

Supporting Statement
Approval Request to Conduct Customer Satisfaction Research (OMB #1545-1432)
Employment Tax E-File Survey for Tax Practitioners

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 tax practitioners who file business employment tax returns using Forms 940, 941, 943, 944 or 945. We want to solicit feedback from tax practitioners, on their experiences with and attitudes towards e-filing of employment tax returns for their taxpayer clients. 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

Employment Tax management is motivated to identify the barriers preventing more filers from e-filing and to suggest strategies to remove these barriers and increase the rate of 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 Employment Tax E-File Survey for Tax Practitioners 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, Employment Tax management will not know the reasons why taxpayers choose to submit their tax return 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 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 $2,000 \times 2 \text{ minutes} = 4,000/60 \text{ minutes} = 66.67 \text{ burden hours}$.

Participation time is expected to be 5 minutes or less. The time burden for participants is $400 \times 5 = 2,000/60 \text{ minutes} = 33.34 \text{ burden hours}$.

The total burden hours for the survey is $(66.67 + 33.34) = 100 \text{ burden hours}$

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.

Employment Tax E-File Survey for Tax Practitioner

Category of Respondent	No. of Respondents	Participation Time	Burden
Employment Tax E-File Survey for Tax Practitioner Potential Participants	2,000	2 min	67
Employment Tax E-File Survey for Tax Practitioner Expected Participants	400	5 min	33
Total Burden			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 \$1,700.

15. Reason for Change

N/A

16. Tabulation of Results, Schedule, Analysis Plans

The survey data is collected via mail questionnaire. Our method will be to conduct a sample survey of tax practitioners who, although involved in the preparation and/or filing of employment tax returns, are still preparing returns that are paper-filed. We will ask tax practitioners about their satisfaction, with the mode of filing they are using and with steps in the process that seem to go smoothly or to cause problems for them, and about the feedback they receive from their taxpayer clients on these topics.

Our first step will be to profile tax practitioners under a concurrent project, and to use the profile to define, describe and quantify the target population(s). Our clients will help us choose the profiling variables, basing them on tax practitioner characteristics that CS&O can later use to select communication channels and tailor marketing messages that can reach and appeal to specific communities of employment tax practitioners.

The profile's data sets will serve as the frame for drawing a statistical sample of tax practitioners to contact via the mail survey. Pertinent demographic characteristics will be retained from the profile for each tax professional in the survey sample, so we can later determine whether these variables are correlated with expressed opinions and experiences gathered from the surveys, or with fact of responding (when we do our non-response analysis).

Our total sample size will not exceed 2,000 tax practitioners, and we anticipate a response rate below 20%, based on SB/SE Research experience with customer satisfaction surveys. We will avoid stratified sampling if possible, to maintain reasonable counts of respondents and allow for non-response analysis.

CS&O and Research will collaborate in formulating the survey questionnaire and cover letter. Research will administer the survey, including working with the mail service contractor, and processing the returned survey forms (data entry and analysis). CS&O will pay the mail service contractor, and will be available to provide feedback during the data analysis.

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

August 1, 2015 through October 31, 2015

B. STATISTICAL METHODS

1. Universe and Respondent Selection

The target population is employment tax e-file tax practitioners pulled from the Compliance Data Warehouse (Masterfile) who filed forms 941 and 944 for tax year 2013.

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 Employment 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:

Joann McDowell
SB/SE, Policy Analyst
240-613-6467
Joann.m.mcdowell@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