

**Supporting Statement**  
**Approval Request to Conduct Customer Satisfaction Research (OMB #1545-1432)**  
**Estate and Gift Tax Customer Satisfaction Mail Survey**

**A. JUSTIFICATION**

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

The Internal Revenue Service (IRS) enlists a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. This initiative is part of the Service-wide effort to maintain a system of balanced organizational performance measures mandated by the IRS Restructuring and Reform Act (RRA) of 1998. This is also a result of Executive Order 12862 that requires all government agencies to survey their customers.

These customer surveys have also produced significant information about the key dimensions of the customers' experience in dealing with IRS and SB/SE in their tax matters as well as pointers to where improvement opportunities might lie.

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

In addition to the objective of measuring customer satisfaction to meet a balanced measures requirement, E&G Tax management is motivated to use survey results to identify improvement opportunities and as the basis for enacting improvements.

The key goals of the survey are 1) to survey our external customers on an ongoing basis regarding their expectations, 2) track customer satisfaction progress over time nationwide and 3) identify operational improvements within SB/SE E&G Tax. The feedback received will not institute new policy, yet will enable the Service to meet taxpayer needs effectively.

**3. Consideration Given to Information Technology**

The E&G Tax survey will be administered by mail on a monthly basis.

**4. Duplication of Information**

This survey will provide valuable information that is not available in any internal IRS data source.

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

N/A

**6. Consequences of Not Conducting Collection**

SB/SE initiatives fall under the IRS goal to *“IMPROVE SERVICE TO MAKE VOLUNTARY COMPLIANCE EASIER, and ENFORCE THE LAW TO ENSURE EVERYONE MEETS THEIR OBLIGATION TO PAY TAXES.* If the requirement is not funded, SB/SE will not have the

external measures used to assess their success in meeting IRS goals. This will also cause SB/SE to be less effective as it will not have the data to know which products and services identified by customers need improvement or need to be developed to service these populations.

## **7. Special Circumstances**

There are no special circumstances. The information collected will be voluntary. These statistics could be used in making management decisions such as in business improvement opportunities.

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

N/A

## **9. Payment or Gift**

N/A

## **10. Confidentiality**

One voluntary survey question asks if participants are interested in participating in future research, if so they are requested to provide their telephone number and e-mail address (if available). This information is not shared with the IRS and is only used by the contractor for research purposes. The data returned to IRS will have no identifying information relating specific records to individual taxpayers. Nonetheless, IRS will ensure that privacy to the extent allowed by law and security of the aggregated results will receive the utmost attention. Public and official access to the information will be tightly controlled. The computer files containing this tabulated information will remain password protected at all times. We will apply fair information and record-keeping practices to ensure protection of all taxpayers. 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 taxpayer information as well as its release to authorized recipients.

## **11. Sensitive Nature**

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

## **12. Burden of Information Collection**

The survey interview is designed to minimize burden on the taxpayer. The time that a respondent takes to complete the mail survey is carefully considered and only the most important areas are being surveyed. The average time of participation is expected to be 7 minutes. The questions are generally one sentence in structure and on an elementary concept level.

Based on a sample of potential respondents of 6,036 and a response rate of 32%, we expect 1,932 survey participants, leaving 4,104 non-participants. The contact time to determine non-participants could take up to two minutes to read the pre-contact letter, with the resulting burden for non-participants being  $4,104 \times 2 \text{ minutes} = 8,208/60 \text{ minutes} = 136.8 \text{ burden hours}$ .

Participation time is expected to be 7 minutes. This reflects the time to read the pre-notification letter (2 minutes) and time needed to complete the survey (5 minutes maximum). The time burden for participants is  $1,932 \times 7 = 13,524/60 \text{ minutes} = 225.4 \text{ burden hours}$ .

The total burden hours for the survey is  $(136.8 + 225.4) = \mathbf{362.2 \text{ burden hours}}$

Minor revisions, that will not impact the burden hours, may be made to the survey questionnaire. Revising the coding scheme for open-ended questions is one example.

E&G Tax Mail Survey

<b>Category of Respondent</b>	<b>No. of Respondents</b>	<b>Participation Time</b>	<b>Burden</b>
E&G Tax Non-participant	4,104	2 min	136.8
E&G Tax Expected Participants	1,932	7 min	225.4
<b>Totals</b>	<b>6,036</b>		<b>362.2</b>

**Estimated Response Rate: 32%**

**Total Burden Estimate = 362.2 hrs**

**13. Costs to Respondents**

N/A

**14. Cost to Federal Government**

The estimated cost is \$82,497. This cost is a portion of the total contract cost, which includes five separate surveys.

**15. Reason for Change**

N/A

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

The survey data is collected via mail questionnaire and is an established and tested survey instrument. If changes are made to the questionnaire, they are expected to be minor. Revising the coding scheme for open-ended questions is one example. The survey includes several ratings questions evaluating service delivery during the E&G Tax process as well as several demographic items. In addition, ample space is provided for suggestions for improvement.

Survey scoring for this contract is based on the Customer Satisfaction Survey Score response average to the keystone question – “Regardless of whether you agree or disagree with the final outcome, how would you rate your overall satisfaction with the way your Estate & Gift Tax audit was handled?” Questions utilize a 5-point rating scale, with 1 being very dissatisfied and 5 being very satisfied. All survey responses will be released only as summaries. The contractor shall hold the identities, of the taxpayers responding to the survey, private to the extent permitted by law. The contractor ensures that taxpayers responding to the survey are guaranteed anonymity. The contractor will not provide the IRS with data or status updates that are linked to individual respondents. Upon completion of data collection and cleaning, the contractor will provide de-identified survey data to the IRS. This data will not include any individually identifying information such as name, address, or taxpayer identification number.

**17. Display of OMB Approval Date**

N/A

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

N/A

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

April 1, 2014 through September 30, 2014

**B. STATISTICAL METHODS**

**1. Universe and Respondent Selection**

Survey participants are pulled from E&G Tax closed cases. Because of the small number of closed cases per month, all are included in the sample.

**2. Procedures for Collecting Information**

The vendor will administer the survey by mail on a monthly basis. Standard procedures will be used in order to obtain the highest response rate possible for the mail survey. These will include:

- 1) a pre-notification letter on IRS letterhead about the survey, 2) cover letter and questionnaire, 3) a postcard reminder, and 4) a cover letter and a copy of questionnaire to non-respondents.

**3. Methods to Maximize Response**

The questionnaire length is minimized to reduce respondent burden; thereby, tending to increase response rates. Respondents are assured anonymity of their responses. Also, weighting procedures can be applied to adjust aggregated data from those who do respond.

**4. Testing of Procedures**

The questionnaire is an established and tested survey instrument. If changes are made to the questionnaire, only minor changes are expected. Revising the coding scheme for open-ended questions is one example.

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

For questions regarding the study or questionnaire design or statistical methodology, contact:

Joann McDowell

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**Survey instruments include the following and are attached as a separate file.**

- Pre-notification letter on IRS letterhead
- Cover letter and questionnaire
- Postcard reminder
- Cover letter for non-respondents