

OMB Supporting Statement
IRS SB/SE: Estate and Gift Tax
TAXPAYER FOCUS GROUPS
April-June 2011

Background

As mandated by RRA 98, the IRS implemented a Service-wide effort to establish a system of balanced organizational performance measures. The IRS Balanced Measurement System rates the IRS, its managers and employees, on customer satisfaction, employee satisfaction, and business results. This balanced measurement system draws on direct customer feedback, including independent surveys of customers and an annual census survey of employees. The customer satisfaction portion of these performance standards necessitates the identification of SB/SE's customers and mechanism(s) for gauging the level of satisfaction with interactions and services of the Internal Revenue Service. Further, Executive Order 12862 requires all government agencies to survey their customers and incorporate customer preferences in their process improvement efforts.

SB/SE currently surveys customers who have participated in an exam or audit for a variety of Estate and Gift Tax liabilities. SB/SE seeks to gain additional perspective from customers to assist in developing a new version of the survey questionnaire. The feedback received will not institute new policy, yet will enable the Service to meet taxpayer needs effectively.

Research Methodology

Focus groups use interview and discussion techniques, in a small group setting, to capture qualitative information. While these discussions are not representative of any particular population, they are useful in identifying areas of concern and in gaining a better understanding of quantitative survey data. SB/SE customers who have participated in an exam or audit for a variety of Estate and Gift Tax liabilities will be recruited by private recruiting facilities from a list provided by the IRS.

A total of four focus groups will be held, with 6 participants in each group, for a total of 24 participants. Assuming a 60% response rate, 40 taxpayers will be contacted to ask if they will participate in one of the focus groups.

Data Collection Timeframe

Recruiting will occur in May 2011 and the focus groups will be held in May and June 2011.

Standard Honoraria

SB/SE plans to conduct four telephone focus groups with SB/SE customers, with six customers participating per group.

Traditional honorariums at the Service are \$50-75. For this project, we will offer a \$50 as honorarium to make it possible to recruit the desired number of people with a broad range of perspectives.

Estimated Burden Hours

Participant Screening

Participant screening for the four focus groups is expected to take 2 hours. This estimate is based on recruiting 6 participants per group, for a total of 24 participants. This also assumes that 60% of those contacted will agree to participate in the groups, for a total of 40 screening contacts needed. Each screening contact should average three minutes per interview.

$$(40 \text{ screening contacts} \times 3 \text{ minutes}) / 60 = 2 \text{ hours}$$

Focus Groups

Focus group participation is expected to take 24 hours. A total of 24 participants are expected to participate in the four one-hour groups, with 6 participants in each group.

$$(24 \text{ participants} \times 1 \text{ hour group}) = 24 \text{ hours}$$

Grand Total

2 hours—participant screening
24 hours—focus group participation
26 hours total burden

Privacy, Security, and Disclosure

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the contractor will ensure that all participants are treated fairly and appropriately.

The security of the data used in this project and the privacy of taxpayers will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A & B. Physical security measures include a locked, secure office. Notes are stored in locked cabinets or shredded. Data security at the C-2 level is accomplished via the Windows NT operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all taxpayers. This includes criteria for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

The focus group materials will not contain tax return or taxpayer information. Focus group participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy of the respondents. We will apply the fair information and record-keeping practices to ensure protection of all respondents. 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 information as well as its releases to authorized recipients.

Other Information

The following information will be provided to the Performance Planning and Analysis Section within 60 days after the close of the survey data collection operations:

- 1) Purpose
- 2) Findings: a brief summary of significant (important) findings that were evidenced in the survey results.
- 3) Actions taken or lessons learned: a brief summary of any actions taken or lessons learned as a result of the survey findings.
- 4) Number of requests or attempts for taxpayer participation for surveys
- 5) Number of questionnaires returned or number of focus group participants
- 6) Date the data collection began
- 7) Date the data collection ended
- 8) Response rate
- 9) Actual burden hours
- 10) Cost: including reproduction costs, travel, overtime payments, stipends, and any other costs incurred as a direct result of the survey (does not include regular salaries of IRS employees or those of contractors).

The estimated cost for this project is \$5,700.

Contact

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