

**Supporting Statement**  
**Approval Request to Conduct Cognitive and Psychological Research Data**  
**Collection (OMB #1545-1349)**

**Taxpayer Advocate Service (TAS) Focus Group Interviews on the IRS's**  
**Automated Collection System, Taxpayers Rights and Responsibilities,**  
**and the IRS's Form SS-8 process**

**A. JUSTIFICATION**

**1. Circumstances Making the Collection of Information Necessary**

The Taxpayer Advocate Service (TAS) is taxpayers' voice at the IRS. Our job is to ensure that every taxpayer is treated fairly, and each knows and understands his or her rights. *As an independent organization within the IRS, we help taxpayers resolve problems with the IRS and recommend changes that will prevent the problems.* In order to fulfill our mission we need insight into taxpayers' experiences with IRS processes and products. This information is not readily available from existing data sources and it will help TAS better understand taxpayers' service and information needs pertaining to these topics.

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

TAS is looking to understand participants' experiences in working with the IRS processes and their knowledge of taxpayer rights and responsibilities pertaining to federal income taxes. To this end, TAS wants to conduct focus group interviews to obtain taxpayers' and tax practitioners' thoughts and opinions about, and experiences with the following areas:

- Effectiveness of the IRS's Automated Collection System;
- Taxpayers' Rights and Responsibilities
- IRS's Process to Classify Workers (Form SS-8)

The focus groups findings will be combined with other organizational information to suggest ways to improve communication tools and will provide information on topics of interest for projects such as those included in the TAS Annual Report to Congress. The feedback received will not institute new policy, yet enable TAS to effectively meet taxpayer needs.

**3. Consideration Given to Information Technology**

While TAS considered electronic options for this research, ultimately we decided the TAS focus groups will be conducted in person. TAS wants to make sure all pertinent socioeconomics groups and segments of the population are represented. TAS considered other options, but decided in person groups were the best option for including all taxpayers, particularly taxpayers with lower income and education levels who may not be technologically savvy.

**4. Duplication of Information**

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We were unable to find any current research on our topics of study from a taxpayer's perspective. Our focus groups will gather information on taxpayers' and tax practitioner's current opinions about the ACS system, Taxpayers Rights and Responsibilities, and IRS's Process to Classify Workers (Form SS-8). This timely, qualitative research will help identify current issues of concern to taxpayers and tax professionals. No similar data are currently gathered or maintained by the Agency.

**Automated Collection Service (ACS)**

TAS has an interest in taxpayers' and tax practitioner's thoughts and ideas on the Automated Collection Service (ACS) and its effectiveness. Specifically we want to know about their ACS experience, what they think of the quality of the service provided, what worked well and what did not work so well, how easy it is to speak to a knowledgeable person, wait times and other experiences they have had in interacting with the assistants, IRS's willingness to help resolve the issue, and any suggestions they might have for improving the process.

**Taxpayers Rights and Responsibilities**

TAS is responsible for the IRS publication providing information about taxpayers' rights and responsibilities in relation to federal income tax laws. To develop a publication that is both useful to and used by taxpayers, TAS needs insight into taxpayers' awareness and understanding of the rights and responsibilities, as well as how taxpayers learn or prefer to learn about rights and responsibilities.

**Worker Classification (SS-8) Process**

Companies and workers alike can initiate an inquiry with the IRS to evaluate whether someone who does work for a company should be considered an employee for tax purposes. TAS is concerned about the efficiency and effectiveness of this process and would like to obtain first-hand information about experiences from both companies and workers who have used the SS8 process. The feedback will likely be used along with other information, to describe the process and its strengths and weaknesses in TAS's Annual Report to Congress.

**5. Reducing the Burden on Small Entities**

Small business or other small entities are not targeted for these groups and will only be involved if they meet screening criteria and agree to participate. TAS will minimize the burden on them by reminding them that participation in the focus groups is voluntary.

**6. Consequences of Not Conducting Collection**

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Without this feedback, TAS will not have timely perspectives and insights from the taxpayers and tax practitioners concerning the IRS's ACS, taxpayer rights and responsibilities, or the SS-8 program. All of these topics are of concern to the National Taxpayer Advocate and she requires feedback from external stakeholders to understand concerns from those who use these programs or need information to better understand their rights with the IRS and meet their tax obligations.

**7. Special Circumstances**

NA

**8. Consultations with Persons Outside the Agency**

Russell Research was consulted for study design and data collection decisions.

