

Office of Management and Budget (OMB)

Clearance Package

Customer Satisfaction Survey for Reporting Compliance (RC)

2011

Internal Revenue Service

Wage & Investment, Survey Administration & Analysis

The purpose of the Reporting Compliance is to evaluate taxpayer knowledge, beliefs, barriers and perception of the adjustment—providing first-hand information that has not been collected to date. The data will allow the IRS to determine how to maximize and improve service taxpayer regarding adjustments. **The feedback received will not institute new policy, yet will enable the Service to effectively meet taxpayer needs.**”

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.

OMB SUPPORTING STATEMENT
STUDY TO MEASURE CUSTOMER SATISFACTION
Reporting Compliance (RC) - CY2011

Introduction

Program Background

The Internal Revenue Service (IRS) enlists a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. This initiative is part of the Service-wide effort to maintain a system of balanced organizational performance measures mandated by the IRS Restructuring and Reform Act of 1998. This is also a result of Executive Order 12862, which requires all government agencies to survey their customers and incorporate customer preferences in their process improvement efforts.

Wage and Investment (W&I) Reporting Compliance under the Compliance Business Operating Division (BOD) measures external customer satisfaction with its products and services in three program areas: **Automated Under Reporter (AUR), Compliance Center Exam (CCE), and Innocent Spouse (ISP)** to ensure these programs enhance taxpayer's abilities to understand and meet their obligations under Federal tax laws. Feedback from external customer satisfaction surveys is critical for assessing the customer's perception of our products and services and for helping the three program areas develop service improvement actions. The Reporting Compliance Customer Satisfaction Survey results will be used to track changes in customer satisfaction attributable to specific changes made to Reporting Compliance services, such as adding or changing scripts and/or features of the system and to identify as early as possible, areas/processes that require intervention and improvement. A brief description of the three programs follows:

AUR

The AUR program is responsible for notifying taxpayers of and resolving discrepancies between the income reported on their tax returns and the income information reported to the IRS by third-party payers. Consequently, contacts frequently result in additional assessments of tax, interest, and penalties. In this context, the traditional definition of a satisfied customer is not applicable. Primary measures of satisfaction include taxpayer perceptions with regard to having been treated courteously, respectfully and with professionalism. A challenge with this

study is separating the taxpayers' feelings regarding the fairness of the tax law or the outcome of the contacts from the experience of their interactions with the program.

CCE

CCE is responsible for responding to customer technical and account inquiries, resolving customer account issues, providing account settlement (payment options), and working related issues. CCE also conducts correspondence audits of taxpayer returns. Taxpayers are sent an Initial Contact Letter notifying them of the item or items in question and are told what types of documentation is needed to send in as verification showing the return is correct. Maintaining a presence (through audit coverage) is a cornerstone of our voluntary compliance system.

ISP

ISP is responsible for protecting the rights of the requesting and non-requesting spouses. The program ensures each claim receives timely and consistent treatment in accordance with established guidelines and the law. Under current tax laws, when a married couple files a joint federal income tax return, each spouse becomes individually responsible for paying the entire tax bill. As a result, one spouse can be held liable for tax deficiencies assessed after a joint return was filed, even if the additional taxes were solely attributable to the income of the other spouse. If the Internal Revenue Service (IRS) cannot collect the additional taxes owed on the unreported income from the spouse who earned the income, it may seek to collect the money from the other spouse. The spouse may obtain relief from the additional liability if certain conditions are met.

Processing requests for Relief from Joint and Several Liability is centralized at the Cincinnati IRS Campus now known as the Cincinnati Centralized Innocent Spouse Operation (CCISO) of the Andover Compliance Center. Examiners make a determination by considering requested information from the taxpayer. The examiners will consider all known facts and circumstances when applying Internal Revenue Code 6015.

Objectives

This project has three primary objectives:

1. Identify customer expectations of the Reporting Compliance Programs;
2. Track customer satisfaction on all three programs (AUR, CCE and ISP):
 - a. for the "transactional surveys" at Reporting Compliance sites and nationwide and ;
 - b. For the at "issue resolution" nationwide.
3. Identify operational improvements.

