

**Office of Management and Budget (OMB)**  
**Clearance Package**

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**Internal Revenue Service (IRS)**

**2011 Nationwide Tax Forums**

**Focus Groups on  
Small Business Health Care Tax Credits**

Internal Revenue Service  
**2011 Nationwide Tax Forums: Small Business Health Care Focus  
Groups Team**  
April 2011

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## **Background**

Under the Affordable Care Act, enacted March 23, 2010, also known as Section 45R of the Internal Revenue Code, a tax credit is available to certain small employers that provide health care coverage to their employees. The tax credit is effective with tax years beginning in 2010. The IRS has publicized information on the credit as it applies for 2010-2013.

The IRS Nationwide Tax Forums, held annually in six locations across the country, provide an opportunity for the Small Business Health Care Focus Groups Team to conduct focus group sessions with practitioners and other stakeholders that interact with the small business community directly impacted by the changes. The information obtained will allow the IRS to better understand the interests and perspectives of the small business community and help the IRS make informed decisions on implementation and communication issues.

## **Objectives**

This submission is to obtain OMB approval for the Small Business Health Care Focus Groups Team to conduct focus group sessions with tax forum participants at the 2011 IRS Nationwide Tax Forums.

The objectives of each focus group meeting would be to gain insight and feedback on the Small Business Health Care Tax Credit and IRS communications regarding this credit and other small business tax issues. This information also would be compared to similar information gathered last year from focus groups at the 2010 IRS Nationwide Tax Forums. The information received will not be used as the basis for a change in agency policy, but will enable the Service to more effectively meet taxpayer needs.

Topics to discuss with the small employer community include:

- Awareness: Identify the level of awareness of and knowledge about the health care tax credit.
- Interest: Identify the extent to which the health care tax credit is being or will be used.
- Barriers to Usage: Document the questions and concerns small employers have about claiming the tax credits.

- Communications: Identify how practitioners and other stakeholders learn about tax issues and what methods and kinds of content are preferred.

The Small Business Health Care Focus Groups Team would conduct focus group sessions at each of the six 2011 IRS Nationwide Tax Forums as follows:

|                 |                               |
|-----------------|-------------------------------|
| Atlanta, GA     | June 28 – 30, 2011            |
| Orlando, FL     | July 12 – 14, 2011            |
| Dallas, TX      | July 26 – 28, 2011            |
| San Jose, CA    | August 9 – 11, 2011           |
| Las Vegas, NV   | August 16 – 18, 2011          |
| Washington, DC  |                               |
| National Harbor | August 30 – September 1, 2011 |

## Research Methodology

The methodology used would be six in-person focus groups held during the 2011 IRS Nationwide Tax Forums. The moderator's guide and screener script are attached. Each group will be approximately 90 minutes in length, and be held during one day/evening. The groups will include small employers and tax practitioners with small employer clients. A total of 20 individuals will be recruited for each session to ensure participation by 8-10 people per session.

The market segment of interest for this research consists of small employers with less than 25 full-time equivalent employees and tax return preparers who work with this target group of small employers.

The Small Business Health Care Focus Groups Team will document the results of the focus group research in a summary report. The report will summarize the responses for each question from the moderator's guide and the team will offer summary observations and conclusions, if appropriate, based on the results.

The Small Business Health Care Focus Groups Team will conduct the focus group interviews at the 2011 IRS Nationwide Tax Forums. Appendix A provides the schedule of the tax forums, which are being held in six cities across the country between June and September 2011. One focus group will be conducted in each of the six cities, for a total of six focus groups.

The Small Business Health Care Focus Groups Team moderators will screen and recruit participants. Recruiters will invite approximately 20 participants for each group. Past experience indicates that this recruiting quota will actually yield 8-10 participants. Screening guides have been developed for the topics to ensure that all focus group participants have the experience to

offer opinions on the topics. If a preparer meets the criteria, they will be invited to participate in the focus groups. The screener and moderator guides are contained in the following appendices:

[Appendix B](#) – Recruiter’s Guide for the “2100 Small Business Health Care Tax Credits” Focus Group. Each focus group will consist of 8-10 participants and be limited to 90 minutes in duration.

[Appendix C](#) –Moderator's Guide for the “Small Business Health Care Tax Credits” Focus Group. One moderator will facilitate each group and one will take notes. The sessions will also be audiotaped to document notes for the report and then the tapes will be destroyed.

