

**SUPPORTING STATEMENT**  
**Paperwork Reduction Act Information Approval Request**  
**to Conduct Customer Satisfaction Research**

**Publication 17, Your Federal Income Tax (For Individuals)**

**A. JUSTIFICATION**

**1. Circumstances Making the Collection of Information Necessary**

The Tax Forms and Distribution (TF&P) Division of the IRS hired a vendor to review the publications owned by TF&P and compare them with Publication 17 to identify chapters or sections where there was overlap or complete duplication of content. Based on the findings, the vendor recommended incorporating any unique Publication 17 content into the primary publication and eliminating that chapter or section from Publication 17. The vendor further recommended reworking Publication 17 as an index to Tax Forms and Publications and a guide for taxpayer use to determine how to obtain needed tax information. Based on declining use of paper tax products, the vendor also stated that the IRS should develop a strategy to phase-out the paper and on-line version of most publications, including Publication 17 to an on-line only version. The vendor noted that this change should be completed in a comprehensive and strategically planned manner after completion of taxpayer focus groups and or surveys to gather feedback and identify ways to best communicate and socialize this possible change with users.

**2. Purpose and Use of the Information Collection**

The objective of these focus groups is to gather input individual taxpayers and practitioners who use Publication 17 to determine the best way to communicate the change and the potential impact of the proposed changes.

The specific business questions to be explored by this project are to determine:

- Taxpayers and practitioner's reaction to the recommendation of a shift from printed and online versions of Publication 17 to online versions of only.
- Taxpayers and practitioner's reaction to redesigning Pub 17 to be more of a reference guide.

This information will assist the division in developing clear and informed strategic plan on how best to reinvent and market the conversion of Publication 17 to a redesigned document and to an on-line only version. To achieve these objectives, the division plans to conduct a total of 8 focus groups, (2 per city) in 4 separate cities. Each focus group will consist of at least 8 participants, with 10 being the ideal number of participants. Upon arrival, participants will be re-screened to confirm their eligibility.

**3. Consideration Given to Information Technology Sample Design**

The focus groups will be administered in person during vendor led sessions.

**4. Efforts Not to Duplicate Research**

No focus group testing of Publication 17 has been done in the past. There is no duplication of effort.

#### **5. Reducing the Burden on Small Entities Expected Response Rate**

The Publication 17 focus groups have been designed to minimize burden. The time that participants take to participate in the focus groups has been carefully considered and only the most important areas of the forms are being tested. The average time of the focus groups is 2 hours.

#### **6. Consequences of Not Conducting Collection**

Without this type of feedback, IRS will not have timely information to determine if and how best it is best to convert Pub 17 to an online version only and how to best inform taxpayers of the change.

#### **7. Special Circumstances**

There are no special circumstances. The information collected will be voluntary and will not be used for statistical purposes.

#### **8. Consultations with Persons Outside**

N/A

#### **9. Payment of Gift**

IRS will provide a stipend of \$75 to each focus group participant to participate for a 2-hour session. Individuals will qualify only if they have used Publication 17 to complete their tax return and tax practitioners will have had to use it to prepare tax returns for their clients.

#### **10. Confidentiality**

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the M&P will ensure that all participants are treated fairly and appropriately.

The security of the data used in this project and the extent allowed by law 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 NT operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

The IRS will apply and meet fair information and record-keeping practices to ensure extent allowed by law 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.

We will carefully safeguard the security of data utilized as well as the privacy of the focus group participants. 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.

**11. Sensitive Nature**

No questions will be asked that are of personal or sensitive nature.

**12. Burden of Information Collection**

We expect to contact 900 potential participants to recruit 96 actual participants. We expect to recruit 12 participants with 10 participants expected to show for each focus group session. If more than 10 participants show at any session, they will be paid the honorarium and be told their participation is not required. Travel time for participant sent home is included in burden hours.

Category of Respondent	No. of Respondents	Participation Time (In Minutes)	Burden (In Hours)
Recruitment	900	5	75
Follow-up Phone Call	96	1	1.6
Travel to Focus Group Facility	96	30	48
Participants	80	120	160
Totals	80	156	284.6

**Estimated Response Rate:**

We expect to contact 900 potential participants to recruit 96 actual participants for an expected response rate of 10.7%.

**13. Costs to Respondents**

N/A

**14. Costs to Federal Government**

The anticipated cost to the Federal Government to conduct this focus group is approximately \$90,000. These costs are comprised of: hiring a vendor to recruit participants, secure facilities, pay honorarium, moderate focus group, analyze data and prepare report. It also includes travel expenses for the vendor and IRS employees to travel to the focus group sites. IRS employees will serve as observers to ensure the focus group is conducted in accordance to the moderator’s guide.

**15. Reason for Change**

N/A

**16. Tabulation of Results, Schedule, and Analysis Plans**

The vendor will prepare a report will include the recommendations of the focus group participants. The recommendations will be shared wit the program owner for follow-up action.

**17. Display of OMB Approval Date**

N/A

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

These activities will comply with the requirement in 5 CFR 1320.9.

**19. Dates collection will begin and end**

September 11, 2012 – October 10, 2012

**B. STATISTICAL METHODS**

**1. Universe and Respondent Selection**

The plan includes recruiting 12 participants for each focus group with the expectation of 10 participants to show. The vendor will perform all recruiting based on the following criteria.

Demographics Chart

<b>Gender</b>	Mix
<b>Race/Ethnicity</b>	Mix
<b>Filing Status</b>	Mix
<b>Income</b>	Mix
<b>Age</b>	Mix
<b>Education</b>	Mix
<b>Individual</b>	Filed a 2011 Individual tax return (1040, 1040A or 1040 EZ) and used the Pub 17 in the last 12 months
<b>Tax Preparer</b>	File at least 25 2011 Individual tax return (1040, 1040A or 1040 EZ) and used the Pub 17 in the last 12 months
<b>Special characteristics</b>	Individual taxpayers should meet the following criteria: <ul style="list-style-type: none"> <li>• at least 18 years old</li> <li>▪ 100% of individual participants should have filed their own return. Fifty percent of these taxpayers must have filed their return using paper and pencil.</li> </ul>

**2. Procedures for Collecting Information**

IRS plans to hire a vendor to conduct 8 focus groups for this project. A moderator’s guide will be used by the vendor to obtain information from participants.

**3. Methods to Maximize Response**

Information collected under this information collection will not yield generalizable quantitative findings; it can provide useful customer input, but it does not yield data about customer opinions that can be generalized.

#### **4. Testing of Procedures**

Pretesting will not be conducted.

#### **5. Contacts for Statistical Aspects and Data Collection**

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#### **Attachments**

Screener Guide  
 Moderator Guide