenient for you. The survey will ask about your experience with 2008 taxes. You absolutely will not be asked for any of your or your clients' personal information during the survey.

Alternatively, you can contact us via the telephone or email to set up a time to do the survey.

- Via telephone. Feel free to call us toll free at 1-877-271-2300 between 7:00 am and 9:00 pm (Pacific Standard Time) to participate in the telephone survey. If you do choose to call us please use reference #**XXXX**.
- Via email. You may also send us an email telling us the best time to call you. Again, in the email please use reference #**XXXX** at [survey@pacificmarketresearch.com](mailto:survey@pacificmarketresearch.com). We will do our best to honor your time request.

We appreciate your cooperation and willingness to participate in this important market research study. Your cooperation in responding to the survey will help to ensure that you, your clients and other tax professionals receive fair, courteous and timely treatment.

Your responses will be combined with those of other tax professionals and will be reported only in statistical totals. No individual answers will be reported and survey responses will have no effect on individual tax accounts.

If you have any questions about the study please contact Stephanie Nicholson, the IRS Study Coordinator at 1-877-271-2300. If you have questions about the validity of this survey, please contact Dorian Shawcross, IRS Policy Analyst, at 1-202-283-2809. Thank you in advance for your time and willingness to help us improve Customer Service at the IRS.

Sincerely,

Mark Rosenkranz  
President



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

Dear Sir or Madam:

Your help is needed for an important initiative we are undertaking to improve service to America's taxpayers. To accomplish this, we need feedback from tax professionals like you who play a key role in filing tax returns and handling clients' tax business with IRS. You were randomly selected from a Dun & Bradstreet list of tax professionals across the country.

In a few days, you will receive a phone call from **Pacific Market Research**, an independent firm that will be conducting a telephone survey for the Internal Revenue Service. They will be asking you questions about your experience with the process of filing and paying taxes for your individual and small business clients as well as with resolving client issues after filing. **They absolutely will not ask for any of your or your clients' personal information**, including TINs or credit card information. Please help us by doing everything you can to direct the interviewer to the person who works most frequently with your small business clients, including individuals who file Form 1040 with Schedule C, Schedule E, or Schedule F, corporations, or partnerships. If you yourself work with small business clients, please agree to be interviewed. We are vitally interested in your own thoughts about your experience in dealing with us.

We engaged **Pacific Market Research**, an independent research company, to administer the survey and combine your response with those of other tax professionals. This company will conduct the interviews and tabulate the results. The interview should take about 18 to 20 minutes to complete. Only summary information and nothing specific about you or your company will be reported to the Internal Revenue Service. This survey has been approved by the Office of Management and Budget (Control Number 1545-1432). If you have any questions about the validity of this survey, please contact Dorian Shawcross, IRS Policy Analyst, at (202) 283-2809.

The IRS is committed to improving service to every taxpayer. Although your participation in this survey is completely voluntary and will not affect your or your clients tax situations in any way, your help is critical to this effort, so please agree to let your voice be heard by participating in the interview. Thank you for your cooperation.

Sincerely,

Chris Wagner