

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

**Educating and/or Retaining the Volunteer Income Tax Assistance (VITA) Client Base: Interviews with Former VITA Clients**

**A. JUSTIFICATION**

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

The Volunteer Income Tax Assistance (VITA) program, administered by the Internal Revenue Service (IRS), originated with the Tax Reform Act of 1969 as part of the increased emphasis on taxpayer education. The program provides free tax return preparation services through IRS-certified volunteers to underserved communities, including taxpayers with low- to moderate-incomes, taxpayers with disabilities, elderly taxpayers, and taxpayers with limited English proficiency.<sup>1</sup> Since its origination, the IRS has expanded VITA through recruiting volunteers from various religious, social, and non-profit organizations; involving the military on a national level; developing specialized training materials; and expanding assistance to the limited English speaking community.

During the 2011 Taxpayer Experience Interviews project, participants who had visited a VITA site to prepare their tax year (TY) 2010 returns were asked whether they would return to a VITA site in subsequent years to prepare their returns, and almost every participant who responded stated that he or she would return.<sup>2</sup> This finding can be compared to the actual rates of returning VITA clients from TY 2006 through TY 2008. Of taxpayers who visited a VITA site to prepare their TY 2006 return, less than half (44 percent) returned to a VITA site for their TY 2007 return, and about a quarter (27 percent) continued to visit VITA to prepare their TY 2008 return.<sup>3</sup>

The surprisingly low VITA client return rate from TY 2006 through TY 2008 begs the question of why the majority of taxpayers who visit VITA one year opt for alternative return preparation methods in subsequent years, despite stating that they will likely return to VITA for their future tax return preparation.

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

The objective of this study is to examine why taxpayers migrate from VITA to other return preparation methods.

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<sup>1</sup> As of tax year (TY) 2010, over half of VITA clients (51 percent) were 55 years of age or older, nearly two-thirds (65 percent) had an adjusted gross income (AGI) of \$25,000 or less, and 58 percent filed as Single.

<sup>2</sup> *2011 Taxpayer Experience Interviews: Volunteer Income Tax Assistance (VITA)*, Research Group 4, Project # 4-10-01-S-058, July 2010

<sup>3</sup> *Stakeholder Partnerships, Education & Communication (SPEC) Longitudinal Project*, Research Group 4, Project # 4-10-01-S-002, October 2011

Through gathering valuable insight into taxpayers' experiences with the VITA program, the IRS can in turn use this feedback to improve the administration of the program. This will potentially lead to a more valuable experience and greater satisfaction amongst taxpayers who visit VITA and subsequently to a higher rate of retaining clients, or at least more equipped, knowledgeable taxpayers.

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

W&I Research & Analysis (WIRA) will not collect information electronically and/or use online collaboration tools.

### **4. Duplication of Information**

Direct interaction with taxpayers through one-on-one interviews 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 will not be involved in these efforts.

### **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 \$75.00 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 \$75.00 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 interviews. 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 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. 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 interview 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 96 participants. We estimate that 32 people will be sent home because we will only need 64 to stay for the interviews. 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	64	1	.016	1.1
Study Participation (including 30 minutes for travel)	64	1	1.50	96
Travel for People Sent Home	32	1	.500	16
<b>Total estimated burden hours:</b>				<b>194.7</b>

## 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 \$59,467.69. This includes payments to the contractor (project planning, recruiting participants, transcripts) and a participant stipend (\$75).

## 15. Reason for Change

Not applicable.

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

WIRA will collect qualitative data about the taxpayer return preparation experience from having visited a VITA site for TY 2010 to using a different preparation method for TY 2011. The main focus will be on the taxpayers' reasoning behind why they switched return preparation methods over the two tax years.

Feedback gained from the interviews will not yield data that can be generalized to the overall population. As such, the findings will be used for general service improvement, but will not be for publication or other public release. Although WIRA does not intend to publish its findings, WIRA will disseminate the findings as appropriate to other organizations within the IRS that may benefit from the research conducted, with a 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 15, 2012 and end on July 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 filed Form 1040 or 1040A in TY 2010 and TY 2011
- Taxpayer who visited a VITA site to prepare their TY 2010 return
- Taxpayer who used a preparation method other than VITA for their TY 2011 return
- At least 18 years old
- Diverse in terms of age, gender, race/ethnicity, household income, filing status, employment, and education.

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 interview will take no more than 1 hour. Prior to the interview, 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.)
- Interviewee introduces himself or herself by first name

**Interview**

- Taxpayer discussion of previous year return preparation experience at VITA site
- Taxpayer discussion of life events since filing previous year return, if any
- Taxpayer discussion of reasons behind choosing current year return preparation method
- Taxpayer discussion of current year return preparation experience
- Taxpayer discussion of interest in learning to self-prepare taxes

## Closing

- Elicit final comments on and suggestions for the VITA program from interviewee
- Address any additional questions from observers

WIRA staff will conduct the interviews. The interview guide will be 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 interview guide and other materials used during the interview project 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.