

2009 e-Strategy Constituent Research –
ETA Research Among Taxpayers In Support Of the e-Strategy
OMB Clearance Package

I. Introduction

Background/overview

Research is an integral part of the IRS e-file marketing cycle and monitoring of e-product development. It will also be used in development of a new e-Strategy for IRS, an effort led by the Electronic Tax Administration. A key objective of this initiative is to determine if the current electronic applications and/or services that are available to the IRS' different constituent groups are sufficient and/or what other needs or requests they may have. The two constituent groups who would be under study in this research are: (1) Taxpayers filing a Form 1040 Return; and (2) Taxpayers filing a Form 1040C, 1040E, or 1040F Return. Please note that with both being Taxpayer groups, and given the March-August U.S. Census blackout on surveys with citizens/Taxpayers, we are requesting expedited OMB approval so that all surveys can be completed prior to the blackout dates.

Objectives of data collection

The specific objectives of the research will be to determine each constituent group's needs, interest in, and expected level of usage of proposed new IRS electronic applications and services in order to determine the potential level of demand for the proposed new IRS e-applications and services.

II. Methodology

Sample design

The study will consist of two cells, or separate samples, of Taxpayers, as follows:

- 1. 1,500 Taxpayers filing a Form 1040 Return.**
- 2. 1,500 Taxpayers filing a Form 1040 C/E/F Return, with...**
 - 1,000 being 1040C Filers
 - 250 being 1040E Filers
 - 250 being 1040F Filers

Data collection date

If OMB authorization can be expedited, the 3,000 interviews will be conducted in early January through all of February, 2010.

Data to be collected

Data to be collected are detailed in the attached survey instrument/questionnaire that covers both of the two main cells/samples of respondents.

How data will be used

Results from each sample (1040 vs. 1040 C/E/F) will be analyzed separately, with the 1040 C/E/F sample also analyzed by sub-groups within that sample.

Who is conducting research

The research is being conducted by Russell Marketing Research, Inc.

Location – region/city and facilities

The research will be conducted from the national telephone interviewing facilities of Russell Research in East Rutherford (the Meadowlands), New Jersey.

Stipend

The survey consists of 15 minutes of interviewing. Therefore, no stipend is needed.

Recruitment efforts

All respondents will be recruited from lists to be provided by IRS of random samples of each of the specific sample types. Russell will provide lookup of telephone numbers for Taxpayers on the list.

All interviews will be conducted by telephone from the Russell-Meadowlands field center in New Jersey, using the above lists – with respondents selected for interviewing on an every “nth” basis from each list. Telephone interviewing will be manually conducted in order to avoid having any electronic trail of interviewing records, with all paper versions of the completed surveys destroyed after completion of the survey – this to comply with the Safeguards agreement between Russell and the Government.

Methods to maximize response rate

The survey will employ the following methods to maximize response: 1) at least 3 and up to 5 interviewing attempts on each respondent; and 2) assigning refusals on initial attempts to senior interviewing personnel trained in refusal conversion.

Expected Response Rate

The response rate is expected to be about 55%.

Test structure/design

A total of 3,000 interviews will be conducted, yielding analysis of 1,500 1040 Filers, 1,500 total 1040 C/E/F Filers (and within the latter, 1,000 1040C Filers, 250 1040E Filers, and 250 1040F Filers). The confidence intervals for the total and sub-samples are as follows:

- For each total sample of 1,500 (Total 1040 or Total 1040 C/E/F), the confidence interval will be +/- 2.5% at the 50% level and +/-1.5% at the 10% and 90% levels, using a 95% confidence level.
- The confidence interval for the 1040 C/E/F sub-sample of 1,000 1040C Filers would be +/- 3.1% at the 50% level and +/- 1.9% at the 10% and 90% levels, using a 95% confidence level.
- And the confidence interval for the 1040 C/E/F sub-samples of 250 1040E/F Filers would be +/- 6.2% at the 50% level and +/- 3.7% at the 10% and 90% levels, using a 95% confidence level.

Efforts to not duplicate research

This is the only e-Strategy Constituent study being conducted, thus there is no duplication.

III. Participants Criteria

To qualify for this survey, respondents would need only to be Taxpayers on the specific lists drawn by the IRS and Russell.

IV. Privacy, Security, Disclosure, Anonymous

The information in the IRS lists will be protected from disclosure by Russell's strict non-disclosure safeguards (see below). Note: These lists **will not contain personal tax return or information**. In addition, survey participants will not be identified in any of the documents or files used for this project. Nonetheless, as with all IRS studies, Russell will limit and control the amount of information collected to those items that are necessary to accomplish the research questions. Russell will carefully safeguard the security of data utilized as well as the privacy of the survey respondents (as detailed below). Russell will also apply fair information and record-keeping practices to ensure protection of all survey respondents. 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 information as well as its releases to authorized recipients.

