

Screener’s Guide for the “IRDM: Changes and Effects of Basis Reporting” Focus Group

Hello, my name is _____ and I am an employee of the Internal Revenue Service. I am recruiting approximately 20 tax practitioners to participate in one of the focus group interviews that will be held during this Tax Forum. Management at the IRS has asked me to conduct the interviews at this forum to gather ideas and opinions about your experiences with the changes and effects of basis reporting. Specifically, they are interested in identifying issues with Form 8949, Form 1099-B, or Schedule D that need further clarification when completing taxpayers’ tax returns.

First, I would like to ask you qualifying questions?

Question #1 – Did you prepare returns using Form 1099-B or Form 8949?

Questions #2 – Are you aware of the changes regarding basis reporting requirements?
(Internal Revenue Code Section 6045(g)).

We would like to invite you to participate in the focus group to share your experiences about the changes and effects of basis reporting. Again, we want to hear your opinions, views and ideas. The session should take approximately 2 hours and will be held at _____ am/pm in Room _____.

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this focus group is 1545-1349. We estimate the time required for your participation is two hours. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to:

Internal Revenue Service
Tax Products Coordinating Committee
SE:W:CAR:MP:T:T:SP
1111 Constitution Ave. NW
Washington, DC 20224

Moderator's Guide for the "IRDM: Changes and Effects of Basis Reporting" Focus Group

Hi! My name is _____ and I'm a focus group moderator from the Internal Revenue Service. This is my co-moderator _____.

The Small Business/Self-Employed Division of the IRS wants to improve our service to clients; we would like to secure important information about the recent changes regarding basis reporting (Internal Revenue Code Section 6045(g)). This includes determining the appropriate procedures, language in the instructions, challenges with filing requirements, and understanding the impact on taxpayer burden. IRS management is interested in identifying issues that need further clarification or improvement when completing taxpayers' tax returns.

Before we start, let me ask how many of you have ever participated in a focus group before?

For those of you who have not, let me explain. A focus group is a research tool used to gather ideas and opinions from a group of individuals with a common characteristic or experience by means of directed discussion.

We have some ground rules that I would like to go over:

The IRS has arranged this room during this conference for you to speak with us. We only need to know your first name in order to keep the discussion moving.

There are no **right or wrong answers**. Everyone's opinion is valuable so I'd like everyone to participate. Please speak one-at-a-time, loudly, and clearly.

I will be watching our time and directing our conversation. My co-moderator will be the note taker. Because it's hard to listen to your comments and capture everything, we will also tape this session. The tape will only be used to refresh our memory and to ensure that we convey your ideas and opinions accurately in the report. **NO NAMES WILL BE USED IN THE REPORT**. Once the report is written, the tape is destroyed.

We will be here about 2 hours. Please turn off any cell phones and/or electronic devices.

There will be no formal break; however, if you need to stretch, go to the restroom, or walk around a little, please feel free to do so but please come back quickly. Your comments are very important to us.

We are required by law to report to you the OMB control number for this public information request. That number is 1545-1349.

Warm Up

Let's begin! Please give me your first name only, how long you've been in business and the types of returns you prepare. *Note: Go around the table.*

General Questions

You were asked here because earlier this week you answered the question that you had knowledge of Form 8949, Form 1099-B, or Internal Revenue Code 6045(g).

Passed by Congress in 2008, Section 403 of the Energy Improvement and Extension Act of 2008 amended the Internal Revenue Code to mandate, beginning in 2011, that every broker required to file a return with the IRS reporting gross proceeds from the sale of a covered security, additionally report a customer's adjusted basis in the security and whether any gain or loss on the sale is classified as short-term or long-term.

We are interested in obtaining your feedback on your experiences with these changes and the effects they had for basis reporting when you completed taxpayers' tax returns.

1. What is your understanding of the basis reporting requirements as described in Internal Revenue Code Section 6045(g)?

Probe

- Were the changes clear?
- Did you experience any difficulties?
- How can the IRS make it easier?

2. What questions did you have with regards to Form 1099-B or Form 8949 while preparing your clients returns?

Probe

- Determining the basis?
- Transferring information?

3. How many of you sought guidance or clarification on determining the basis?
(Ask for a show of hands and have the co-moderator record the count)

Probe

- From where?
- IRS.gov, practitioner hotline, professional organizations, e-Services
- Was the guidance helpful?
- Were you satisfied with the experience?

4. How did the implementation of the Form 8949 or Form 1099-B affect you most during this filing season?

5. Was reporting gains and losses on the 2011 Schedule D harder, easier or about the same as it would have been to report them on the 2010 Schedule D?
(Ask for a show of hands and have the co-moderator record the count)

6. Describe how complying with the basis reporting requirements affects your ability to prepare your clients tax return.

Probe

- Did you do anything different to prepare for clients that had these forms?

Communication

7. How do you currently receive information on changes to tax forms or policy?
8. What is your preferred method to receive communications from the IRS regarding tax law changes, tax form changes, and product updates?
9. What do you feel are the top three actions the IRS could take to communicate the changes to basis reporting and Schedule D filings more effectively?
(Moderator may want to use a flip chart to record responses)
10. What communication methods do you feel are most effective at reaching particular stakeholder groups?

Probe

- Professional Communications,
 - Practitioner hotline,
 - RSS Feed,
 - Practitioner webpage
11. What do you think taxpayers, tax practitioners and brokers need to hear about IRC Section 6045(g)?
(Moderator may want to use a flip chart to record responses)

Form 8949, Schedule D & Form 1099-B

Note to Moderator: Please provide the following explanation to participants before you begin

“The new Form 8949 will replace the Schedule D-1, Continuation Sheet for Schedule D. You will now use the new Form 8949, instead of Schedule D, to report the sale of each capital asset, but you will not have to compute the gain or loss for each separate transaction. Instead you will carry totals from Form 8949 to Schedule D and then figure your overall gain or loss on Schedule D.

Schedule D has been redesigned as a summary form for information from this newly created Form 8949.

Give the participants 5 minutes to look at Form 8949, Schedule D, and Form 1099-B.

12. What is your reaction to Form 8949?

Probe

- Layout?
- Wording?
- Organization of topics?
- Do you have any suggestions on how to improve?

13. Describe your experience completing Form 8949?

Probe

- Was it easy?
- Was it difficult?

14. What is your reaction to Schedule D?

Probe

- Layout?
- Wording?
- Organization of topics?
- Do you have any suggestions on how to improve?

15. What is your reaction to Form 1099-B?

Probe

- Layout?
- Wording?
- Organization of topics?
- Do you have any suggestions on how to improve?

16. Was it easy to find information on Form 1099-B that needed to be transferred to Form 8949?

Probe

- If not, what needs to be improved?

17. Was it easy to find information on Form 8949 that needed to be transferred to Schedule D?

Probe

- If not, what needs to be improved?

Conclusion

Are there any more comments or issues regarding either the Form 8949, Form 1099-B or Schedule D we've covered today that you'd like to discuss?

Thank you for all your help. As our partners in tax administration, your ideas and opinions are very important to us. Your participation here today is valuable and greatly appreciated.

Handouts:

