

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

Reducing Non-Required Calls to the IRS Focus Group Testing

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The IRS receives millions of calls annually in response to notices. Staffing the toll-free lines is costly; further, many taxpayers call in response to notices that do not require a response (i.e. non-required calls). It is currently unclear why taxpayers continue to call in response to a notice that does not require a response. In an effort to reduce taxpayer burden and better understand the taxpayer decision making process, W&I Research and Analysis (WIRA) needs input from taxpayers about why they are compelled to call the IRS in response to a notice when it does not require a response.

2. Purpose and Use of the Information Collection

The primary objective of this study is to examine the taxpayer decision making process for calling the IRS when a response is not required. This will allow the IRS to better understand the reasons taxpayers decide to contact the IRS, determine which segments of the taxpayer population are more likely to call in response to a notice, and explore ways to reduce non-required calls to the IRS.

The project will explore the following topics:

- Taxpayer comprehension of the notice (explanation of the issue, steps the taxpayer should take upon receipt)
- Reason(s) taxpayers may call the IRS in response to a notice
- Taxpayer expectations of the notice
- Alternative service channels taxpayers are willing to consult for notice information
- Overall taxpayer experience with the notice
- General taxpayer comments or suggestions for improvement to the notice

The project will conduct exploratory research to better understand why taxpayers call in response to a notice when they are not requesting a change, ultimately reducing the number of non-productive calls to the IRS. To achieve these objectives, WIRA plans to conduct a total of 8 focus groups, (2 per city) in 4 separate cities. Each focus group will consist of at least 8 participants, with 10 being the ideal number of participants. In each session participants will review a notice, answer a series of comprehension questions, and then participate. Upon arrival, participants will be re-screened to confirm their eligibility.

The data collected will be used to develop a better understanding of the taxpayer decision making process when contacting the IRS in response to a notice. It will assist the IRS in developing an understanding of the service needs and preferences of these taxpayers. The goal of a focus group is to solicit general opinions about a topic. An important aspect of focus groups is that they give rise to insights and solutions that may not be derived from other methods. Focus group interviews are qualitative research, meaning no statistical difference between groups can be determined. Specifically, they are a directed discussion with small groups of 8 to 10 people on a specific topic.

3. Consideration Given to Information Technology

If appropriate, WIRA will collect information electronically and/or use online collaboration tools to reduce burden.

4. Duplication of Information

Direct interaction with taxpayers through focus groups has been a research design used by the IRS for a number of years. Our research questions have not been studied previously and therefore there is no duplication of research.

5. Reducing the Burden on Small Entities

Small business or other small entities may be involved in these efforts but WIRA will minimize the burden on them of information collections approved under this clearance by sampling, asking for readily available information, and using short, easy-to-complete information collection instruments.

6. Consequences of Not Conducting Collection

Without these types of feedback, WIRA will not have timely information to adjust its services to meet customer needs.

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 IRS Wage & Investment

Not applicable.

9. Payment or Gift

Participants will be paid \$50.00 for their participation in this study. The purpose of the stipend is to encourage participation, and to thank participants for sharing their time and contributions to the discussion. Participants will each receive \$50.00 for a 1-hour session. These stipends are typical for the locations of the groups, type of individuals recruited, and in line with the industry standard.

10. Confidentiality

No PII will be collected during the focus group. Moderators will indicate that no names will be used in the final report. Also, the data returned to IRS will have no identifying information relating specific records to individual taxpayers. Nonetheless, IRS will ensure that privacy and security of the aggregated results will receive the utmost attention to the extent of the law. 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. Data security approaching level C-2 will be accomplished using the Windows XP operating system. Audiotapes used to record testing sessions will be destroyed when the project is completed and there is no further need for the data. 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 estimated time to complete the participant screening is 5 minutes. The estimated time for each reminder call is 1 minute, with each testing session lasting 1 hour. We estimate that 10 percent of the taxpayers contacted for the study will qualify and be willing to participate. Using this percentage, a total of 960 individuals will need to be screened to recruit the needed 10 participants for each focus group. We estimate that 16 people will be sent home because we will only need 80 to stay for the focus groups. Of those being sent home, we estimate 30 minutes of travel time.

