

Supporting Statement  
Approval Request to Conduct Cognitive and Psychological (or Customer Satisfaction) Research  
(OMB #1545-1349-1349)

**“Focus Group: IRS Post-Filing: Processes and Taxpayer Representation”**

**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 IRS Office of Research (hereafter “the Agency”) seeks to collect qualitative feedback from practitioners who provide taxpayer representation services. The information obtained will allow the IRS to better understand the post filing process, how to improve the post-filing process to reduce taxpayer burden, and how the IRS can assist tax professionals in providing high-quality, value-add representation services.

Additionally, in response to questions from a number of stakeholders, the Agency is developing an Individual Post-Filing Burden model in order to better understand the current level of post-filing burden (both in terms of time and out-of-pocket costs) and its impact on tax administration. The feedback from the tax practitioners will assist Agency analysts in developing the Individual Post-filing Burden Model and understanding the role of tax professionals in taxpayer burden. Focus group participants will also be asked to provide feedback on a series of survey questions. These survey questions will be used in a future survey of taxpayers in order to gather data about post-filing burden for use in the Individual Post-Filing Burden model. Feedback from the focus groups will assist us in refining those survey questions, so that the survey data can be collected in an effective and efficient manner.

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

Based on the results of a pilot study, we have found that taxpayers are often unable to distinguish between the different levels of examination and collection, which limits their ability to communicate their experiences with post-filing processes. Focus group sessions with tax professionals who are experienced in providing taxpayer representation services and can communicate their experiences will expand the Agency’s understanding of the role of tax professionals and help the development of the Individual Post-Filing Burden model by collecting information which will allow us to:

- o Reflect post-filing processes as they occur in actual practice
- o Understand how to quantify post-filing burden from the perspective of taxpayers and their representatives
- o Hear where post-filing processes are working well
- o Hear where post-filing processes can be improved
- o Better understand the role of the tax professional in the post-filing process
- o Identify steps the IRS can take to help tax professionals better serve taxpayers in representation engagements

The Agency will collect this information by conducting three focus groups during the IRS Nationwide Tax Forums later this summer. The dates for the 2011 IRS Tax Forums are August 8-11, August 16-18, and August 30-September 1. The participants will be tax practitioners who provide taxpayer representation services. These focus groups will provide qualitative feedback that will lead to useful insights on practitioner perceptions and opinions, but are not intended to result in quantitative data that can be generalized to the entire tax practitioner population.

This collection is being submitted for approval under “Generic Clearance for the Collection of Routine Customer Feedback” (OMB Control Number: 1545-1349-1349), and thus meets the following conditions:

- Information gathered will be used only internally for general service improvement and program management purposes and is not intended for release outside of the
- Information gathered will not be used for the purpose of substantially informing influential policy decisions
- Information gathered will yield qualitative information; the collections will not be 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
- The collections are low-burden for respondents (based on considerations of total burden hours, total number of respondents, or burden-hours per respondent) and are low-cost for both the respondents and the Federal Government
- The collections are non-controversial and do not raise issues of concern to other Federal agencies
- Any collection is targeted to the solicitation of opinions from respondents who have experience with the program or may have experience with the program in the near future
- PII will not be collected from the participants

### **3. Consideration Given to Information Technology**

These focus groups will be conducted in person. It is not viable to collect the information electronically and/or use online collaboration tools to reduce burden, as real-time face-to-face interactions between the moderator and participants during the focus group sessions will improve the quality of the data collected. Results of the focus groups will not be available to the public over the internet, since the results are not intended to be shared directly with the public.

### **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 entities will participate in, or be impacted by, these focus groups.

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

Without these focus groups, the Agency will not have timely information to adjust its services to meet customer needs. The lack of information from tax professionals on their role in post-filing processes as

well as their experiences with those processes would reduce the effectiveness of the Post-Filing Burden model, as analysts would not be able to integrate this information into model development. This would in turn reduce our understanding of the role of tax professionals as a driver of taxpayer burden during post-filing and adversely impact our ability to analyze and estimate the effect of third party services on taxpayer post-filing burden.

**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**

This information collection is being submitted for approval under “Generic Clearance for the Collection of Customer Feedback” (OMB Control Number: 1545-1349-1349).