## **Data to be Collected**

The objective of the focus group research is to learn about interest in the small business tax credit, barriers to usage, and how IRS can effectively communicate with the small business community about the health care tax credit and other tax issues. Information will be used to evaluate levels of awareness, interest, and usage of the health care tax credit and what methods of communications are preferred by the small business community and practitioners who work with them. Participants will be asked to share what they and their clients know about the credit, how they got their information, whether they or their clients use or plan to use the credit, what barriers there are to use, and how the IRS might make it easier to use the credit. Participants will also be asked to share how they prefer to receive information from the IRS about new tax issues that affect the small business community. This information will help IRS understand how to effectively communicate with small employers and the practitioners with small employer clients. In this case, small employers are defined as those with less than 25 full-time equivalent employees.

## **Dates Data Collection Begins and Ends**

June 28, 2011 – September 1, 2011

## **Data Analysis and Report Writing**

September 2, 2011 – November 2, 2011

## **Burden Estimates**

The estimate of taxpayer burden for this research is based on the approach described in the methodology section.

**Screening Burden Estimate**

For screening, we will assume that 60 people will be screened before 20 invitations are issued. We will assume that 20 invitations will be issued to ensure that ten people will be present for each focus group. Each screening contact will average three minutes.

For each of the six cities:

Estimated number of potential participants screened for one focus group.....60

Estimated screening time per potential participant.....3 minutes

Total estimated burden (time) for screening (one city)..... 3 hours

**Total estimated burden (time) for screening (six cities)**  
.....**18 hours**

**Focus Group Burden Estimate**

For the focus group burden, we will assume a maximum number of ten participants in each focus group. In each of the six cities, we will conduct one focus group.

Estimated number of participants for 1.5 hour focus groups (six cities).....  
.....60

**Total estimated participant burden (time) for all focus groups (six cities)..... 90 hours**

**Total Burden Estimate**

**The total burden estimate in time is 108 hours.**

**Cost Estimate**

The only cost, outside of normal salary, to conduct these focus groups, is travel. Long distance travel will be required for five of the six forums and local travel for the sixth. We estimate \$1,908 for one Small Business Health Care Focus Groups Team focus group moderator for distance travel to attend one tax forum and \$40 for one focus group moderator for local travel to attend the Washington DC National Harbor forum.

Hotel at \$200 for 4 nights..... \$800.00  
Meals and Incidental Expenses of \$64 for 3 full days and 2 travel days.....  
\$288.00

Flight.....  
 \$720.00  
 Local Transportation..... \$100.00  
 Local Travel for Washington DC National Harbor.....\$40.00

To adequately recruit participants and conduct the focus groups, two moderators are needed in each of the six cities. Therefore, **the total estimated cost of conducting the focus groups with two moderators in all of the six cities is \$19,160 (\$1,908\*10) + (\$40\*2).**

### **Privacy, Security and Disclosure Requirements**

Small Business Health Care Focus Groups Team will ensure the privacy of those who participate in the focus groups. During the focus groups, no taxpayer identifying information will be obtained from or about the participants. First names only will be used to facilitate all discussion. Audiotapes made during the focus groups will be used only to document notes for the report and then will be destroyed. The team will apply fair information and record-keeping practices to ensure protection of privacy of all participants. The criteria for disclosure, as specified in the Privacy Act, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code, provide for the protection of taxpayer information as well as its release to authorized recipients. The Small Business Health Care Focus Groups Team will ensure adherence to these standards, where applicable.

The Small Business Health Care Focus Groups Team will also ensure that security requirements are followed regarding the information obtained during the groups, according to the Internal Revenue Manual (IRM) 1.7 (Research and Analysis for Tax Administration) and applicable federal guidelines, including the Federal Information Security Management Act of 2002 (FISMA). The information will be stored on the Small Business Health Care Focus Groups Team computer system located in a secured area. The information will be maintained in a restricted access folder, so that only those researchers participating in the project will have access to the information (either on paper or electronically).

Any information the Small Business Health Care Focus Groups Team obtains from the focus groups will be used only for this research project. Once the project is complete, the information (paper and electronic) obtained for this project will be archived for one year and then destroyed.

## **Tallies and Other Information**

The Small Business Health Care Focus Groups Team will provide the following information to OMB within 90 days following the last focus group conducted in September 2011:

- Number of Tax Forum attendees screened for the focus groups in each of the six cities
- Number of Tax Forum attendees invited to participate in a focus group in each city
- Number of participants in each focus group in each city
- Dates and times of each focus group in each city

## **Appendix A: Schedule for 2011 IRS Nationwide Tax Forums**

| <b>City</b>     | <b>Dates</b>                  |
|-----------------|-------------------------------|
| Atlanta, GA     | June 28 - 30, 2011            |
| Orlando, FL     | July 12 - 14, 2011            |
| Dallas, TX      | July 26 - 28, 2011            |
| San Jose, CA    | August 9 - 11, 2011           |
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