PART B – JUSTIFICATION

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection methods to be used.

Individual Burden Surveys

The potential respondent universe is composed of wage and investment and self-employed taxpayers living in the United States. These taxpayers file a Form 1040, 1040-A, 1040-EZ, 1040-NR, 1040-NR-EZ, or 1040-X (as well as supporting forms and schedules). The sample frame will be developed using IRS administrative data sources, such as the returns transaction file (RTF). Some populations will be explicitly excluded from the survey population. This includes taxpayers that are minors, deceased taxpayers, and taxpayers that have international addresses, including active duty military serving overseas.

When sub-populations vary considerably, it is advantageous to sample each subpopulation (stratum) independently. Stratification is the process of grouping members of the population into relatively homogeneous sub-groups before sampling. The strata should be:

- Mutually Exclusive. Members must be assigned to only one stratum, and
- Collectively Exhaustive. No members can be excluded.

Then, random or systematic sampling can be applied within each stratum. Stratification often improves the representativeness of the sample by reducing sampling error. It also tends to produce a weighted mean that has less variability than the arithmetic mean of a simple random sample of the population. For these reasons, the proposed sample design for this study is a stratified random sample.

The sampling approach has been designed to ensure that key taxpayer subgroups are adequately represented in the study findings. The stratification includes two main criteria:

- Preparation method. The method by which the taxpayer prepared his or her return.
  - o Prepared by a paid professional (paid)
  - o Prepared using tax preparation software (soft)
  - o Prepared by hand (self)

- Differential burden. Variable reflecting type of activities performed by taxpayers to meet their Federal tax obligations. Taxpayers are assigned burden corresponding to the highest burden item reported on their tax forms.

Differential burden is summarized in the following table.

Strata	Definition
Low	Wage income; Interest income; Unemployment income; Withholding; Earning income tax credit (with no qualifying children) or advanced EIC; Does not meet any of the conditions for higher levels of differential burden
Low-Medium	Capital gain income (includes capital gains distributions and undistributed capital gains); Dividend income; Earned income tax credit (with qualifying children); Estimated tax payments; Retirement income (includes SS benefits, IRA distributions, or pensions and annuities); Any non-refundable credit (includes child and dependent care expenses, education credits, child tax credit, elderly or disabled credit); Household employees; Non-business adjustments;

	Does not meet any of the conditions for higher levels of differential burden
Medium	Itemized deductions (includes mortgage interest, interest paid to financial institution; charitable contributions, and medical expenses); Foreign income, expense, tax, credit, or payment; Moving expenses; Simple Schedule C or C-EZ; General business credit; Does not meet any of the conditions for higher levels of differential burden
Medium-High	Farm income as reported on Schedule F; Owns rental property as reported on Schedule E, including farm rental and low income housing; Estate or trust income as reported on Schedule E; Employee business expense deductions; Files AMT without AMT preference items; Prior year alternative minimum tax credit; Investment interest expense deduction; Net loss as reported on Schedule C; Depreciation or amortization as reported on Schedule C; Expenses for business use of home as reported on Schedule C; Does not meet any of the conditions for higher levels of differential burden
High	Cost of goods sold as reported on Schedule C; Partnership or S-Corp income as reported on Schedule E; Files AMT with AMT preference items

These variables were chosen for stratification because of their importance to the modeling of taxpayer burden and behavioral activities. The differential burden variable is included to ensure that different tax concepts, tax provisions, and tax characteristics with differential recordkeeping and reporting requirements are included. The tax preparation method variable ensures both a proper balance and an adequate representation of paid preparers, software preparers, and self preparers, allowing us to reflect the role of technology and services in meeting recordkeeping and reporting requirements.

The specifications of the sample design are developed to balance three main issues. The first is that it must be efficient in the way the sample is distributed so that estimates from the sample are reliable (i.e., meet confidence interval range requirements). Specifically, the aim is for the coefficient of variation to be under 2 percent. The second is to ensure that there are a sufficient number of cases to meet the needs of the modeling tool to identify the determinants of burden within and across strata. The third is that the design should facilitate comparisons between future Individual Taxpayer Burden surveys and the previous surveys.

