

**OMB Clearance Package**  
**Survey of Customer Service Needs of U.S. Taxpayers Living Abroad**

## **I. Introduction**

### Background/overview

The IRS has developed a Multiyear Plan for Service wide International Tax Administration and formed the International Planning and Operations Council. Wage and Investment Research & Analysis (WIRA), in support of the strategic initiatives of this plan, is working with LMSB to increase their knowledge of the service needs, preferences, and behaviors of United States citizens living abroad (international taxpayers). The first step in gathering this information was to conduct focus groups at the 2008 IRS Nationwide Tax Forums with tax practitioners who serve international clients. The qualitative information obtained during the focus groups was used in the development of a survey to be sent to international taxpayers. The international survey focuses on assessing taxpayer's stated awareness, use, needs, and willingness to use various IRS and non-IRS resources and services.

### Objectives of data collection

The objective of the current project is to determine the needs, preferences, and behaviors of U.S. taxpayers living abroad.

## **II. Methodology**

### Sample Design

WIRA will randomly select a sample of 36,000 US taxpayers living outside of the United States to receive the survey. This sample will be provided to PCG and the print contractor. PCG will coordinate with the print contractor to implement the mail survey. PCG will use a four-wave mail survey with web component (as an option for survey recipients to respond in lieu of mail). The web component will be used as an attempt to increase the response rate.

### Data Collection Date

It is expected that data will be collected between June 19, 2009 and August 27, 2009

### Data to be collected

Several categories of data will be collected:

1. Demographic data such as employment status, education, and internet usage.
2. Awareness of both IRS and non-IRS services related to international taxpayers
3. Behavioral data including use of both IRS and non-IRS services for meeting tax obligations
4. Satisfaction with IRS services used
5. General tax information such as preparer information and method by which they last filed their tax return.

### How data will be used

This survey will provide the International Planning and Operations Council with information regarding the needs, preferences, and behaviors of U.S taxpayers living abroad. This information will help identify opportunities for service enhancement, targeted outreach, and education of international taxpayers in addition to helping the IRS target resource allocation.

#### How data will be analyzed

Analysis of the data will be conducted by the contractor, PCG, and researchers within IRS Wage and Investment Research and Analysis.

Data analysis will include basic and advanced statistical techniques including descriptive statistics and Analysis of Variance (ANOVA). The analysis will be conducted using standard statistical software such as SAS and SPSS.

#### Who is conducting the research?

Pacific Consulting Group (PCG) in conjunction with W&I Research and Analysis will be conducting the research. PCG will be responsible for the data collection task.

#### Recruitment efforts

WIRA will provide the contractor with 36,000 randomly selected international taxpayer names and addresses.

#### Stipend

Participants are volunteers and no stipend will be offered or paid.

#### Efforts to not duplicate research

This is the only survey the IRS is conducting on the needs, preferences and behaviors of international taxpayers. The depth of information on the international taxpayer's experience is not reached in any other IRS survey.

### **III. Participant Criteria**

The population for this study consists of U.S. taxpayers living abroad who filed a 1040 (1040, 1040A, or 1040EZ) for tax year 2006.

### **IV. Anonymity, Disclosure, Security Issues**

The security of the data used in this project and the Anonymity 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. Data security at the appropriate levels has been accomplished. 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 Anonymity 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. Anonymity is assured by virtue of agency policy. The terms of IRS's contract with the data collection requires that the anonymity of any data be maintained.

## V. Estimated Burden Hours

This research is expected to use a total of 2,400 burden hours.

The estimated time to complete the survey both mail and online is 10 minutes per participant. We assume a 5% response rate for the mail and online.

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|---|-------------|
| 36,000 read the pre-letter @ 1min each        | = 600 hours |
| 36,000 read the cover letter @ 1min each      | = 600 hours |
| 36,000 read the post card @ 30 seconds each   | = 300 hours |
| 36,000 read the follow-up letter @ 1 min each | = 600 hours |
| 1800 completed surveys @ 10mins each          | = 300 hours |

### Expected response rate

We are expecting a 5% response rate based on a cognitive pretest of the survey.

With regard to the low 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 international taxpayer needs related to services provided by the IRS.

### Methods to Maximize Response Rate

The expected response rate is based on a pre-test of the survey. The pre-test was a one wave post-card invitation to take a survey on-line. The four waves of the mail survey are designed to increase the response rate. The inclusion of the web component is also designed to increase the response rate.

## VI. Estimated Cost of Study

The estimated contractor cost of this study is \$225,000.

## VII. Attachments

Pre-note  
Letter 1  
Postcard  
Letter 2  
Survey