The contractor shall develop questionnaires designed to measure satisfaction for the two survey types, "at transaction" and "at issue resolution" (for all three programs, six surveys) with the completed interaction and to identify areas where improvements in the process

can be made. Questionnaire development must include a topic map or conceptual graph to show each survey item's link to key W&I functions measures, improvement opportunities & customer/expectations as per Section D (Government Provided Documents). Draft Reporting Compliance questionnaires are required by W&I-SAA and they shall include rating questions and not include any major deficiencies (see definitions). The draft questionnaires will be forwarded to W&I SAA by the agreed upon date between the COTR and contractor for comments. The Government will review and provide feedback to the contractor, who will finalize and resubmit within 5 business days.

A pre-test will be necessary to ensure cognitive understanding and that the flow of the questionnaire instruments works well. The questionnaires will be revised and programmed as necessary.

Methodology and Sample Design

The contractor will draw the survey sample from the 6 populations. Contractor has designed a sampling plan that will provide results with at least +/-5.0% sampling error at a 95% confidence level.

Segment	List Source	Mode of Administration	Target Audience
Automated Under Reporter (AUR)	Using developed sampling plan	Mail & IVR Telephone	Individuals who interact with the AUR process. Cases closed in quarter of the survey.
Compliance Center Exam (CCE)	AIMS Database	Mail & IVR Telephone	Individuals whose income tax returns were examined through correspondence with Compliance Centers and whose cases were then closed.
Innocent Spouse (IS)	AIMS Database	Mail & IVR Telephone	Customers with merit-closed Innocent Spouse cases.

Contractor will replace identifying information with an artificial tracking code and then will provide a file with the names and addresses to Contractor's survey administration center in Burlington, VT for the web and CATI fielding and to the mail administration contractor for the mail fielding. The mail administration contractor will scan/enter the mail survey responses and will provide a file to Contractor for analysis and reporting.

The business and tax preparer respondents will be given the option through the mail survey to complete the survey via the web. Controls will be in place so that a person cannot submit multiple surveys via both methods.

Data to be Collected

Contractor will draw a sample from each population. Based on the previous survey and our experience within the IRS for the 6 populations and 3 survey

fielding methods (mail, telephone, and web), we estimate the following response rates, which vary by population.

Segment	Sample Size	Estimated Response Rate	Completed Surveys
AUR	6240 Mail, 7200 IVR	30%	1872 Mail, 2160 IVR
CCE	9120 Mail, 7200 IVR	30%	2736 Mail, 2160 IVR
IS	6600 Mail, 7200 IVR	30%	1980 Mail, 2160 IVR

For each population, we will attempt to achieve a 30% response rate in the 2011 survey. We have enhanced protocols to maximize the response rate. To achieve the maximum possible response rates, the contractor will send pre-notification letters and e-mails in addition to two reminder letters and e-mails where appropriate.

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 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.

3. Develop and Test a Monthly Sampling Plan

The contractor shall develop and execute sampling plans that are acceptable to the Government. The sampling plans will include as a minimum:

1. Methodology
2. Target population and sampling frame
3. Sampling specifications including projected monthly sample size
4. Expected reliability of the sample estimates
5. Sampling limitations including exclusions from monthly sampling frames
6. Proposed weighting scheme
7. Projected response rate
8. Strategy for achieving target response within key strata

The data collection contractor will administer surveys on a monthly basis. The project contractor will monitor the survey's project progress in conjunction with the data collection contractor. Standard procedures will be used in order to obtain the highest response rate possible for this survey.

Provide toll-free Survey Help Desk Support

- Establish and maintain "Help Desk Support Services", requiring a 1-800 number that must be manned by live operators with call routing capability with no busy signals (scripts will be provided)

- Ensure operators are proficient in both English and neutral Spanish, per Executive Order 13166
- Establish hours of operation from 8:00 a.m. - 8:00 p.m. (Eastern Time), Monday through Saturday (except federal holidays)
- Establish a voice mailbox for after hours that will have an outgoing message in both English and neutral Spanish, directing the caller to call again during regular business hours

The Survey Help Desk Support Services staff is expected to handle most complaints without assistance from the IRS. The contractor will not attempt to answer tax-related questions, but will use guidelines provided by the IRS to direct the caller to an appropriate IRS office. Using specific guidelines provided by the IRS, operators will refer any callers with tax-related questions to the appropriate IRS office.

Sufficient English-language operators, who have received IRS clearance, will be available to ensure that no caller receives a busy signal during the regularly scheduled hours. After hours, callers will hear a message, again in English and neutral Spanish, that tells them when the Help Desk is staffed and asks them to call back at that time. If they leave a message, their call will be answered the following business day.

