

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

**Title: Wage & Investment Strategies & Solutions (WISS)**  
**2016 IRS Nationwide Tax Forum Focus Groups:**  
**Preparer Partnerships for Future State**

**A. JUSTIFICATION**

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

As outlined in the Internal Revenue Service (IRS) Strategic Plan, the agency is working towards delivering high quality service to reduce taxpayer burden and encourage voluntary compliance. Consequently, the IRS seeks to develop a Future State of IRS service delivery that provides the most convenient and efficient service to taxpayers utilizing technologies, optimizing service channels, and partnering with third parties to assist taxpayers based on their need and preferences.

IRS piloted a partnership with third parties that allowed taxpayers to authorize the IRS to send their tax refund status electronically to their Third Party Participant (i.e., tax preparation firm). In turn, Third Party Participants communicated this refund status to their taxpayer-customers. Taxpayers consented to this service by answering “Yes” to the existing Third Party Designee question on the Form 1040 series of individual tax returns. The pilot is in its second year.

Opportunities exist to partner with third parties in other service areas to benefit taxpayers who prefer to communicate with their paid preparers. However, IRS has limited information about what types of tasks tax preparers want to partner with the IRS, pros and cons to specific potential partnerships, and tax preparer preferences around partnering with the IRS.

Wage and Investment Strategies and Solutions (WISS) has partnered with Online Services (OLS) to conduct focus groups with tax preparers to explore areas where they think partnering with the IRS would be beneficial, pros and cons to specific types of partnerships, and their preferences for how to partner with the IRS to benefit the taxpayer. Focus group findings will be utilized in Future State planning and development of pilot programs aimed at testing new partnerships with tax preparers to develop the best service for taxpayers who prefer third party service.

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

The purpose of this project is to gather information from tax professionals about opportunities for partnering with tax professionals to best serve taxpayers in the Future State. Specifically, data will be collected to improve the taxpayer experience through partnerships. Focus group findings will be utilized by OLS and IRS operations to develop pilot programs aimed at providing the most convenient and efficient service to taxpayers via partnerships with third parties.

**3. Consideration Given to Information Technology**

Data collection for this project will be completed during in-person focus groups coinciding with the following IRS Nationwide Tax Forums:

<b>City</b>	<b>Dates</b>
Chicago	July 12-14
New Orleans	July 26-28
National Harbor (D.C.)	August 23-25
Orlando	August 30-September 1
San Diego	September 13-15

Focus groups will occur at three of the Tax Forum cities: National Harbor (D.C.); Orlando, FL; and San Diego, CA.

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

This focus group project will provide valuable information that has not been collected during previous focus group projects, and is not available in any internal IRS data source.

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

Participants for this project will be recruited from individual attendees at the 2016 IRS Nationwide Tax Forums. No small entities will be contacted or recruited for participation in these focus groups.

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

If the information collection request is not approved, the IRS will have less information to design potential pilots with third parties to provide the best service to taxpayers. As a result, the IRS cannot build the best possible pilot programs for testing partnerships with tax professionals and opportunities could be missed in the Future State of service delivery.

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

There are no special circumstances. The information collected will be voluntary. The findings from this project could be used in making management decisions regarding the inclusion of additional information within the instructions used to complete IRS tax forms.

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

This project is being completed in partnership with the IRS OLS office. There will be no consultation with persons outside of the agency.

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

There will be no incentives given for participating in the focus groups.

#### **10. Confidentiality**

The IRS will apply and meet fair information and record-keeping practices to ensure privacy 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.

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

### 11. Sensitive Nature

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

### 12. Burden of Information Collection

The focus group will be designed to minimize burden on participants, with each session lasting 60 minutes.

Participant recruitment will take place among attendees at the IRS Nationwide Tax Forums. We anticipate a 25% recruitment acceptance rate, thus we will talk to 144 Tax Forum attendees, to fill 36 total participant spots (12 attendees for each focus group session at three Tax Forums).

The contact time needed to recruit for participants could take up to two minutes, with the resulting burden being  $144 \times 2 \text{ minutes} = 288 / 60 \text{ minutes} = 4.8 \text{ burden hours}$ .

For participants, total participation time in focus groups is 60 minutes. The time burden for participants is  $36 \times 60 = 2,160 / 60 \text{ minutes} = 36 \text{ burden hours}$ .

**The total burden hours for the focus group is  $4.8 + 36 = 40.8 \text{ burden hours}$**

Category of Respondent	No. of Respondents	Participation Time (in minutes)*	Burden (in hours)
Soliciting Potential Participants	144	2	4.8
Expected participants	36	60	36
<b>Totals</b>			<b>40.8</b>

### 13. Costs to Respondents

There is no cost to respondents resulting from the collection of information.

### 14. Cost to Federal Government

The estimated cost is \$8,000.

### 15. Reason for Change

This is a new request; no change is being requested.

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

This project will use a constant comparison analysis to analyze focus group data. This analysis initially groups data into smaller units, and identifies each with a unique descriptor or code. Next, codes are placed into broader categories with the final goal of uncovering overall themes.

## **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 will begin and end**

August 23, 2016 through September 15, 2016

## **B. STATISTICAL METHODS**

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

Focus group participants will be solicited in-person from individuals attending the IRS Nationwide Tax Forums.

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

A WISS researcher will serve as the moderator for the focus group sessions. An additional WISS or other IRS employee will serve as a note taker/scribe for the sessions.

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

The focus group sessions will be limited to one hour in length, and the session topic will be clearly communicated to potential participants in order to maximize participation. Participants will be assured anonymity of their responses, thus being free to express their thoughts and opinions.

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

Focus groups are an established and tested qualitative research method. Questions contained within the moderator's guide will be reviewed by the Online Services program office to assure

the included topics meet the stated project goals. Only minor changes to the moderator's guide are expected following submission of this supporting statement.

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

For questions regarding the study or the research and statistical methodology, contact:

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