In accordance with 5 CFR 1320.8(d), a 60-day notice for public comment was published in the *Federal Register* for the generic clearance.

**9. Payment or Gift**

No incentives or payments will be provided to focus group participants.

**10. Confidentiality**

No PII will be collected during the focus groups. At the beginning of the focus group sessions, the moderator will notify the participants that no names will be used in the final reports.

**11. Sensitive Nature**

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

**12. Burden of Information Collection**

The annual burden hours requested (87) are based on the number of collections we expect to conduct over the requested period for this clearance.

Estimated Annual Reporting Burden				
Type of Collection	No. of Respondents	Annual Frequency per Response	Hours per Response	Total Hours
1-Individuals (Practitioners) screening step	150	1	0.10	15
1-Individuals (Practitioners) focus group session	36	1	2	72
Total	186			87

In terms of the annualized cost to respondents for the hour burdens for the information collection, we assume a wage rate of \$17.82, which represents the BLS average hourly wage rate for tax preparers as of May 2010. Therefore, the estimated cost burden of this study would be \$1,550.34 (87\* \$17.82).

**13. Costs to Respondents**

No costs are anticipated.

**14. Costs to Federal Government**

The anticipated cost to the Federal Government is approximately \$4,436 during the requested period for this clearance.

Hotel at \$200 for 4 nights.....	\$ 800
Meals and Incidental Expenses of \$64 for 3 full days and 2 travel days.....	\$ 288
Flight.....	\$ 720
Local Transportation.....	<u>\$ 100</u>
Subtotal travel cost per forum outside the DC area .....	<u>\$1,908</u>
Total travel cost for one IRS staff to attend two forums.....	\$3,816
Local Travel for Washington DC National Harbor.....	<u>\$ 40</u>
Total estimated transportation for two IRS staff to attend local forum.....	\$ 80
Transcription cost for three 2-hour sessions.....	<u>\$ 540</u>
Total estimated.....	<u>\$ 4,436</u>

**15. Reason for Change**

Not applicable. This is a new request for information collection.

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

Information collected from the focus group will provide useful qualitative information, but is not intended to yield data that can be generalized to the overall population. Findings will be used for general service improvement and model development, but are not for publication or other public release.

Although the Agency does not intend to publish its findings, the Agency may receive requests to release the information (e.g., congressional inquiry, Freedom of Information Act requests). 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.

## **B. STATISTICAL METHODS**

The primary purpose of this collection will be to obtain qualitative information for internal management purposes; there are no plans to publish or otherwise release this information.

### **1. Universe and Respondent Selection**

The population of interest for these focus groups will be Circular 230 practitioners with three or more years of experience providing taxpayer representation services.

Attendees at three IRS Tax Forums will be screened for participation in the focus group session to be conducted during the respective forum. In order to receive an invitation to participate in the focus group, the individual must be an enrolled practitioner (EA, CPA, or attorney) who has at least three years of experience providing taxpayer representation services. We anticipate screening 50 potential participants at each Tax Forum on a “first come, first served” basis and selecting 25 practitioners for the focus groups. Of those 25 practitioners, we expect only 12 to actually show up and participate in the focus groups.

Results will not be used to make statements representative of the universe of study, to produce statistical descriptions (careful, repeatable measurements), or to generalize the data beyond the scope of the sample. Therefore the samples associated with this collection are not subjected to the same scrutiny as scientifically drawn samples where estimates are published or otherwise released to the public.

## **2. Procedures for Collecting Information**

Each focus group will have a moderator to guide the participants' discussion, and another moderator to take notes. The focus groups will also be recorded. The recordings will be used to assist in developing the final reports, and then destroyed.

## **3. Methods to Maximize Response**

A moderator will be present during the focus groups to guide the discussion and encourage respondent participation.

## **4. Testing of Procedures**

There will be no pre-testing of procedures.

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

The focus groups are intended to collect qualitative information. Results will not be used to make statements representative of the universe of study, to produce statistical descriptions (careful, repeatable measurements), or to generalize the data beyond the scope of the sample. Therefore statisticians were not consulted for this project.