

**Approval Request To Conduct
Customer Satisfaction & Risk Assessment Research**

(OMB Control Number #1545-1432)

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TITLE OF INFORMATION COLLECTION: ETA Risk Assessment for e-Preparation and Tax Filing, Survey Among Taxpayers In Support of the e-Strategy

PURPOSE: A February, 2009, GAO report stated that “In 2007, over 39 million income tax returns were prepared by individuals using commercial tax software such as TurboTax, TaxCut, or TaxAct, and that more than 66 percent of those returns were then filed electronically. This volume makes commercial tax preparation software a critical part of the tax administration system.” The GAO report also stated that “Many Taxpayers Rely on Tax Software and IRS Needs to Assess Associated Risks.”

The specific objective of the research in this Task Order is, per GAO’s recommendation, to “assess the extent to which the reliance on tax software creates significant risks to tax administration, particularly in the areas of tax return accuracy, the security and privacy of taxpayer information, and the reliability of electronic filing.”

Through questions related to satisfaction/problems/concerns with current filing methods, this study would identify, describe, estimate and evaluate the issues highlighted by GAO, along with burden and quality/value, with regard to usage of tax software among Individual Taxpayers. *(In research to come later, the IRS also plans to examine the risks of tax software associated with Tax Preparers, but that is not an objective of this Government Task Order or this OMB Request.)*

DESCRIPTION OF RESPONDENTS: Individual Taxpayers, with the sample stratified into 5 discrete cells of Individual Taxpayers, including:

1. Paper Filers – a Control segment for evaluating extent of risks among Software users.
2. Used Software But Filed On Paper / V-Coders AND Who Used A Tax Software Package
3. Used Software But Filed On Paper / V-Coders AND Used Tax Software Found Online
4. Used Software And Filed Electronically AND Used A Tax Software Package
5. Used Software & Filed Electronically And Used An Online Tax Prep & Filing Service

TYPE OF COLLECTION: *(Check one)*

- | | |
|---|--|
| <input type="checkbox"/> Customer Comment Card/Complaint Form | <input checked="" type="checkbox"/> Customer Satisfaction Survey |
| <input type="checkbox"/> Usability Testing (e.g., Website or Software | <input type="checkbox"/> Small Discussion Group |
| <input type="checkbox"/> Focus Group | <input type="checkbox"/> Other: |

CERTIFICATION:

I certify the following to be true:

1. The collection is voluntary.
2. The collection is low-burden for respondents and low-cost for the Federal Government.
3. The collection is non-controversial and does not raise issues of concern to other federal agencies.
4. The results are not intended to be disseminated to the public.
5. Information gathered will not be used for the purpose of substantially informing influential policy decisions. *(Note: no influence on Public policy decisions, though results may inform IRS decisions with regard to tax software providers.)*
6. The collection is targeted to the solicitation of opinions from respondents who have experience with the program or may have experience with the program in the future.

Name: Derrick Wilson CHIEF, INFORMATION TECHNOLOGY SERVICES, IRS RC:D:SPP:SI

To assist review, please

Personally Identifiable Information

1. Is personally identifiable information being collected? Yes No
2. If Yes, is the information being collected subject to the Privacy Act of 1974? Yes No
3. If Applicable, has a System of Records been established? Yes No (NOT APPLICABLE)

Gifts or Payments:

Is an incentive (e.g., money or reimbursement of expenses, token of appreciation) provided to participants? Yes No

BURDEN HOURS

Category of Respondent	No. of Respondents	Participation Time	Burden
Screening For Individuals or Households	8,333	1 minute	139 Hours
Individuals or Households	5,000	15 minutes	1,250 Hours
Totals			1,389 Hours

Telephone interviewing will be used to collect information from respondents. The annual burden hours requested (1,389) are based on the number of collections we expect to conduct over the requested period for this clearance. The response rate for this study is expected to be in the range of 60%, based upon past research among this audience.

FEDERAL COST: The estimated annual cost to the Federal government is \$728,522 – which includes both costs directly attributable to the proposed n=5,000 survey and costs of other risk-related consulting involved in the overall e-Strategy Risk project.

If you are conducting a focus group, survey, or plan to employ statistical methods, please provide answers to the following questions:

The selection of your targeted respondents

1. Do you have a customer list or something similar that defines the universe of potential respondents and do you have a sampling plan for selecting from this universe?

Yes No

If the answer is yes, please provide a description of both below (or attach the sampling plan)? If the answer is no, please provide a description of how you plan to identify your potential group of respondents and how you will select them?

All potential respondents will be pre-identified by the IRS based upon their most recent tax preparation and filing method and then divided into lists appropriate to each of the 5 cells of Taxpayers. Each list will be nth-selected by the IRS from its customer database. The contractor will then sample within each list for willing respondents qualified for that cell by following an nth pattern of selection that will assure an opportunity for all on each list to participate and further assure the randomness of the respondent selection process.

Administration of the Instrument

1. How will you collect the information? (Check all that apply)

Web-based or other forms of Social Media

Telephone

In-person

Mail

Other, Explain

2. Will interviewers or facilitators be used? Yes No

Please make sure that all instruments, instructions, and scripts are submitted with the request. Relevant documents are attached.