

**OMB STATEMENT FOR THE
ESTATE AND GIFT TAX CUSTOMER SATISFACTION SURVEY
FOR THE SB/SE DIVISION
BPA TIRN0 10-Z-00010, Task Order #0002 (FY2011)
APRIL 1, 2011 – MARCH 31, 2012**

Introduction

The IRS has replaced the traditional measures of accomplishment with a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. Since 1998 for the IRS and since 2000 for the Small Business Self-Employed (SB/SE) Division, customer surveys have been the vehicle for measuring customer satisfaction performance. To date, SB/SE has undertaken a portfolio of six ongoing customer surveys: (1) Compliance Services Collection Operation (CSCO); (2) Automated Collection System (ACS); (3) Automated Underreporter (AUR); (4) Compliance Center Examination (CCE); (5) Field Examination; and (6) Field Collection. In addition to producing the required customer satisfaction “score,” these customer surveys have also produced significant information about the key dimensions of the customers’ experience in dealing with the IRS and SB/SE in their tax matters, as well as pointers to where improvement opportunities might lie. **The feedback received will not institute new policy, yet will enable the Service to meet taxpayer needs effectively.**

In 2006, SB/SE management decided to expand SB/SE’s customer satisfaction measurement and survey program by the addition of new surveys in the Specialty Tax area— in this instance, the Estate and Gift (E&G) Tax Program. In addition to the objective of measuring customer satisfaction to meet a balanced measures requirement, E&G Tax management is motivated to use survey results to identify improvement opportunities and as the basis for enacting improvements.

Customer Satisfaction Survey

Pacific Consulting Group (PCG) will administer a customer satisfaction survey of E&G Tax customers and analyze and report survey results for cases closed between April 1, 2011 and March 31, 2012, for twelve months of closed cases. The objective of the survey will be to gauge customer expectations and perceptions about the E&G Tax examination process.

The existing survey instrument will be used with no changes to the questions. The questionnaire is attached. The estimated time for survey completion is three minutes. The questionnaire is based on the vendor’s Net Impression[®] methodology, which asks respondents to evaluate various aspects of their experience and to provide an overall summary evaluation. The results should facilitate more effective management of SB/SE E&G Tax by:

- Providing insight from the customer's perspective about possible improvements.
- Providing useful input for program evaluation.

The survey includes several rating questions evaluating service delivery during the E&G Tax examination process, as well as demographic items. In addition, ample space will be provided for suggestions for improvement. Survey scoring for this contract will be based on the Customer Satisfaction Survey Score response average to the keystone question: "How would you rate your overall experience with the way your case was handled?" Questions will utilize a 5-point rating scale, with 1 being "*very dissatisfied*" and 5 being "*very satisfied*." All survey responses generated will be anonymous. The vendor shall ensure that taxpayers responding to the survey are guaranteed anonymity.

Design and Methodology

The survey will be conducted as a mail survey. The sample will consist of closed E&G Tax examination cases starting with cases closed in April 2011. Because there are relatively few E&G Tax customers per year who will qualify for the survey, the contractor will take a census of approximately 5,000 customers who will qualify for the survey between April 2011 and March 2012, resulting in a total of 3,000 completed questionnaires for the year. These estimates assume a 60 percent response rate, which the contractor will aim to achieve.

The vendor will administer the survey by mail on a monthly basis. Standard procedures will be used in order to obtain the highest response rate possible for the mail survey. These will include: (1) a pre-notification letter on IRS letterhead about the survey; (2) a cover letter and questionnaire; (3) a postcard reminder; and (4) a cover letter and a copy of the questionnaire to non-respondents. The vendor will, on an annual basis, summarize the quantitative ratings and produce a national report showing customer satisfaction scores on all E&G Tax survey items and overall improvement priorities for the function. The vendor will include any relevant database variables in the analysis and will weight the survey responses as necessary to accurately reflect the entire customer base.

One annual report of survey findings will be distributed to the IRS approximately six weeks after the survey cut-off date for the last quarter. Additionally, each quarter, an Excel spreadsheet will be delivered with % satisfied and % dissatisfied for each rating question. This analysis will be delivered approximately four weeks after each quarter's cut off date.

Evaluation

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

- Survey counts and overall response rates
- The overall level of customer satisfaction with services provided by E&G Tax
- The averages and frequencies for all rating questions
- The differences in satisfaction ratings and attitudes across customer segments
- Which areas of service, in priority order, E&G Tax should focus its resources to improve overall satisfaction
- Analysis of the relationship between survey responses
- Analysis of the open-ended question for improvement suggestions

Estimates of the Burden of Data Collection

The E&G Tax survey 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 three minutes, plus two minutes to read the pre-notification letter. This is based on the questionnaire consisting of eighteen satisfaction questions, one demographic question, and one open-ended question on suggestions for improvement. The questions are generally one sentence in structure and on an elementary concept level.

We have made every attempt in designing this survey to maximize the response rate. Using the response rate of 60%, the total annual burden in hours is estimated to be 317 hours, broken down as follows:

Respondents: 250 hours (3,000 surveys x 3 minutes / 60 minutes + 3,000 pre-notification letters x 2 minutes / 60 minutes).

Non-respondents: 67 hours (2,000 pre-notification letters x 2 minutes/ 60 minutes).

The grand total is estimated to be 317 hours.

Privacy, Security, Disclosure and Anonymity

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the contractor 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 Server 2003 operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

PCG 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 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.

Other Information

The following information will be provided within 60 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 surveys
- Dates on which the data collection began and ended
- Cost (excluding regular salaries of IRS employees)

The estimated cost for this project is \$93,887.

Statistical Contact

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

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