

**Supporting Statement  
Approval Request to Conduct Interview Research  
(OMB #1545-1349)**

**Taxpayer Interviews: Understanding Taxpayer Decision Points for Making  
Payments to the IRS**

**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, we seek to obtain OMB approval.

The Internal Revenue Service (IRS) has a vested interest in understanding taxpayer behavior and preferences. For this research inquiry, the IRS is specifically interested in taxpayer decision points for making IRS payments. There are a number of taxpayers that submit payments in a recurring fashion either through installment agreements or via estimated payments. Subsequently, the IRS is interested in better marketing payment options that are cost-effective for the Agency and convenient for taxpayers.

For instance, the Treasury Inspector General for Tax Administration (TIGTA) conducted an audit in 2010 that recommended Wage and Investment (W&I) identify reasons certain taxpayers prefer to make payments at Taxpayer Assistance Centers. Submitting payments in-person at local IRS offices is costly for the Agency. It is important to identify what drives taxpayers to this channel for this transactional task.

This collection of information is necessary to enable W&I to garner customer feedback in an efficient, timely manner, in accordance with our commitment to improving service delivery. The information collected from our customers will help ensure that taxpayers have an effective and efficient experience with making payments.

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

Using in-depth interviews, this project focuses on gathering information from taxpayers that routinely make payments to the IRS. The objective of this study is to examine the decision-making process and the factors influencing taxpayers' decisions on how to submit payments to the IRS. This information will be collected to help the IRS better market payment options to taxpayers.

This project requires a contractor to recruit interview participants in accordance with Wage and Investment Research and Analysis (WIRA) directives. Solicitation of participants may not begin prior to OMB approval being obtained by WIRA. Eureka Facts, LLC will recruit participants for interviews, while WIRA will conduct the interviews with taxpayers.

**3. Consideration Given to Information Technology**

Not applicable

**4. Duplication of Information**

No similar data are gathered or maintained by W&I or are available from other sources known to W&I.

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

Not applicable

**6. Consequences of Not Conducting Collection**

Without this information the IRS does not fully understand the driving factors for taxpayer payment submission behavior. This in turn prevents the Agency from effectively marketing payment options that are cost-effective for the government.

**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**

Not applicable

**9. Payment or Gift**

W&I will provide a stipend of \$75 per participant, an industry-standard amount for an hour-long interview with individuals about personal information. These stipends are typical for the locations of the groups, type of individuals recruited, and in-line with the industry standards.

In the experience of WIRA the amount of \$40 as an incentive for a simple cognitive interview is sufficient; however that amount is not sufficient for the recruitment of taxpayers for hour long individual face-to-face interviews that deal with personal and financial topics. WIRA collaborated with Eureka Facts, the recruitment contractor, to determine a sufficient honorarium amount based on recent recruitment efforts in locations such as Atlanta, GA.

Eureka Facts recently conducted two studies for the Educational Testing Service for a study done on behalf of the Department of Education. These recruitment efforts solicited participants for a 60-90 minute interview. For the first study, we a \$50 incentive and had a 34% no show/cancellation rate. For the second study, the interview length remained the same, but offered a \$75 incentive and the show rate was 100%. Given the personal nature of the interview content and past experiences with show rates, a \$75 incentive has proved to be the correct amount of a stipend for this project.

**10. Confidentiality**

No PII will be collected during the interview. Interviewer 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 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. Digital audio files used to capture the interviews 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**

Questions about payment behavior and preferences are personal in nature.

**12. Burden of Information Collection**

The recruitment phase will include mailing 5,000 pre-notification letters to potential participants; it is estimated that it will take one minute to read the letter. Follow-up phone calls will be made to 1,000 potential participants and should take approximately 2 minutes. The objective is to obtain a total of 64 completed interviews. However, due to previous experience it is expected that not all participants will show; therefore a total of 96 taxpayers will be recruited to cover for no shows. An additional reminder call will be made to the 96 taxpayers prior to the scheduled date and should take a minute.

For those taxpayers who are interviewed the session will take an hour. If all 96 people arrive for interviewing 32 people will be sent home, because we only require 64 interviews.

Point of Contact	Number of Respondents	Participation Time (minutes)	Burden (Hours)
Pre-notification Letter	5,000	1	83.3
Recruitment Phone Call	1,000	2	33.3
Reminder Call	96	1	1.6
Interview	64	60	64
<b>Total</b>			<b>182.2</b>

**13. Costs to Respondents**

No costs are anticipated.

**14. Costs to Federal Government**

The anticipated cost to the Federal Government is approximately \$60,000 for the 64 interviews. These costs are comprised of: interview recruiting costs, travel costs, summaries, interview recordings, telephone conference call costs, and participation incentive fees.

**15. Reason for Change**

Not applicable.

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

Feedback collected provides useful information, but it does not yield data that can be generalized to the overall population. Findings will be used for general service improvement, but are not for publication or other public release.

Although W&I does not intend to publish its findings, W&I will disseminate the findings when appropriate, strictly following "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.

**19. Dates collection will begin and end**

October 18, 2013 – February 28, 2014

**B. STATISTICAL METHODS**

**1. Universe and Respondent Selection**

The activities under this clearance involve samples of self-selected customers to cover a range of customers who make routine payments to the IRS. Taxpayers who submitted payments to the IRS during FY 2012 in proximity to four selected national locations will be recruited for participation. 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.

**2. Procedures for Collecting Information**

WIRA will conduct interviews face-to-face; trained IRS analysts will interview all taxpayers. However, the contractor will use mail and telephone to recruit participants.

**3. Methods to Maximize Response**

Standard procedures will be used in order to obtain the 64 completed interviews. The contractor will recruit participants and WIRA will conduct the interviews. To encourage participation, the contractor will be offering a \$75 incentive.

**4. Testing of Procedures**

No pretest is necessary for the interviews as W&I have evidence from previous research that the research procedures to be used for this task are successful.

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

For questions regarding the study or interview schedule design or statistical methodology, contact:

Melissa Hayes  
Internal Revenue Service  
401 W. Peachtree St. NW, Mail Stop WI-16  
Atlanta, GA 30308  
404-338-9060  
[Melissa.M.Hayes@irs.gov](mailto:Melissa.M.Hayes@irs.gov)

Veronica Ogletree, COR  
Internal Revenue Service  
401 W. Peachtree St. NW, Mail Stop WI-14  
Atlanta, GA 30308  
404-338-8531  
[Veronica.B.Ogletree@irs.gov](mailto:Veronica.B.Ogletree@irs.gov)

**Attachments**

- A: Pre-notification Letter
- B: Screener Script for Recruitment Call
- C: Script for Participant Reminder Call
- D: Interview Consent Form
- E: Interview Guide