Russell's Non-Disclosure Safeguards

Having undergone a formal security audit in the past associated with IRS research and aware of the penalties that apply to disclosure, Russell has a government-approved system in place for safeguarding IRS lists and assuring non-disclosure of any information from any IRS study. This system assures that Russell will comply with the following requirements:

- A. All work shall be performed under the supervision of Russell's responsible employees.
- B. Any general taxpayer or return information made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as Anonymity and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Russell understands that inspection by or disclosure to anyone other than an officer or employee of Russell requires prior written approval of the Internal Revenue Service – this would not be issue, as no others would have access the data.
- C. Russell understands that should a person (contractor or subcontractor) or any employee make any unauthorized inspection(s) or disclosure(s) of Anonymity tax information, the terms of the Default clause (FAR 52.2499), incorporated herein by reference, may be invoked, and the person (contractor or subcontractor) will be considered to be in breach of this contract.
 - C1. Taxpayer and return preparer names and addresses will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output shall be given the same level of protection as required for the source material. Russell agrees to abide by the Statement of Work's requirements:
 1. The following safeguards will be provided by Russell for protecting the lists:
 - a) Names and addresses will be provided in and worked from hard copy only.
 - b) Since the files may have to be printed and divided into sub-samples for use by different researchers in our New Jersey national telephone facility, the contractors would also impose strict hard copy controls (with responsible senior supervisors in control of the data at all times and dispensing data to interviewers on a sign-in, sign-out basis.
 2. With scheduling issues, it is not possible to name (this far in advance of the interviewing) the interviewers who will be working on the project. The Supervisors names will also be provided from Russell's national telephone center.

Russell's Non-Disclosure Safeguards (Cont'd.)

3. The manager of the Russell facility will have control of one or more hard copy pieces of the sample.
 4. The manager will personally supervise each interviewer's use of the sample throughout the screening process, will not allow samples to leave the interviewing room, and will keep the samples locked in his/her personal files when not in use (for other security reasons).
 5. The manager's personal office in the telephone facility will be locked when not in use (for other security reasons).
 6. The facility itself is always locked at the end of each interviewing day/evening.
 7. Russell's facility employs cameras throughout its interviewing facility to monitor the movements of interviewers, lists, etc.
 8. After completion of all interviews and validation, the hard copy samples would be shredded by Russell (within approximately 8 weeks of the conclusion of the survey).
 9. Russell will provide the names of the people that will have access to the hard copy data including the interviewers under the direct control and supervision of the manager at the telephone facility.
 10. Russell certifies that the data processed during the performance of this contract shall be completely purged from all data storage components of our facility and that no output will be retained by the contractors at the time the IRS work is completed. In the case that immediate purging of all data storage is not possible, Russell certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- D. Any spoilage or any intermediate hard copy printout, which may result during the processing of IRS data, shall be given to the IRS Contracting Officer or his/her designee. When this is not possible, Russell will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the IRS Contracting Officer or his/her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- E. As it has in the past, the Internal Revenue Service shall have the right to send its officers and employees into the offices and plants of Russell for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, the Contracting Officer may require specific measures in any cases where Russell is found to be non-compliant with contract safeguards.

V. Burden Hours

While it is anticipated that all of the Taxpayers contacted for this study will qualify, the response rate will likely be similar to that of other Taxpayer surveys – or about 55%. With this response rate, 5,455 Taxpayers will have to be called in order to reach the 3,000 who agree to participate in the study, leaving 2,455 not participating.

- The contact time to determine non-participation could be up to 1 minute, with the resulting burden for **non-participants** being $2,455 \times 1 = 2,455$ minutes / 60 minutes = **40.92 burden hours**.
- Then, for those **Taxpayers who do participate**, the length of the survey is 15 minutes, with the time burden for that group being $3,000 \times 15$ minutes = 45,000 total minutes / 60 minutes = **750.0 burden hours**.
- Thus, the **total burden hours for the study** would be $(40.92 + 750 =)$ **790.92 hours**.
- The total cost of the survey is \$192,563.

VI. Attachments

Questionnaire – Attached

Moderator's guide

Not applicable here

Cover letter/correspondence

Not applicable here

Telephone screeners

Incorporated into the Questionnaire that's attached.

Scenarios

Follow-up Postcards

Not applicable here