

**Supporting Statement  
Information Collection (ICR) Approval Request  
to Conduct Cognitive-Psychological Research (OMB# 1545-1349)**

**Title: *Federal Tax Deposit (FTD) Alerts***

**A. JUSTIFICATION**

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

The Small Business/Self-Employed (SB/SE) Federal Tax Deposit (FTD) Alert team has made a number of changes to the FTD Alert program and is requesting feedback from tax practitioners to learn if they are aware of the recent changes to the FTD Alert process including the Early Interaction Initiative. Payroll taxes make up two-thirds of the revenue IRS collects. The goal of the Early Interaction Initiative is to identify and correct payroll tax delinquencies at the earliest possible time. The initiative is an expansion and enhancement of Collection's long-standing and successful Federal Tax Deposit Alert program. Improved technology has enhanced Collection's ability to monitor payroll tax deposits allowing them to interact with employers early, keeping them on the road to compliance.

The Nationwide Tax Forums sponsored each year by the IRS offer a unique opportunity to solicit the opinions, experiences, and ideas of tax practitioners about important issues for taxpayers and for the IRS.

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

The market segment of interest for this research consists of tax practitioners. The objectives for FTD Alert focus groups are to:

- Solicit information about IRS methods used to address a change in business payroll tax deposits,
- Solicit suggestions for improving and marketing the Early Interaction Initiative,
- Determine what works well and what does not work well in the FTD Alert Program

We hope to impact our market segment by using the results of the focus groups to make recommendations to:

- Improve overall taxpayer service
- Improve the FTD Alert process
- Improve the Early Interaction Initiative

**3. Consideration Given to Information Technology**

The focus groups will be conducted face-to-face during the IRS Nationwide Tax Forums. Conducting face-to-face focus groups allows group interaction which can help elicit in-depth thoughts and discussions. There's also opportunity to probe participant responses that can yield richer data than surveys. Face-to-face focus groups also give the moderator more opportunity to read nonverbal cues and use nonverbal cues to control the flow of discussion.

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

The focus group will provide valuable information that is not available in any internal IRS data source.

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

Small entities are not included in this study.

#### **6. Consequences of Not Conducting Collection**

SB/SE initiatives fall under the IRS' goal to "improve service to make voluntary compliance easier, and enforce the law to ensure everyone meets their obligation to pay taxes." If the focus group is not approved, SB/SE will not have the necessary data to improve the FTD Alert program and the Early Interaction Initiative.

#### **7. Special Circumstances**

There are no special circumstances. The participation in the focus group and the information collected will be voluntary.

#### **8. Consultations with Persons Outside the Agency**

No one outside of the IRS will be consulted.

#### **9. Payment or Gift**

No honorarium or non-monetary incentives will be given to the participants.

#### **10. Confidentiality:**

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all taxpayers to the extent allowed by law. This includes criteria for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

The focus group questions do not request tax return or taxpayer information. Focus group participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research objectives. We will carefully safeguard the security of data utilized as well as the privacy of the focus group participant to the extent allowed by law.

#### **11. Sensitive Nature**

No questions will be asked that are of a personal or sensitive nature.

#### **12. Burden of Information Collection**

A total of 5 focus groups in five cities will be conducted with no more than 10 participants. The total burden hours estimated is **115 burden hours**.

The estimated time to *screen* a person is 3 minutes. Based on past experience, we will assume that 60 people will be screened at each site (60 people x 5 focus groups = 300 people) before 20 invitations are issued. We will assume that 20 invitations will need to be issued to ensure that 10 people will be present for each focus group. The burden for screening potential participants is 15 hours (300 people x 3 min screening / 60 min). .

The estimated time for *participating* in the focus group is 2 hours. We will assume a maximum number of 10 participants in each focus group. The total participation burden is 100 hours (10 participants x 5 focus groups x 120 minutes / 60 min).

Screening for and Participating in the FTD Alert focus group

Type of Collection	Participation	Response Time (minutes per person)	Total Burden (Hours)
Screening potential focus group participants	300	3 minutes	15 hrs.
Focus Group expected Participants	50	120 minutes	100 hrs.
<b>Grand Total (column 4)</b>			<b>115 hrs.</b>

**13. Costs to Respondents**

There will be no cost to respondents.

**14. Costs to Federal Government**

The total estimated cost of conducting the focus group in the five cities is \$11,134.

**15. Reason for Change**

No change is requested. This is a new approval request.

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

At the completion of the five Tax Forums, the focus group responses will be released in a report as summary observations and categorized by the topic of discussion in the moderator’s guide. The report will not contain any individually identifying information such as name, address, or taxpayer / practitioner identification number. The moderator ensures that tax practitioners participating in the focus group are guaranteed anonymity. Upon completion of data collection and delivery of the report, the focus group data will remain on a secured IRS server for three years.

**17. Display of OMB Approval Date**

IRS is seeking approval to not display the expiration date for OMB approval, as this is a one-time, limited-duration collection

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

These activities comply with the requirements in 5 CFR 1320.9.

## **19. Dates Collection of Information will Begin and End**

Data collection will begin during the week of July 11, 2016 and end during the week of September 12, 2016.

## **B. STATISTICAL METHODS**

### **1. Universe and Respondent Selection**

Focus group participants are screened and selected from the tax practitioners attending the 2016 IRS Nationwide Tax Forums.

### **2. Procedures for Collecting Information**

Trained focus group moderators from SB/SE Finance, Research & Strategy will screen and invite tax practitioners using a screener's guide. There will be two focus group moderators in each focus group. One moderator will conduct the focus group using a moderator's guide approved by the SB/SE business unit and the second moderator will be documenting the participants' responses and possibly non-verbal expressions (excitement, head nods, doubt, etc.).

### **3. Methods to Maximize Response**

The moderator's guide contains open ended questions to obtain candid opinions and suggestions about the topic of discussion. Additionally, some of the questions contain probes to be used by the moderator if responses are minimal. The probes also serve as memory joggers for the focus group participants.

### **4. Testing of Procedures**

The screener and moderator's guides were developed with the assistance of the SB/SE business unit. If changes are made to the moderator guide, they will be minimal. Revising a question to make it understandable is one example of a potential change.

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

For questions regarding the study or moderator guide or methodology, contact:

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