

Focus Group Moderator's Guide

Education Credits

INTRODUCTION

Moderator says: *Hi, my name is _____ and I am here today as the group moderator. I will be presiding over our discussion today and ensure that we stay within our time limit.*

The purpose of the focus group is to get your input on the new Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits), and education credits as a whole. During this focus group, the Return Integrity and Correspondence Services Office will provide a brief overview of the education credits and the revisions to Form 8863. We will then gather feedback from you regarding challenges in administering this credit and the potential impact of the new form.

FOCUS GROUP GROUND RULES

Moderator says:

- *Everything that you say here will be kept strictly private to the extent allowed by law. We will use first names only in this focus group and no names will be used in the Summary Report. You will remain anonymous and are free to tell me what you think.*
- *For the IRS to speak with the public, we are required to have approval from the Office of Management and Budget. Their approval number for this project is 1545-1349. For suggestions on this focus group and making this process simpler, please write to the: IRS Tax Products Coordinating Committee, 1111 Constitution Avenue, NW, IR-6526, Washington, DC 20224.*
- *Please speak one at a time so everyone has a chance to participate.*
- *Do not engage in side conversations. We need for everyone to hear what the others are saying during this discussion.*
- *Sometimes I will go around the table and ask everyone for their input. At other times, I will open a topic for general discussion.*
- *Participation—we need to get a full range of opinions, and we need everyone's participation. You are here to share. I am here to listen.*

- *There are no right and wrong answers. We expect differences in how people see things, and we need to know about these differences.*
- *Feel free to disagree or question each other. The purpose of a group session is to learn things in group interchanges that we do not get out of one-on-one discussions. If someone says something you disagree with, please let us know.*
- *If you have a cell phone, please turn it off, or set it to vibrate. We do not want the group to be disturbed and we also need your full attention during the session.*
- *The session will last 60 minutes.*

INTRODUCTION OF PARTICIPANTS

Moderator says: *Let's go around the table and introduce ourselves (first name only, please). As you introduce yourself, please give us your best estimate of the percentage of tax returns that claim education credits that are prepared by paid preparers?*

Answer: The IRS data shows that 85% of taxpayers who claim education credits use paid preparers.

Moderator says: *We are going to talk about education credits now.*

1. *Do you know the difference between American Opportunity Tax Credit (AOTC) and Lifetime Learning Credit? YES/NO*
2. *Do you use software to prepare tax returns? YES/NO*
 - 2a. *If so, does your software package have an interview process you use with your clients? YES/NO*
 - 2b. *Or do you disable this function? YES/NO*
3. *Do you provide your clients with an intake sheet for tax preparation purposes? YES/NO*
4. *Does your intake sheet ask specific questions regarding education credits? YES/NO*
 - 4a. *If so, what questions are on the sheet? OPEN ENDED*
5. *How do you determine which education credit is most appropriate for your client? OPEN ENDED*

6. *If you have questions on your client's student eligibility for education credits, what tools do you use to obtain tax information? OPEN ENDED*

Probe

irs.gov

Tax software

Pub 970, Tax Benefits for Education

Instructions Form 8863

Publication 17, Tax Guide for Individuals

Anything else we have not mentioned?

6a. *Was the information helpful? YES/NO*

6b. *Which resource was the most helpful, clear and easy to use? OPEN ENDED*

6c. *What would help make it easier for you to find the information you were looking for on the education credits? OPEN ENDED*

7. *What supporting documents do you ask for when determining eligibility for education credits? OPEN ENDED*

Probe

Form 1098-T, Tuition Statement

Receipts for expenses paid

Moderator: *Transition to Form 1098-T*

Moderator says: *Since the Form 1098-T was mentioned, we have some specific questions regarding that document and how you use it in preparing tax returns claiming education credits.*

8. *Do you require your clients provide you with a copy of their Form 1098-T? YES/NO*

9. *If your client does not have the student's Form 1098-T, what do you use to determine/verify the student's eligibility? OPEN ENDED*

10. *What questions do you ask your client regarding the student being used for the education credit? OPEN ENDED*

Probe

School name

What year in program

Are they working towards a degree?

Were they enrolled at least ½ time during academic year?

Moderator hand out: Form 1098-T for reference

11. What boxes on the 1098-T do you review with your client? OPEN ENDED

11a. Do you verify the amounts in Box 1, Payments received for qualified tuition and related expenses, and Box 2, Amounts billed for qualified tuition and related expenses, to confirm the expenses were paid by your client? YES/NO

11b. Do you verify the amount in Box 5, Scholarships or grants? YES/NO

11c. Do you verify the amount in Box 6, Adjustments to scholarships or grants from a prior year? YES/NO

11d. Do you check to see if box 8 is marked to indicate if the student was enrolled at the eligible institution at least half-time? YES/NO

11e. Do you verify Box 9, check if a grad student? YES/NO

11f. What are your thoughts regarding the ease of use/ format of the form?