To make the Individual Taxpayer Burden survey comparable with the previous surveys, we continue to use the same design variable (total monetized burden), the same stratified random sampling approach, and the same stratification variables as in the tax year 2007 survey. In the 2007 survey, the Neyman allocation method was used to determine the sample size for each stratum, subject to the total sample size of 15,000. It aimed to minimize the variance of estimated mean burden; however, it limited the sophistication of the modeling of certain thin populations of interest. For the tax year 2010 survey, we adjusted the Neyman allocation by requiring a minimum number of observations per stratum. The minimum number of observations was defined by applying a common rule of thumb, which states that a sample must include at least 10 or 15 observations per independent variable in a regression model (Stevens, 2002; Bartlett et al., 2001). To be conservative, we chose 15. Given that the expected number of independent variables is 15, the minimum desired number of complete responses for modeling each stratum is 225.

Our objective was to minimize the variance of estimated mean burden constrained on this minimum sample size for modeling, with response rate incorporated. We started with the same total sample size of 15,000 as in the tax year 2007 study, considering this as our base sample. We then calculate the coefficient of variation, given the minimum stratum size of 225. Because the coefficient of variation was too large for the sample size of 15,000, we adjusted the sample size to 20,000, and recalculated the coefficient of variation. The sample size of 20,000 resulted in a coefficient of variation of 1.62 percent. This coefficient of variation met our requirement. Because we used a new data collection protocol, it also allowed us some additional confidence that we will achieve the

desired number and mix of complete responses. See Table B1, **Overall Return Distribution by Strata,** below.

Table B1 – Sample allocation for ITB 2010 survey

Monetized Burden Strata	Projected Pop Count	Est. Mean	Est. Std. Dev.	Est. Response Rate	Sample Allocation	Expected Number of Respondents
11 paid, low	9,822,075	190.46	241.53	0.2558	880	225
12 paid, low-medium	26,114,402	295.10	370.49	0.3213	1,644	528
13 paid, medium	15,940,360	619.92	980.87	0.3916	2,656	1,040
14 paid, medium-high	15,732,824	946.43	1,157.12	0.3970	3,092	1,228
15 paid, high	10,685,596	1,837.13	2,524.26	0.3894	4,582	1,784
21 self, low	3,503,015	85.97	115.25	0.3594	626	225
22 self, low-medium	2,707,918	157.75	225.08	0.3436	655	225
23 self, medium	1,695,808	499.83	709.51	0.4355	517	225
24 self, medium-high	770,422	715.88	876.97	0.4046	556	225
25 self, high	288,597	923.48	881.83	0.4119	546	225
31 soft, low	10,478,344	116.18	159.24	0.3058	736	225
32 soft, low-medium	15,971,640	185.25	228.28	0.3678	619	228
33 soft, medium	10,942,941	518.45	713.67	0.4620	1,327	613
34 soft, medium-high	6,336,666	769.97	1,015.50	0.4396	1,093	480
35 soft, high	1,639,707	1,278.71	1,615.97	0.4772	472	225
Total	132,630,316	551.90			20,000	7,701
Overall CV						**1.62%**

A similar approach was used for the TY2011 and TY2012 surveys and is expected to be used for the TY2013, TY2014, and TY2015 ITB surveys. Using final results from the TY2011 ITB and preliminary results from the TY2012 ITB to guide the sample allocation, we expect to be able to further refine the accuracy and efficiency of the information collection. However, not having the benefits of this analysis at this time, we will conservatively assume identical sample size, response rate and CV for the TY2013 through TY2015 ITB surveys.

The 2014 Taxpayer Compliance Burden Survey includes predominately TY2011, TY2012, and TY2013 taxpayers who had either a Collection or Examination case close in Calendar Year 2013. For this study we propose to survey 8,000 taxpayers stratified into lower and higher return complexity and by their subsequent interaction with IRS Examination, Collection and Appeals processes. This study will use the variance of post-filing cycle time to stratify the sample as a proxy and will also use burden variance from the 2011 study to derive a more accurate and efficient design.

The 2010 Taxpayer Compliance Burden strata will inform the development of the 2014 survey strata. IRS will provide documentation of the final 2014 TCB stratification plan as soon as it is finalized.