**9. Payment or Gift**

Russell Research will pay qualified recruits a \$75 stipend each for participating in the TAS sponsored focus group interviews.

**10. Confidentiality**

TAS will provide privacy to the extent allowed by law. Personal or sensitive information will not be disclosed. Only first names will be used in interviews (first initial of last name will be used if there are duplicate names). Some individual taxpayer data will be used (name, address, and phone number if available) to recruit participants. Data security and limited use are contractually required of our vendor. All appropriate privacy requirements and background clearances will be obtained and followed. We will also control official access to the information and will not allow public access to the information. TAS will not ask for any information that could be used to identify the taxpayers in the focus group interviews. TAS designed the moderator guides such that no personally identifiable information (PII) is captured.

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. Data security approaching level C-2 will be accomplished using the Windows XP/7 operating system.

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

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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.

We will limit and control the amount of information that we collect to those items that are necessary to accomplish the research objectives. We will protect the privacy of the focus group participants by not using names in our report. Data will be maintained according to required record management guidelines.

**11. Sensitive Nature**

The ACS focus group topic may be considered sensitive by participants because all participants will have experience using ACS, so individuals will be able to surmise that other participants have contacted IRS Collections Unit. The nature of the topic will be disclosed during the screening process and recruits will be asked if they would be willing to discuss this topic in a group of up to 10 individuals. All individuals called will have the option to refuse to participate in the group. These groups and questions are needed to recruit the appropriate participants, someone who has recent experience with the IRS's Automated Collection system. Screening for people familiar with ACS will allow us to gather information to understand the participants experience with, and their service needs from ACS. We keep sensitive questions to the absolute minimum, and we allow participants to decline to answer if they are uncomfortable answering.

**12. Burden of Information Collection**

There will be 24 total focus group sessions across the 3 topic areas (ASC, Rights and Responsibilities, and SS-8). The vendor will recruit 13 qualified individuals for each of the 24 groups –  $13 \times 24 = 312$  total recruits; with the expectation being that no more than 10 of 13 recruits will show up at each discussion site and complete participation –  $10 \times 24 = 240$  total participants. Considering all factors (responsiveness, sensitivity, willingness, and travel), we expect no more than 5% of initial calls will result in recruitment to the groups. That means that a total of 6,240 persons will have to be screened to reach the 312 total recruits – with 5,928 being screened for 2 minutes (to learn they either refuse or do not qualify), with  $(312-240 =)$  72 agreeing but not showing (though still requiring 5 minutes of reminder time in advance of the group), and with 240 attending and completing participation (and also requiring 2 minutes screening and 5 minutes reminder time, plus 90 minutes of group discussion time).

As shown in the table below, the contact time to screen participants will be about 2 minutes, resulting in 198 burden hours for screened non-recruits ( $5,928 \times 2 = 11,856$  minutes / 60 minutes = 198 burden hours); the 72 recruits who do not show will result in another 9 burden hours ( $72 \times 2$  minutes contact time = 144 minutes plus  $72 \times 5$  minutes of reminder time = 360 minutes;  $144+360 = 504$  minutes / 60 = 8.4 burden hours

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rounded up to 9); and the 240 participants will result in 388 burden hours (240 x 2 contact time = 480 minutes plus 240 x 5 minutes reminder time = 1,200 minutes plus 240 x 90 minutes of focus group discussion time = 21,600 minutes; with 480+1,200+21,600 = 23,280 / 60 = 388). Total burden hours = **595** (198 + 9 + 388).

Type of Collection	Estimated Burden		
	Number of Respondents	Time per Response	Total Hours
Screening potential participants (ultimately are not recruited)	5,928	2 minutes	198 hrs
Screening, recruiting and reminding recruits who do not show up at the focus group sites	72	7 minutes	9 hrs
Screening, recruiting, reminding, and 90 minutes of discussion time for actual participants	240	97 minutes	388 hrs
<b>Total Burden Hours</b>			<b>595 hrs</b>

**13. Costs to Respondents**

NA

**14. Costs to Federal Government**

The estimated cost of the 24 focus groups in this package of 3 topics is \$216,000. They are part of a larger contract that includes focus groups on six different topics and one survey.

**15. Reason for Change**

Not applicable.

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

Once OMB approval is received, potential participants will be contacted via phone. It is expected that we will need approximately three months to field, administer, and summarize focus group findings.

Interviews will be summarized after each focus group and compiled into a final report no later than the end of February 2014. The final report will be a summary of key data findings by topic based on the discussions generated in the focus group interviews.

