

2015 IRS Nationwide Tax Forum Focus Group: EITC Eligibility Instructions

Moderator's Guide

I. Welcome and Introductions:

A. Introduction of the moderator.

Good morning/afternoon. My name is <insert first name> and I will be your moderator for this session. I work for the Internal Revenue Service as a social scientist. Today I will be asking for your input about the instructions related to the Earned Income Tax Credit or EITC. Specifically, we will be discussing the three tests associated with EITC eligibility.

B. What is a moderator?

Before we begin, I want to let you know that I'm not an expert on EITC. My job as a moderator is to:

- Help guide the flow of conversation
- Make sure everyone's comments are heard
- Ensure that questions about various aspects of the topic are covered

You will see me referring to this outline during our session. The outline includes all issues I need to raise with the group, and helps me keep the discussion on track. It is important that we cover all the issues. Therefore, I may have to break off the conversation in order to move on to another area in the guide.

C. Ground Rules

Before we begin, I'd like to review some ground rules for today's discussion.

- For the IRS to speak with the public, we are required to have approval from the Office of Management and Budget. Their approval number for this project is 1545-1349. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the: IRS Tax Products Coordinating Committee, 1111 Constitution Avenue, NW, IR-6526, Washington, DC 20224. [*Moderator: Post this bullet on newsprint/white board for each session*]
- Please speak just one at a time so everyone has a chance to participate.

- Don't engage in side conversations-- we need for everyone to hear what the others are saying and for everything that's said to be heard.
- Sometimes I'll go around the table and ask everyone for their input. At other times, I will just open a topic for general discussion.
- Participation -- we would like to hear from everyone in the group, but you don't have to answer every question.
- There is no right or wrong answers in today's discussion. We expect to hear differences in how people see things, and we need to know about these differences.
- Feel free to disagree. The purpose of a group session is for us to learn things in group interchanges that we don't get out of one-on-one discussions. If someone says something you disagree with, please let us know.
- If anyone needs to use the restroom, they are located (specify). There is no need to stop the discussion.
- Your participation is voluntary. Therefore, at any point in time you may leave the room.
- If you have a cell phone, please turn it off or set to vibrate.
- The session will last one hour.

D. Introduction of Participants:

First, I'd like each of you to introduce yourself using your first name only, and tell us where you are from.

II. Discussion

As I mentioned at the start of the session, our goal today is to improve the instructions about the qualifications to receive the EITC. We want taxpayers and tax professionals to better understand the income, qualifying child, and filing status requirements for receiving the credit.

We are going to talk about each requirement, starting with income.

A. EITC Filing

- What is the typical EITC filing process for your clients, do they come in wanting to file for EITC, or is this something you suggest during the process of completing their return?
- In terms of Income, Filing Status and Qualifying Child qualifications, where do you turn if you are unsure if your client qualifies?
 - Is this an automatic process within the software?
 - Are these questions you ask your client?
- Where do you think most tax professionals make mistakes in understanding the qualifications, income, filing status or qualifying child?
- Where do you think most taxpayers make mistakes in understanding the qualifications, income, filing status or qualifying child?

B. Qualifying Child

To determine whether a child is a qualifying child for EITC, there are four “tests”: Relationship, Age, Residency, and Joint Return.

I would like you to review the following items for each of the qualifying child tests: (Hand out)

Relationship

- Your son, daughter, adopted child¹, stepchild, foster child² or a descendent of any of them such as your grandchild
- Brother, sister, half-brother, half-sister, step brother, step sister or a descendant of any of them such as a niece or nephew
- How would you improve these statements?
 - Are there any items within these statements that may be confusing?

Age

- At the end of the filing year, your child was younger than you (or your spouse if you file a joint return) and younger than 19
- At the end of the filing year, your child was younger than you (or your spouse if you file a joint return) younger than 24 and a full-time student
- At the end of the filing year, your child was any age and permanently and totally disabled
- How would you improve these statements?
 - Are there any items within these statements that may be confusing?

Residency

- Child must live with you (or your spouse if you file a joint return) in the United States for more than half of the year
- How would you improve this statement?
 - Are there any items within this statement that may be confusing?

Joint Return

- The child cannot file a joint return for the tax year unless the child and the child's spouse did not have a separate filing requirement and filed the joint return only to claim a refund.
- How would you improve this statement?
 - Are there any items within this statement that may be confusing?

C. Income

- What is earned income?
 - Can you have investment income and still claim EITC? (Yes <= \$3,350)
 - What about Foreign Earned Income? (No)
- Do you feel the use of the term earned income is confusing?
 - How could the IRS better explain what earned income is?

I would like everyone to look at this table. (Hand Out)

Both your earned income and adjusted gross income (AGI) must be no more than:

Filing Status	Qualifying Children Claimed			
	Zero	One	Two	Three or more
Single or Widowed	\$14,590	\$38,511	\$43,756	\$46,997
Married Filing Jointly	\$20,020	\$43,941	\$49,186	\$52,247

- How would you improve this table?
 - Do you feel taxpayers would be confused by earned income and adjusted gross income?

D. Filing Status

- What does a taxpayer's filing status need to be to claim EITC?
 - Married filing jointly
 - Head of household
 - Qualifying widow(er)

- Single

So that only leaves out married filing separately

- Do you feel taxpayers confuse, or are unsure about filing status?
- What questions to you ask to assess Head of Household?

I would like you to review the following questions: (Hand out)

1. Did you pay more than half the cost of [keeping up your home](#) for the 2014 tax year?
 2. Was your main home the main home of one of the following for more than half the tax year: your son, daughter, [adopted child](#), [foster child](#), [stepchild](#) or a descendant of any of them, such as a grandchild, or your brother, sister, [stepbrother](#), [stepsister](#), half-brother or half-sister, or a descendant of any of them, such as a niece or nephew? See special rules for [birth or death of a child](#) during the tax year, [kidnapped child](#) or [temporary absences](#) of you or the child.
 3. Did the child provide more than half his/her own [support](#)?
 4. What was the child's age at the end of 2014?
 5. Was the child married at the end of your 2014 tax year?
- How would you improve these questions?
 - Are there any terms within these questions that may be confusing?
 - Do you feel taxpayers would have any difficulty answering these questions?

III. Closing

Thinking about our discussion tonight, is there anything else you would like to share regarding any of the topics we discussed today.

Thank you very much for coming and sharing your ideas with us—we really appreciate your time.

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Recruitment Script

Hello, my name is _____. I work for the Internal Revenue Service and I'm recruiting tax professionals to participate in a focus group. May I speak with you for a couple minutes?

The purpose of the session is to gather information from tax professionals about how to improve the instructions used by tax professionals and taxpayers to assess qualification to receive the earned income tax credit. Specifically, the session will seek to improve understanding of the income, qualifying child, and filing status requirements for receiving the credit.

The focus group is scheduled for one hour, and your input will inform potential changes to existing EITC questionnaires within tax-preparation software, and updates to the EITC Assistant on IRS.gov.

Your participation in the focus group is completely voluntary and is scheduled for <date>, <time>, and will be held at <location>.

Are you interested in participating?

If the tax professional agrees to participate, provide a reminder sheet containing the focus group date, time and location.

If the tax professional does not agree to participate, thank them for their time.

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Focus Group Reminder

Thank you for agreeing to participate in this EITC focus group. For your convenience, we have listed the date, time and location of the session below.

Focus group date: <date>

Focus group time: <time>

Focus group location: <location>