Return Complexity	Definition
Low	Wage income; Interest income; Unemployment income; Withholding; Earning income tax credit (with no qualifying children) or advanced EITC; Capital gain income (includes capital gains distributions and undistributed capital gains); Dividend income; Earned income tax credit (with qualifying children); Estimated tax payments; Retirement income (includes SS benefits, IRA distributions, or pensions and annuities); Any non-refundable credit (includes child and dependent care expenses, education

	credits, child tax credit, elderly or disabled credit); Household employees; Non-business adjustments; Does not meet any of the conditions for higher levels of differential burden
High	Itemized deductions (includes mortgage interest, interest paid to financial institution; charitable contributions, and medical expenses); Foreign income, expense, tax, credit, or payment; Moving expenses; Schedule C or C-EZ; General business credit; Farm income as reported on Schedule F; Owns rental property as reported on Schedule E, including farm rental and low income housing; Estate or trust income as reported on Schedule E; Employee business expense deductions; Files AMT without AMT preference items; Prior year alternative minimum tax credit; Investment interest expense deduction; Net loss as reported on Schedule C; Depreciation or amortization as reported on Schedule C; Expenses for business use of home as reported on Schedule C; Cost of goods sold as reported on Schedule C; Partnership or S-Corp income as reported on Schedule E; Files AMT with AMT preference items

Post-Filing Issue Complexity	Definition
Appl	Case closed to Appeals (CY 2011)
Coll-Low	Case closed to Collections (CY 2011); Completed an Installment Agreement; Paid balance in full; Does not meet any of the conditions for higher levels of differential Collection burden
Coll-High	Account was placed in Currently Not Collectible Status due to hardship; Balance due exceeded $25,000; Requested a Collections Due Process Hearing; Requested an Equivalent Hearing; Had a Federal Tax Lien released; Submitted/completed an Offer-in-Compromise
Exam - Low	Case closed to Examination (CY 2011); Case closed to Automated Underreporter (CY 2011); Examination technique was Correspondence; Does not meet any of the conditions for higher levels of differential Examination burden
Exam-Med	Examination technique was Office; Does not meet any of the conditions for higher levels of differential Examination burden
Exam-High	Examination technique was Field
Amended	Filed an amended Individual Income Tax Return (CY 2011)

Preparation Method	Definition
Assisted	Prepared by a paid professional (paid) Prepared using tax software (soft)
Unassisted	Prepared by hand (self)

Entity Burden Surveys
Business entity taxpayers are defined here as corporations, limited liability companies, or partnerships filing any of the following income tax returns: Forms 1065, 1065-B, 1066, 1120, 1120-F, 1120-FSC, 1120-L, 1120-ND, 1120-PC, 1120-RIC, 1120-REIT, 1120-S, or 1120-SF.

Tax-exempt organizations covered under the 2013 Tax-Exempt Organization Burden Survey include taxpayers that file any of the Form 990, 990-EZ, or 990-PF. The sample frame is all such tax-exempt returns from the IRS Returns Inventory and Classification System (RICS). Business entities and tax-exempt organizations will be selected using a modified Neyman allocation. The sample strata will be based on return type, preparation method, and total revenue. Preparation and revenue strata are shown below:

Preparation Method Strata:
1. Self-Prepared (software or paper)
2. Paid Prepared (defined as presence of a paid preparer)

Total Revenue Strata:

Self Prepared:
1. Less than $5,000
2. $5,001 - $100,000
3. $100,001 - $1,000,000
4. $1,000,001 or more

Paid Prepared:
1. Equal to zero
2. $1 - $5,000
3. $5,001 – 50,000
4. $50,001 - $100,000
5. $100,001 - $500,000
6. $500,001 - $1,000,000
7. $1,000,001 - $5,000,000
8. $5,000,001 - $10,000,000
9. $10,000,001 or more

The specifications of the sample design were developed to balance two main issues. The first and most important is to ensure that there are a sufficient number of expected complete responses to meet the needs of the modeling tool to identify the determinants of burden and their relative impacts. The second issue is that the sample design must be efficient in the way the sample is distributed so that estimates from the sample are reliable (i.e., meet confidence range requirements).

As defined above, the three variables that will be used for stratification are: tax form type, tax preparation method, and total revenue. These variables were chosen for stratification because of their importance to the modeling of taxpayer activities. Tax form type is included to ensure that an adequate number of the different form types are included. The tax preparation method ensures both a proper balance and an adequate representation of paid preparers versus self-preparers. Stratifying on total revenue will ensure that an even distribution of different organization sizes will be included.

