

**Supporting Statement for  
Request for Approval under the “Generic Clearance for the Collection of Cognitive and  
Psychological Research” (OMB Control Number: 1545-1349)  
Focus Group: “Understanding Taxpayer Burden: Gaining the Tax Professional’s Insight”**

**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 tax preparers registered with Return Preparer Office (RPO). Preparers must have at least 3 years of tax preparation experience and prepare at least 100 tax returns each year.

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

These focus group sessions will allow for external validation and explanation of burden survey results. Burden surveys cover pre-filing, filing, and post-filing compliance activities for individuals, business entities and tax-exempt organizations. These focus groups will allow us to:

- o Determine how to best interpret burden survey results,
- o Understand which compliance activities are key drivers of taxpayer burden from the perspective of tax professionals,
- o Hear where our interpretations of survey results are accurate,
- o Hear where our interpretations of survey results can be refined,
- o Better understand the role of the tax professional in the compliance process, and
- o Identify steps the IRS can take to assist tax practitioners in better serving taxpayers in return preparation and representation engagements.

The IRS Nationwide Tax Forums, held annually in six locations across the country, provide an opportunity for the Taxpayer Analysis and Modeling team to conduct focus group sessions with tax practitioners who are familiar with the compliance process and issues faced by taxpayers. The information obtained will allow the IRS to better understand compliance data gathered through the taxpayer burden surveys and ensure taxpayer burden is being adequately estimated.

The objectives of each focus group meeting would be to:

- o Determine how best to explain burden survey data,
- o Identify key drivers of taxpayer burden, and
- o Develop a more comprehensive understanding of compliance burden by getting input from tax professionals

The Agency will collect this information by conducting six focus groups during the 2012 IRS Nationwide Tax Forums. The forums will be held on the following dates and locations:

- June 19-21, 2012 (Orlando, FL)
- July 10-12, 2012 (Atlanta, GA)
- July 17-19, 2012 (San Diego, CA)
- July 31-August 2, 2012 (Las Vegas, NV)
- August 21-23, 2012 (Chicago, IL)
- August 28-30, 2012 (New York, NY)

The participants will be RPO-registered tax preparers with at least 3 years of tax preparation experience. Further, participants must prepare at least 100 tax returns each year. These focus groups will provide qualitative feedback that will lead to useful insights on how to best interpret burden survey results. Burden surveys cover pre-filing, filing and post-filing compliance activities. These focus groups are not intended to result in quantitative data that can be generalized to the entire tax preparer population.

This collection is being submitted for approval under “Generic Clearance for the Collection of Routine Customer Feedback” (OMB Control Number: 1545-1432), 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.
- 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 can be generalized 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 the ability to externally validate burden survey results. Without these focus groups the Agency would not be able to integrate this information into taxpayer burden model development. This would in turn reduce our understanding of taxpayer burden and adversely impact our ability to adequately analyze and estimate the impact of policy changes.

**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 Routine Customer Feedback” (OMB Control Number: 1545-1432). 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 (144) are based on the number of collections we expect to conduct over the requested period for this clearance.

Estimated Annual Reporting Burden				
	No. of	Annual Frequency per	Hours per	Total

Estimated Annual Reporting Burden				
Type of Collection	Respondents	Response	Response	Hours
1-Individuals (Practitioners) screening step only	78	1	0.05	4
1-Individuals (Practitioners) screening + focus group session	72	1	1.55	112
Total	150			116

In terms of the annualized cost to respondents for the hour burdens for the information collection, we assume a wage rate of \$18.95, which represents the BLS average hourly wage rate for tax preparers as of May 2011. Therefore, the estimated cost burden of this study would be \$2,198.20 (116\* \$18.95).

**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.

	Per Person	Total
Hotel at \$200 for 3 nights.....	\$ 600	\$1,800
Meals and Incidental Expenses of \$64 for 2 full days and 2 travel days.....	200	600
Flight.....	650	1,950
Local Transportation.....	50	150
Subtotal travel cost per IRS personnel per forum.....	<u>\$1,500</u>	<u>\$4,500</u>
Total travel cost for three IRS staff to attend six forums.....		\$27,000
Transcription cost for six 1.5 hour sessions.....		1,350
Miscellaneous costs (copies, etc).....		500
Total estimated.....		<u>\$28,850</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 RPO-registered tax preparers attending any of the six 2012 IRS Tax Forums.

Attendees at six 2012 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 a tax preparer registered with the Return Preparer Office with at least three years of tax preparation experience. Participants must also prepare at least 100 tax returns each year. We anticipate screening and selecting 25 potential participants at each Tax Forum on a "first come, first served" basis for the focus groups. Of those 25 potential participants, 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.

#### **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.

#### **2. Methods to Maximize Response**

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

### **3. Testing of Procedures**

There will be no pre-testing of procedures.

### **4. 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.