

**OMB SUPPORTING STATEMENT  
STUDY TO MEASURE IRS CONTACT FOR TAXPAYERS  
IRS NATIONAL RESEARCH PROGRAM TAX CUSTOMERS  
NOVEMBER 2010**

**A. Introduction**

Background/Overview

The National Research Program (NRP) is a department within the IRS. In 2000, the IRS established the NRP Office as part of its efforts to develop and monitor strategic measures of taxpayer compliance. The NRP seeks to increase public confidence in the fairness of our tax system by helping the IRS identify where voluntary compliance problems occur.

Objectives of Data Collection

The primary goals of the study are to survey NRP customers who were excluded from the 2007 NRP 1040 Survey— those whose cases were “Accepted as Filed”, “Accepted with Adjustments” or were closed through correspondence. The purpose is to determine whether the taxpayer contacted the IRS during the preparations of their 2007 income tax return, what the nature of the contact was and which tax topics prompted the contact. A secondary purpose is to measure whether providing specific examples to taxpayers leads to change in their initial response.

**B. Methodology**

Sample Design

NRP will draw a census of individual taxpayers from the 2007 NRP 1040 study who were not included in the sample for the previous survey.

Data to be Collected

NRP will draw a census of approximately 2,000 closed cases (not including exclusions) from FY2007 and send all cases to ICF Macro, Calverton, MD by December 2010.

<b>National Sample</b>		
	<b>Population</b>	<b>Expected Number of Completed Surveys</b>
<b>Total</b>	2,000	430

ICF Macro will perform look-ups of telephone numbers of the names and addresses supplied by the IRS. We will send a list of all names and addresses to the Government Print Office (GPO) print contractor. The list will be separated into two groups: those for whom we have found telephone numbers, and those for whom we have no telephone numbers.

The GPO print contractor will then send a letter which will inform the taxpayers of this study and the importance to the IRS. There will be two versions of the Notification Letter—

1. The Notification Letter for those with a telephone number, informing them that an interviewer from ICF Macro will be calling them in the next few days to conduct the brief survey.
2. The Alternate Notification Letter for those with no telephone number, inviting them to call into a toll-free 1-800 number to participate in the survey.

#### How Data is Collected and Used

Once the final survey instrument and the notification letters have been approved, ICF Macro's designated survey programmer will program the survey document into a survey instrument for Computer-Assisted Telephone Interviewing (CATI) administration. When the survey programming is complete, several rounds of testing will be conducted by ICF Macro and NRP staff.

Once the testing is complete and the interviewers have been trained, ICF Macro will conduct a "slow start" of the data collection. This will consist of interviews with 10 potential respondents with intensive monitoring from project management staff, quality assurance staff, and supervisors. If changes to the survey are necessary based on the "slow start," ICF Macro will make modifications until the survey is correct; if no changes are necessary the survey responses from the "slow start" will be maintained as valid responses.

ICF Macro will provide the data to NRP for analysis and reporting.

With regard to the low estimated 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 this office 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 the needs related to services provided by the IRS.

#### Dates Collection Begin and End

Assuming OMB approval, survey is scheduled to begin by January 26, 2011. The fielding period is estimated to take 4 weeks.

#### Who is Conducting the Research and Where

NRP will be responsible for pulling the sample, conducting the data analysis and reporting the findings.

ICF Macro will be responsible for administering the telephone survey at its office in Calverton, MD and its survey centers in Burlington, VT and Plattsburgh, NY.

#### Cost of Study

ICF Macro contract: \$59,615.

There will be no stipends paid to participants.

Location-Region/City and Facility

Data extract: IRS

Sampling and data collection: ICF Macro, Burlington, VT, Plattsburgh, NY and Calverton, MD

Expected Response Rate

- A. The response rate for the outbound CATI portion of this survey is expected to be 35%. We anticipate that the extended length of time between the customer's experiences with the IRS preparing their 2007 taxes and the fielding of this survey in 2011 will have a dampening effect on the response rate.
  
- B. The response rate to the alternate notification letter inviting the taxpayer to make an inbound call to the CATI survey center is expected to be very low—5%. We anticipate that as many as 50% of the alternate notification letters will be to addresses which are no longer accurate, due again to the extended length of time between the 2007 tax year and the fielding of this survey in 2011.

Initial Sample	2,000	Completed interviews
A. Sample which produces a valid telephone number after look-ups	1,100 (55%)	385 (35%)
B. Sample with no phone number—receives letter invitation to call in to take survey	900 (45%)	45 (5%)
Total completed interviews		430

Methods to Maximize Response Rate

Standard procedures will be used in order to obtain the highest response rate possible for the telephone survey. These will include:

- 1) **Attempt protocol.** ICF Macro will make up to 9 calls for every record with a valid working telephone number.
  
- 2) **Call rotation.** The CATI system automatically schedules calls to rotate among various times across weekdays and spacing calls at appropriate intervals.
  
- 3) **Refusal conversion.** ICF Macro will work with NRP to determine appropriate levels of refusal conversion.
  
- 4) **Flexibility.** Respondents will have the option to call in to complete or continue a survey over multiple sittings. ICF Macro can also schedule appointments, so respondents can participate at a time convenient to them.

5) **High quality interviewing.** CATI instruments have clear instructions with conversational scripts. Interviewers are also highly trained and closely monitored.

#### Testing and Survey Structure/Design

The NRP Survey is attached. The survey asks respondents to indicate the various channels or resources they use to contact the IRS and the tax topic discussed. The results should facilitate more effective management of NRP by providing insight to what the nature of the contact taxpayers had with the IRS and which tax topics were researched. The survey includes four close-ended questions and two open-ended questions to determine the participant's usage of various IRS resources.

#### Efforts Not to Duplicate Research

This is the only study conducted by the IRS on this specific population. ICF Macro will make reasonable efforts to ensure that customers are only surveyed once within a 12-month period.

#### Participants Criteria

The population frame consists of approximately 2,000 individuals with closed cases during FY2007 who were not included in the sample during the original fielding period. All listed participants will be eligible except cases identified during the survey process as having an incorrect telephone number.

### **C. Privacy, Disclosure, Anonymity, Security Issues**

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the vendor will ensure that all participants are treated fairly and appropriately.

The security of the data used in this project and the privacy of taxpayers 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 A & B. Physical security measures include a locked, secure office. Notes 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 taxpayers. This includes criteria 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.

The survey will not contain tax return or taxpayer information. Survey participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are

necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy of the survey respondents. We will apply the 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.

PRA Statement and OMB Control Number

The OMB Control Number and required information will be provided on the survey itself.

**D. Burden Hours**

The NRP Survey has been designed to minimize burden on the taxpayer. The time that a respondent takes to read the notification letter and to complete the survey has been carefully considered and only the most important areas are being surveyed.

The average time for the one-page notification letter is expected to be 2 minutes. The average time of survey completion is expected to be 5 minutes. This is based on a questionnaire consisting of four closed-ended questions and two open-ended questions. The questions are generally one sentence in structure and on an elementary concept level.

We expect to contact approximately 2,000 taxpayers to achieve a total of 430 completed interviews. We anticipate the initial screening time to be minimal. The total estimated burden in hours is estimated to be:

2,000 Notification Letters x 2 minutes each	66.7 hours
430 surveys x 5 minutes each	35.8 hours
<b>Total Burden Hours</b>	<b>102.5 hours</b>

**E. Statistical Contact**

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

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## **F. Attachments**

- A. NRP Survey
- B. Notification Letter
- C. Alternate Notification Letter