12. Do you use the decision trees for each education credit in Publication 970 to help make eligibility determinations? YES/NO

12a. If you do use them, how do you use the decision trees included in Publication 970 to prepare Form 8863? OPEN ENDED

11b. What are your thoughts regarding the decision trees' ease of use, format? OPEN ENDED

Moderator says: We are now going to talk about the Form 8863, Education Credits (American Opportunity and Lifetime Learning Credits).

Moderator: Distribute Form 8863 (2011 and draft 2012 forms) and reference poster size document in room.

Moderator says: Please take a few minutes to review the revised Form 8863.

Moderator: Please review the changes on the revised Form 8863 with the participants.

13. What are your thoughts on these changes? OPEN ENDED

Moderator says: Next let's talk about the education credits in general.

14. Have you or your clients received or seen any IRS information on education credits? YES/NO

15. If yes, how did you receive the information? OPEN ENDED

Probe

- *irs.gov*
- *e-News for Tax Professionals*
- *Tax Software*
- *Local or national news stories*
- *Other*

16. What media method is best for the IRS to communicate with you? OPEN ENDED

17. How could the IRS help you and your clients better understand and claim education credits? OPEN ENDED

V. Closing

Moderator says: Thinking about the things we have discussed, is there anything else you would like to share regarding the Form 8863 and the education credits that we talked about today.

Thank you very much for coming and for sharing your ideas with us—we really appreciate your time.

Education Credits Focus Group Recruitment Screener

Hello, my name is [_____]. I am working on behalf of the Internal Revenue Service (IRS), Return Integrity and Correspondence Services Office that administers Education Credits. The IRS would like to obtain feedback on Education Credits and our new revised Form 8863, *Education Credits (American Opportunity and Lifetime Learning Credits)*. We are seeking participants for a focus group we are holding in [insert city, room name and time]. Your participation is voluntary.

IF ASKED: (EACH INTERVIEWER WILL HAVE THIS INFORMATION)

If respondents ask how they were selected, tell them, they were randomly selected from being a participant at the 2012 Nationwide Tax Forums. If respondents are concerned about participating, tell them:

Your participation in this focus group will be held completely private to the extent allowed by law. Your name or any identifying information will be not provided to the IRS. You are invited to participate in this discussion group because you prepared returns for taxpayers who claimed Education Credits.

Would you be willing to participate?

Thank you very much. We appreciate your time.

EDUCATION CREDITS FOCUS GROUPS WITH TAX PREPARERS

Consent for Participation

I, _____,
(Print your name here)

I consent to participating in this focus group session being conducted by the IRS. I understand that during this focus group, the Return Integrity and Correspondence Services Office will provide a brief overview of the education credits and the new Form 8863 *Education Credits (American Opportunity and Lifetime Learning Credits)*. I also understand the IRS intends to gather feedback from me regarding challenges in administering this credit and the impact of the new form.

I acknowledge that my participation in this session is voluntary. I understand that these sessions will not be recorded and the information learned will be used only by the IRS staff to accurately capture the views expressed during the focus group, and that my name will not appear in the Summary Report.

I am aware that my participation in this focus group session will have no effect on my personal tax status or my status as a tax preparer, that identifying information about me will not be shared with the IRS, and that all of the information I share today is protected under the Privacy Act.

Participant's Signature/Date

[Empty box for signature]

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 1545-1349. 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.

① NAME::

② HOW MANY PREPARERS ARE IN YOUR OFFICE? (check one):

- 1-5 21-30 more than 50
 6-10 31-40
 11-20 41-50

③ IS YOUR OFFICE PART OF A LARGER CHAIN OR FIRM? (check one):

- Yes No

Which one? _____

④ DOES YOUR OFFICE MAINLY PREPARE RETURNS AS PART OF A VOLUNTEER EFFORT, OR ON BEHALF OF A NONPROFIT ORGANIZATION?

- Yes No Not sure

⑤ IN THE PAST YEAR, DID YOU PREPARE A RETURN FOR ANY TAXPAYER CLAIMING EDUCATION CREDITS?

- Yes No Not sure

⑥ APPROXIMATELY HOW MANY FORMS 8863, EDUCATION CREDITS, DID YOU SUBMIT LAST YEAR WITH YOUR CLIENTS' TAX RETURNS?

- LESS THAN 10 BETWEEN 26 & 50 MORE THAN 100
 BETWEEN 11 & 25 BETWEEN 51 & 100

⑦ HAVE YOU ATTENDED AN IRS-SPONSORED TAX FORUM, EITHER LAST YEAR (2011) OR THE YEAR BEFORE (2010)?

- Yes No Not sure

CIRCLE FOCUS GROUP CITY:

ORLANDO SAN DIEGO CHICAGO
ATLANTA LAS VEGAS NEW YORK