

**SUPPORTING STATEMENT**  
**Paperwork Reduction Act Information Approval Request**  
**To Conduct Marketing Focus Groups Among Taxpayers Regarding Use Of Tax Preparers**

**A. JUSTIFICATION**

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

Executive Order 12862 directs Federal agencies to provide service to the public that matches or exceeds the best service available in the private sector. In order to work continuously to ensure that our programs are effective and meet our customers' needs, the Internal Revenue Service (hereafter, "the Agency") seeks to obtain OMB approval of a generic clearance to collect qualitative feedback on our service delivery. By qualitative feedback we mean information that provides useful insights on perceptions and opinions, but are not statistical surveys that yield quantitative results that can be generalized to the population of study.

This collection of information is necessary to enable the Agency to gather customer and stakeholder feedback in an efficient, timely manner, in accordance with our commitment to improving service delivery. The information collected from our customers and stakeholders will help ensure that users have an effective, efficient, and satisfying experience with the Agency's programs. This feedback will provide insights into customer or stakeholder perceptions, experiences and expectations, an early warning of issues with service, or focus attention on areas where communication, training or changes in operations might improve delivery of products or services. These collections will allow for ongoing, collaborative and actionable communications between the Agency and its customers and stakeholders.

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

The purpose of these focus groups is to gather information needed to support current and future RPO efforts. RPO wants to better understand things such as what factors determine taxpayer loyalty and taxpayer satisfaction, what taxpayers look for when selecting a tax preparer, what may make them change tax preparers, and how they feel about IRS requirements to credential and register Professional Tax Preparers. Information from the focus groups may be used to drive and support future marketing campaigns and to develop a future survey to be conducted among Tax Preparers. Fielding these groups as soon as possible after OMB approval offers the optimal time to begin this research, collect useful information and allow RPO to build stronger communications in time for the late-October/early-November campaign launch effort.

The information collected in this research will be used internally for general service improvement; information gathered will not be used for the purpose of substantially informing influential policy decisions<sup>1</sup>; the information will be qualitative and is not designed or expected to yield statistically reliable results or used as though the results are generalizable to the population of study; the collections are voluntary, low-burden, low-cost, non-controversial and do not raise issues of concern to other Federal agencies. With the exception of information needed to provide remuneration for participants of focus groups and cognitive laboratory studies, personally identifiable information (PII) is collected only to the extent necessary and is not retained.

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<sup>1</sup> As defined in OMB and agency Information Quality Guidelines, "influential" means that "an agency can reasonably determine that dissemination of the information will have or does have a clear and substantial impact on important public policies or important private sector decisions."

**3. Consideration Given to Information Technology**

If appropriate, the Agency collects information electronically and/or uses online collaboration tools to reduce burden. Data collection here, however, will be qualitative and in-person.

**4. Duplication of Information**

No similar data are gathered or maintained by the Agency or are available from other sources known to the Agency.

**5. Reducing the Burden on Small Entities**

No small businesses or other small entities will be involved in these efforts.

**6. Consequences of Not Conducting Collection**

Without these types of feedback, the Agency will not have timely information to adjust its services to meet customer needs.

**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 the Agency**

Not applicable.

**9. Payment or Stipend**

Since this research consists of in-person focus groups, the Agency is providing a respondent stipend of up to \$75 because the Return Preparer Office is requesting participation from specific types of respondents and not just the general public. By “specific types of respondents”, we are referring to 4 segments of Individual Taxpayers: (1) Preparer Loyalists, (2) Prep Firm Loyalists, (3) Preparer Switchers, and (4) Converted from Self-Prepared to Paid-Prepared. Also, the expected participation time is 1.5 hours which is longer than the standard 1 hour.

**10. Confidentiality**

There is no confidentiality pledge being used in this research.

**11. Sensitive Nature**

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

**12. Burden of Information Collection**

Telephone interviewing will be used to screen for qualified survey participants, with those qualifying then being interviewed in person in a focus group setting. The response rate for this study is expected to be about 45%, based upon past research among this audience.

Type of Collection	No. of Respondents	Participation Time (minutes)	Total Hours
Screening For Willing Individual Taxpayer Focus Group Participants	229	5 Minutes/60	19.08
Individual Taxpayers Participating In All Focus Groups In This Study	104	90 Minutes/60	156

TOTAL BURDEN HOURS			175.08
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**13. Costs to Respondents**

No costs are anticipated.

**14. Costs to Federal Government**

The anticipated cost to the Federal Government is approximately \$77,263 annually. These costs are comprised of: survey document development, travel costs, respondent costs, facility costs, moderating costs, analysis, and reporting.

**15. Reason for Change**

Not applicable. This is a new request for an ICR.

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

Feedback collected under this generic clearance provides useful information, but it does not yield data that can be generalized to the overall population. Findings will be used for general service improvement. The Agency will disseminate the findings when appropriate, strictly following the Agency's "Guidelines for Ensuring the Quality of Information Disseminated to the Public.", and will include specific discussion of the limitation of the qualitative results discussed above.

**17. Display of OMB Approval Date**

We are requesting no exemption.

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

These activities comply with the requirements in 5 CFR 1320.9.

**19. Dates Collection Begins And Ends**

Collection of information is expected to begin in September 2012 and end in October 2012.

**B. STATISTICAL METHODS**

The primary purpose of these collections will be for internal management purposes.

**1. Universe and Respondent Selection**

Respondents in this study will be Individual Taxpayers, with the sample stratified into 4 segments of Individual Taxpayers: (1) Preparer Loyalists, (2) Prep Firm Loyalists, (3) Preparer Switchers, and (4) Converted From Self-Prepared to Paid-Prepared. A total of 8 focus groups would be conducted: two groups with each segment, with the 8 focus groups distributed across East Rutherford NJ, Chicago, Dallas, and Seattle. Since the sample is a self-selected, convenience, and quota sample (with respondents selected to cover a broad range of customers), results will not be extended to the Taxpayer universe or be used to generalize the data beyond the scope of the sample.

**2. Procedures for Collecting Information**

Potential respondents for the 8 focus groups would be screened by telephone and asked to come to a focus group facility, where they would participate in an hour and a half group discussion. All potential respondents will be pre-identified by the Agency based upon their most recent tax preparation and filing method and then divided into lists appropriate to each of the cells of Taxpayers. Each list will be nth-selected by the Agency 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.

**3. Methods to Maximize Response**

Information collected under this information collection request will not yield generalizable quantitative findings.

**4. Testing of Procedures**

Pretesting is done with internal staff of 2-3 people.

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

Statistical expertise for this study has been provided by the contractor, along with the following Agency personnel:

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