

**Taxpayer Advocate Service (TAS) Focus Group Interviews at the
2016 IRS Tax Forums on Timing of Refunds and Future State
Approval Request to Conduct Cognitive and Psychological Research Data
Collection (OMB #1545-1349)**

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. Focus group scenarios will describe potential changes to IRS processes and approaches to customer service and gather tax preparers' opinions and suggestions for future changes. 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' thoughts about two different topics related to IRS processes and services. One group will focus on IRS refunds and how changes to the timing might impact preparers and taxpayers. The other group will discuss how the IRS will operate in the future and how taxpayers will interact with it. TAS wants to conduct focus group interviews with tax practitioners for their thoughts and opinions about the timing of tax refunds and how taxpayers will interact with the IRS in the future.

The focus groups findings will be combined with other organizational information to suggest ways to design taxpayers' future interactions with the IRS, gauge the reasonableness of proposed policy modifications, 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

TAS considered electronic options for this research, but decided to collect the information in person. TAS decided in person groups were the best option for including most types of preparers at a relatively low cost.

4. Duplication of Information

We were unable to find any current research on our topics of study from a tax preparer's perspective. Our focus groups will gather information on tax practitioners' current opinions on issues with timing of refunds and delays, and what considerations should be taken into account with the IRS Future State initiatives. 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.

Timing of Refunds

TAS is interested in tax practitioners' thoughts, experiences, and ideas about the issue of timing of tax refunds. This includes current practices and operations, and potential changes for refunds in the future. We would like to know what practitioners' expectations are when they file a tax return for a client, how well the process works now, and how pushing back the timing of when refunds are issued may impact their clients and their practices. Specifically we will discuss the timeliness of refunds, if there were delays; how long and the reason, are practitioners concerned about their ability to research the reason for the delay with future service proposals, possible concerns if the IRS changed the refund process (matching documents before issuing refunds), impact of a delay on their clients, and if the delay would help curb fraudulent refunds would they and their clients support the change.

Discussion on IRS Future State Initiative

The IRS is currently working on its vision of the organization for the near future, known as the IRS Future State. A key component of the Future State vision the IRS has involves transitioning taxpayers from talking to IRS employees to communicating with the IRS through online accounts. Taxpayer Advocate Service would like to hear about the services practitioners and their clients must have to handle tax obligations. Some of the areas we would like to explore include: what online services do they need to serve their clients; what impact will this have on their clients; how will proposed changes to services impact a vulnerable population (low income, language, seniors); what are the implications for their practice, and their concerns about moving to more services only accessible online. This will give us valuable information on how the practitioners see the changes impacting their clients and solicit their ideas for how the Future State should be implemented.

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

Without this feedback, TAS will not have timely perspectives and insights from tax practitioners concerning the IRS's processes and programs related to the timing of refunds and the Future State initiative. 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.

7. Special Circumstances

There are no special circumstances. The information will be voluntarily collected and will not be used for statistical purposes.

8. Consultations with Persons Outside the Agency

There were no consultations with persons outside the agency.

9. Payment or Gift

There is no payment or gift provided to the participants.

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). 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.

TAS 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 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

We will not collect sensitive information and participants may not answer if they are uncomfortable providing specific information. Participation is voluntary and individuals may decline the invitation to participate in the group.

12. Burden of Information Collection

A total of 10 focus group sessions will be held for the two topics (Refunds, Future State). TAS will recruit as many as 16 qualified individuals for each group – 16 x 10 = 160 total recruits; with the expectation that no more than 12 recruits will timely arrive at the prearranged location and ultimately participate in the groups – 10 x 12 = 120 total participants. Considering all factors (competing interests, willingness, and schedule), we expect no more than 25 percent of those asked if they are interested in the topic to attend the groups. That means that a total of 640 persons will have to be screened to reach the 160 total recruits – with 480 being screened for 2 minutes (to learn they either refuse or do not qualify), with (640-160 =) 480 initially expressing interest but not qualifying, and with 120 attending and participating (and also requiring 2 minutes screening and 5 minutes reminder time, plus 80 minutes of group discussion time).

As shown in the table below, the contact time to screen participants will be about 2 minutes, resulting in 21 burden hours for screened non-recruits (640 x 2 = 1,280 minutes / 60 minutes = 21 burden hours); the 160 recruits will result in another 13 burden hours (160 x 5 minutes contact time = 800 minutes / 60 = 13 burden hours); and the 120 participants will result in 160 burden hours (120 x 80 minutes of focus group discussion time = 9,600 minutes / 60 = 160). Total burden hours = **194** (all partial hours rounded to the next whole hour or 21+13+160).

Type of Collection	Estimated Burden		
	Number of Respondents	Time per Response	Total Hours
Screening potential participants (ultimately are not recruited)	640	2 minutes	21 hours
Recruiting and reminding recruits who do and do not show up at the focus group sites	160	5 minutes	13 hours
Discussion time for actual participants	120	80 minutes	160 hours
Total Burden Hours			194 hours

13. Costs to Respondents

There is no cost to respondents.

14. Costs to Federal Government

The estimated cost of the 10 focus groups in this package of two topics is \$17,000 for the moderator and scribe. This includes travel costs & expenses for the tax forums.

15. Reason for Change

This is a new information request.

16. Tabulation of Results, Schedule, Analysis Plans

Once OMB approval is received and the tax forums are underway, potential participants will be contacted in person. We expect it will take approximately six 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 December 2016. The final report will be a summary of key data findings by topic based on the discussions generated in the focus group interviews. This information will be used to report on taxpayers' and preparers' experiences with the timing of refunds and the future state of the IRS. 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

The tax forums are held during the summer of 2016, with the first forum scheduled for July 12, 2016. Recruiting for focus group participants will begin the first day of the tax forum immediately after receiving OMB approvals (preferably in July 2016). All groups must be completed in time to finalize the study reports by December 2016.

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 recruit from tax preparers attending the tax forums. Recruiters will attempt to get a variety of preparers with experience with refunds or IRS services to participate in the focus groups.

2. Procedures for Collecting Information

Participants will be screened and balanced using the appropriate characteristics for the focus group topic and include gender, tax preparer type, experience level. Minimal information will be collected during this screening process to report back to OMB in the summary report.

Recruiters will inform potential participants of the focus group topics and ask if they are interested in the topic, provide additional information about the focus groups, and ask qualified individuals to attend and participate in the focus group. We will recruit 16 qualified participants, with the expectation being that no more than 12 will actually show up at the group site and participate per group.

3. Methods to Maximize Response

We will strive to maximize response and cooperation rates among those potential participants by: (1) providing the topic and scheduled meeting time before recruiting participants; (2) by offering qualified persons the opportunity to voice their opinions on the identified topic, and (3) scheduling the groups during lunch periods or times that do not conflict with the most popular sessions.

4. Testing of Procedures

Because of prior tax forum experience, procedures will not require testing.

5. Contacts for Statistical Aspects and Data Collection

Since focus groups are a form of qualitative research, statistical requirements are minimal. TAS Research will provide support needed for this endeavor.

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