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This information will be used to report on taxpayers' and preparers' experiences with the IRS's ACS and SS-8 processes and understanding of taxpayers' rights and responsibilities pertaining to federal income taxes. The information will also be used in conjunction with other internal IRS data to suggest improvements to these specific processes as appropriate.

**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. Data Collection Date**

Recruiting for focus group participants will begin immediately after receiving OMB approvals (preferably in October 2013, but no later than January 2014). All groups must be completed in time to finalize the study reports by the end of February 2014 when our vendor contract expires (this contract cannot be extended).

## **B. STATISTICAL METHODS**

The primary purpose of these collections will be for internal management purposes; there are currently no plans to publish the summary reports from this research. This research is qualitative and thus cannot be generalized to the population.

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

TAS will provide recruiting lists to the vendor where possible (for ACS and SS-8 groups) to reduce the cost of recruiting participants. The vendor will provide an RDD recruiting list for the Rights and Responsibilities groups since most individuals are eligible to participate.

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

Calls will be made to potential participants using lists or Random Digit Dialing (RDD). Participants will be screened and balanced using the appropriate characteristics for the focus group topic and include gender, tax preparer use, work industry category (NAICS). Calls will be made from a center that operates 16 hours a day, seven days a week. Eligible adults will be interviewed on the phone and either thanked for their time or invited to participate in the focus group interviews. Minimal information will be collected during this screening process to report back to OMB in the summary report.

Potential participants in this study will be telephoned/called by trained telephone interviewers operating from the vendor's national telephone interviewing center in East Rutherford, NJ. This center operates from 10 a.m. to 12 midnight to allow for 10 a.m. to 9 p.m. calling hours in each US continental time zone.

Potential participants in the ACS and SS-8 groups will be selected randomly from lists being provided by TAS to the vendor; lists of potential participants who match the known qualifying criteria of each focus group study. The TAS lists will be drawn to be representative of the universe of qualified participants and the vendor will further randomize the selection process by drawing on an nth selection basis from each list. (nth selection is achieved by dividing the total on a TAS list by the number of participants expected to participate and then calling every 10<sup>th</sup>, 20<sup>th</sup>, etc. name until that initial subset is disposed of/exhausted and then recalculating the nth selection to the next sub-set of every 8<sup>th</sup>, 16<sup>th</sup>, 24<sup>th</sup>, etc. name.) Potential participants to the Rights and Responsibilities groups will be selected from a Random Digit Dialing (RDD) list of computer-generated telephone numbers in working telephone exchanges across the US. The vendor will provide the RDD list. This RDD list will include a representative proportion of landlines (65%) and cell/mobile (35%). (There is no need for an nth selection randomization procedure with an RDD sample, as it is already randomized as it is being computer-generated.)

Even though all lists will contain likely qualified participants, the vendor's telephone interviewing staff will still screen potential study candidates and identify potential

participants per the screening criteria for each study. The telephone numbers of potential participants will be dialed up to 10 times in order to establish contact with a potential participant, with most of these dialings resulting in non-contact (number busy, voice-mail, non-working, etc.). After the first live contact with a potential participant, interviewers will request their participation in a focus group. If they agree, they will still be screened for qualification and if qualified, invited to the group. If they do not agree/refuse, they will be recontacted by a more senior interviewer who will also try to get their participation. If they then refuse again, this person will be recorded in call records as a refusal and not contacted again.

For each focus group discussion, the vendor will recruit 13 qualified participants, with the expectation being that no more than 10 will actually show up at the group site and participate in it.

Minimal information will be collected during this screening process to report back to OMB in the summary report.

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

The vendor will strive to maximize response and cooperation rates among those participants they call by using experienced interviewers, calling multiple times, and offering qualified participants a stipend to participate in the focus groups.

The vendor will strive to maximize response and cooperation rates among those potential participants whom they call by: (1) using up to 10 attempts at live contact; (2) by using more senior interviewers to try to convert refusals to completed surveys; and (3) by offering qualified persons a \$75 stipend to participate in the focus groups.

### **4. Testing of Procedures**

Because of vendor experience, procedures will not require testing.

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

Several contacts will be available for assistance with the statistical requirements. TAS Research will provide analysts with expertise in statistics to assist this effort. The vendor (contractor) will provide experts with knowledge of statistics as well.

Primary Contact: Carol Hatch, TAS Research, 501 396-5954 or [carol.m.hatch@irs.gov](mailto:carol.m.hatch@irs.gov)