Estimated Study Burden				
Type of Collection	No. of Respondents	Annual Frequency Per Response	Hours Per Response	Total Hours
Participant Screening	960	1	.083	80
Recruited Participant Reminder Calls	96	1	.016	1.6
Completing Informed Consent	96	1	.0833	1.6
Study Participation (including 30 minutes for travel)	80	1	1.5	120
Travel for People Sent Home	16	1	.500	8

Total estimated burden hours: 211.2

13. Costs to Respondents

No costs are anticipated.

14. Costs to Federal Government

The anticipated cost to the Federal Government is a one-time cost of approximately \$56,000. This includes payments to the contractor (project planning, recruiting participants, securing facilities) and a participant stipend (\$50).

15. Reason for Change

Not applicable.

16. Tabulation of Results, Schedule, Analysis Plans

There will be two types of data collected during each focus group.

Participants will first complete a Notice Comprehension Test. These responses will be quantitative in nature and will be scored for accuracy. These scores will be used to measure how well the participants comprehended the information presented in the notice.

Data from the Discussion portion of the focus group will be qualitative in nature. The Contractor will provide transcripts and audio/videotape of each focus group session to WIRA. WIRA will analyze the verbatim feedback from participants to identify key themes in order to facilitate understanding of the taxpayer decision making process when deciding to contact the IRS in response to a notice that does not require a response.

This feedback from this will provide useful information, but will not yield data that can be generalized to the overall population. As such, the findings will be used for general service improvement, but are

not for publication or other public release. Although WIRA does not to publish its findings, WIRA will disseminate the findings when appropriate to other organizations within the IRS, and will include specific discussion of the limitation of the data as 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.

19. Dates collection will begin and end

Data collection will begin on May 1, 2012 and end on June 30, 2012. However, the Period of Performance will end September 30, 2012 to accommodate final reporting.

B. STATISTICAL METHODS

Data collection methods and procedures will vary; however, the primary purpose of these collections will be for internal management purposes; there are no plans to publish or otherwise release this information.

1. Universe and Respondent Selection

To participate in this study, participants must have the following characteristics:

- Taxpayer who in Tax Year 2010 filed Form 1040 or 1040A
- Taxpayer or spouse earned wages in 2011 or received a pension or annuity in 2011 for services performed as an employee of the U.S. Government or any U.S. state or local government
- At least 18 years old
- Diverse in terms of age, gender, race/ethnicity, household income, and education.

Each focus group will have 8 to 10 participants. Research has demonstrated that this number of participants helps create the best group dynamics: the groups are sufficiently large to stimulate relatively spontaneous interaction, but small enough to give everyone sufficient opportunity to speak.

The screener guide will be used to qualify and select focus group participants. Only qualitative data will be gathered, which will not be, nor presented to be, representative of the population.

2. Procedures for Collecting Information

Each focus group will take no more than 1 hour. Prior to the focus group, participants will be asked to read and sign a Consent Form. An outline of the areas of discussion is below.

Introduction

- Moderator introduces self, topic of discussion, and ground rules (audio/video taping, presence of observers, privacy, etc.)
- Respondents introduce themselves by first name

Section 1: Notice Review and Comprehension Test

- Participant reviews a notice and answers a series of comprehension questions

Section 2: Notice and Contact Decision Making Process Discussion

- Taxpayer impression of notice
- Taxpayer response to the notice
- Reason(s) taxpayer would contact the IRS in response to the notice
- Taxpayer suggestions for improving the notice

Closing

- Elicit final suggestions/recommendations from participants
- Address any additional questions from observers

WIRA staff will moderate the focus groups. The moderator's guide was developed by WIRA.

3. Methods to Maximize Response

Information collected will not yield generalizable quantitative findings; it can provide useful customer input, but it does not yield data about customer opinions that can be generalized.

4. Testing of Procedures

Pretesting of the notice Comprehension Test and the Moderators Guide will be done with internal staff.

5. Contacts for Statistical Aspects and Data Collection

The statistical expertise of Social Scientists within WIRA will be sufficient for the needs of the data collected from this project.