The contractor must e-mail the IRS (e-mail addresses will be furnished) a quarterly call log providing date call was received with the survey name, language, topic/subject matter, and resolution. In addition the log should provide the overall total calls per week by survey name. This log will be due to IRS on a quarterly basis. We suggest the contractor assign a senior staff member to oversee the Data Collection and Help Desk activities.

The contractor and the IRS will agree on protocols for testing the Survey Help Desk Support services.

Conduct Analysis

The contractor will provide, but not limited to, the following statistical techniques for conducting analysis:

- Survey counts and overall response rates at Reporting Compliance sites
- Development, and IRS approval, of analytic plan including (monthly and bi-annual reports) plans for multivariate statistical techniques (e.g., logistic regression, multi-dimensional scaling, cluster analysis, factor analysis, etc.)
- Appropriate recoding of open-ended comments for inclusion in analyses

- Overall level of customer satisfaction and dissatisfaction for Reporting Compliance
- Averages and frequencies for all ratings questions
- Differences in satisfaction ratings across customer segments
- Areas of service, in priority order, where Reporting Compliance should focus efforts to improve overall satisfaction
- Cross tabulations of variables
- Quarterly comparisons with prior month's cumulative data
- Other relevant analysis

The contractor shall include any relevant database variables in the analysis.

Period of Performance

The period of performance will be from the date of the award to March 31, 2012. Data collection will begin January 31, 2011 and end December 31, 2011.

Data to be Collected

Compliance Services Collection Operation taxpayer customer satisfaction respondent data is collected.

How Data Collected & Used

The data collection contractor administers the survey by mail and telephone on a monthly basis. The project contractor monitors the survey's progress in conjunction with the data collection contractor. Standard procedures are used in order to obtain the highest response rate possible for this telephone survey.

Dates of Collection Begin/End

Data collection runs the 2011 calendar year from January 31, 2011 through December 31, 2011. Vendor will have to March 31, 2012 to complete all reports.

Who is Conducting the Research/Where

The contractor is responsible for administering the telephone survey, pulling the sample, conducting data analysis and creation of reports.

Cost of Study

The estimated cost for this survey is **\$534,981.32**.

Burden Hours

The IVR and Mail surveys have been designed to minimize burden on the taxpayer. The time that a respondent takes to complete the phone survey and Mail survey has been carefully considered and only the most important areas are being surveyed.

IVR Surveys

Based on a sample of potential respondents of 21,600 (All IVR Surveys) and a response rate of 30%, we expect 6,480 survey participants, leaving

15,120 non-participants. The contact time to determine non-participants could take up to one minute, with the resulting burden for non-participants being $15,120 \times 1 \text{ minute} = 15,120/60 \text{ minutes} = 252 \text{ burden hours}$. Completed Surveys being $6480 \times 9 = 58,320/60 \text{ minutes} = 972 \text{ burden hours}$ for all mail surveys.

For participants, the time to complete the survey is 9 minutes. This also reflects the time to get into the automated web survey (1 minute) as well as the time to complete the survey (8 minutes maximum).

<u>Three IVR Surveys</u>	
Non – Participants	252 hours
<u>Participants</u>	<u>972</u>
Subtotal:	1224 hrs

Mail Surveys

Based on a sample of potential respondents of 21,960 (All Mail Surveys) and a response rate of 30%, we expect 6588 survey participants, leaving 15,372 non-participants. The contact time to determine non-participants could take up to two minute , with the resulting burden for non-participants being $15,372 \times 2 \text{ minute} = 30,744/60 \text{ minutes} = 512.4 \text{ burden hours}$. Completed Surveys being $6588 \times 5 = 32,940/60 \text{ minutes} = 549 \text{ burden hours}$ for all mail surveys.

For participants, the time to complete the survey is 5 minutes. This also reflects the time to get into the automated web survey.

<u>Three IVR Surveys</u>	
Non – Participants	512.4 hours
<u>Participants</u>	<u>549 hours</u>
Subtotal:	1,061.4 hours

TOTAL BURDEN = 2,285.4 hours

Attachments

IVR Survey:

IRV Survey

Mail Survey:

Mail Survey

Advance letter (pre-note) about the survey

Cover letter with the survey

Postcard reminder

Second letter and survey to non-respondents

Survey questionnaire
