

Supporting Statement
Approval Request to Conduct Customer Satisfaction Research (OMB #1545-1432)
E-File (Form 2290) 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.

We want to target people who are required to file a *Heavy Highway Vehicle Use Tax Return* using Form 2290. We want to understand the reasons why they choose to submit their tax return via paper submission or electronically. The IRS would like to identify taxpayers' experience with electronic filing, or the barriers that keep them from filing electronically so we can remove those barriers and identify improvement opportunities.

2. Purpose and Use of the Information Collection

Excise Tax management is motivated to identify the barriers preventing more Form 2290 filers from e-filing and to suggest strategies to remove these barriers and increase the rate of Form 2290 e-filing. Survey results will be used to identify improvement opportunities and as the basis for enacting improvements.

3. Consideration Given to Information Technology

The E-File survey will be administered by mail as a one-time survey.

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

If survey is not conducted, Excise Tax management will not know the reasons why taxpayers choose to submit their *Heavy Highway Vehicle Use Tax Return*, using Form 2290, via paper submission instead of electronically. The IRS will not be able to remove the barriers that keep taxpayers from filing electronically and identify improvement opportunities.

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

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 2,000 and a response rate of 20%, we expect 400 survey participants, leaving 1,600 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 $1,600 \times 2 \text{ minutes} = 3,200/60 \text{ minutes} = 53.3 \text{ burden hours}$.

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 $400 \times 7 = 2,800/60 \text{ minutes} = 46.7 \text{ burden hours}$.

The total burden hours for the survey is $(53.3 + 46.7) = \mathbf{100 \text{ burden hours}}$

Minor revisions, that will not impact the burden hours, may be made to the survey questionnaire. If changes are made to the questionnaire, only minor changes are expected. Revising the coding scheme for comments is one example.

E-File Survey

Category of Respondent	No. of Respondents	Participation Time	Burden
E-File Non-participant	1,600	2 min	53.3

E-File Expected Participants	400	7 min	46.7
Totals	2,000		100

Estimated Response Rate: 20%

Total Burden Estimate = 100 hrs.

13. Costs to Respondents

N/A

14. Cost to Federal Government

The estimated cost is \$2,500.

15. Reason for Change

N/A

16. Tabulation of Results, Schedule, Analysis Plans

The survey data is collected via mail questionnaire. The survey includes several questions relating to the use of the taxpayer’s *Heavy Highway Vehicle* (truck/trailer) and the type of hauling they do. Additional questions ask how they prepare and file their tax return. The purpose of the survey is primarily descriptive.

Questions 5-9 and 12-13 approach the issue of reasons not to e-file from various angles. They try to identify respondents choosing not e-file because of the following hypothesized barriers:

- Use of a paid preparer who does not e-file
- The cost of e-filing
- Finding e-filing too difficult
- Not knowing how to e-file
- Not knowing Form 2290 could be e-filed
- Data security and privacy concerns
- Computer or internet access issues
- Belief e-filing would make it more difficult to obtain Schedule 1 and register vehicle

Questions 9 and 13 also have free-response areas so respondents can provide additional reasons they choose not to e-file. We will rank these barriers by prevalence and cross-tabulate with the descriptive questions 1-4 and 10-11. Questions 1-4 and 10-11 ask about:

- Length of time as an operator
- Is the entity an independent operator
- Number of employees if applicable
- Interstate versus intrastate operation
- Did the IRS contact the respondent and why

By cross-tabulating the descriptive results with the barrier results, we will try to determine whether respondents’ reasons for not e-filing vary across those characteristics.

Questions 14-16 ask about respondents’ satisfaction with paper filing, whether they believe e-filing would make it easier for them to register their vehicle, and how likely they believe they are to switch to e-filing. In theory, cross-tabulation of these results with the barrier questions should

help identify relative strength of the barriers. If respondents dissatisfied with paper filing who report barrier A report themselves as more likely to switch to e-filing than respondents dissatisfied with paper filing who report barrier B, we might conclude that B is a stronger barrier to e-filing than A.

We will combine the measures of barrier prevalence and barrier strength in a leverage analysis. We anticipate a high nonresponse rate and will attempt nonresponse analysis based on the ID match to CDW data. However, depending on the quality of the demographic data available and its relation to the values of interest, we may not be able to make any nonresponse corrections. Consequently, the survey results may represent only the respondents and cannot be extended to the population.

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

May 1, 2015 through August 31, 2015

B. STATISTICAL METHODS

1. Universe and Respondent Selection

The target population is Form 2290 filers whose most recent Form 2290 was filed on paper, in or since July 2014. (July is the primary filing month for Form 2290; Form 2290s filed in some other month can only apply to vehicles which were not in use between the previous July and the time of filing.) The client will provide a list of these taxpayers from the *Compliance Data Warehouse (Masterfile)*. This is not a complete list of the current cycle, as the list will be created before June 2015, but based on past years will omit only a small proportion of the population; in the previous three years, under 10 percent of Form 2290s were filed from March to June. The sampling frame will also exclude taxpayers with no usable domestic mailing address in the data provided by the client. We will draw a simple random sample of 2000 TINs. Anticipated sampling precision is 2 percent.

2. Procedures for Collecting Information

IRS will administer the survey by mail. 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 survey was designed in conjunction with Excise Tax. It includes qualitative and quantitative questions. If changes are made to the questionnaire, they are expected to be minor. For example, revising the coding scheme for comments is one example.

5. Contacts for Statistical Aspects and Data Collection

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

Sharon Lockett
SB/SE, Policy Analyst
240-613-6466
sharon.l.lockett@irs.gov

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

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