For each stratification variable, category breaks were chosen to increase the precision of sample estimates. This is accomplished by choosing breakpoints that segment taxpayers into groups whose burden is homogeneous – or alternatively, breakpoints that create separate estimation strata for groups whose burden is highly variable. Sample size can then be concentrated on taxpayer segments with heterogeneous burden, thus increasing the precision of population estimates.

The overall return distribution for the 2010 Tax-Exempt Organization Burden Survey is shown in Table B2 below.

Table B2 – Overall Tax-Exempt Entity Return Distribution by Strata

Stratum	TotProj	SmplRate	Wave1 cycle_pst201137		Wave2 cycle_pst_201152		Wave3 cycle_pst201226	
			ActualPop	ExpSmpl	ActualPop	ExpSmpl	ActualPop	ExpSmpl
Less than $5,000	31081	0.01603972	16,217	260	8,948	144	5,916	95
$5,001 - $100,000	81248	0.00520988	41,085	214	21,877	114	18,286	95
$100,001 - $1,000,000	48578	0.01841616	24,509	451	13,362	246	10,707	197
$1,000,001 or more	18489	0.02488922	7,400	184	6,105	152	4,984	124
Equal to zero	6273	0.05491527	2,318	127	2,081	114	1,874	103
$1 - $5,000	16889	0.01651608	8,264	136	5,134	85	3,491	58
$5,001 – 50,000	80604	0.00438926	37,090	163	24,401	107	19,113	84
$50,001 - $100,000	69488	0.00957306	29,409	282	21,594	207	18,485	177
$100,001 - $500,000	134164	0.01604597	51,418	825	42,048	675	40,698	653
$500,001 - $1,000,000	41783	0.01558878	12,310	192	12,827	200	16,646	259
$1,000,001 - $5,000,000	55838	0.05082828	14,195	722	16,894	859	24,749	1,258
$5,000,001 - $10,000,000	12482	0.05021166	2,459	123	3,900	196	6,122	307
$10,000,001 or more	19014	0.09529285	2,801	267	6,495	619	9,718	926
	615931		249,475	3,947	185,667	3,717	180,789	4,337
Percent of sample				0.3289		0.3097		0.3614

We plan to sample 15,000 TY2014 tax-exempt organizations drawn from the strata above. For the proposed TY2015 Business Taxpayer Burden survey we expect to sample 24,000 taxpayers in a manner similar to that approved for TY2012 under this OMB Control Number. While we expect to improve the efficiency of the design of the TY2015 Business Taxpayer Burden survey based on analysis of the TY2012 data, until such time as we conduct that analysis we will conservatively assume a burden impact corresponding to the assumption of the TY2012 Business Taxpayer Burden information collection request.

2014 Small Tax-Exempt Organization Burden Survey
The Small Tax-Exempt Organization Burden Survey population includes exempt organizations that file Form 990-N. These organizations normally have gross receipts of $50,000 or less. Because we determined that the time to complete the survey developed for the Tax-Exempt Burden Survey exceeds the burden to complete Form 990-N,

we will develop a short survey that contains the minimum time and money burden questions to provide adequate data.

The tax returns for Small Tax-Exempt Organizations are made available at http://apps.irs.gov/app/eos/forwardToEpostDownload.do. A simple random sample of 15,000 tax-exempt organizations with a 2014 Form 990-N posted on the public website by May 31, 2015.

2014 Taxpayer Compliance Burden Survey and 2014 Business Compliance Burden Survey
The 2014 Taxpayer Compliance Burden Survey and 2014 Business Compliance Burden Survey samples will be selected using a similar stratification method that was used for the 2011 Taxpayer Compliance Burden Survey, but we plan to improve the efficiency of the design based on analysis of the 2012 data collection. The overall post-filing return distribution for the 2011 Tax Compliance Burden Survey is shown in Table B3 below.

Table B3 – Overall Post-filing Return Distribution by Strata

Strata	Post Filing Issue Complexity	Return Complexity	Preparation Method	PopCount	Pop%	Sample Allocation
1	Appeal	Other than High and Assisted	Other than High and Assisted	2,552	0.02%	591
2	Exam - High	Other than High and Assisted	Other than High and Assisted	4,548	0.04%	591
3	Appeal	High	Assisted	8,294	0.07%	591
4	Exam - Medium	Other than High and Assisted	Other than High and Assisted	10,168	0.08%	591
5	Collection - High	High	Unassisted	17,175	0.14%	591
6	Collection - High	Low	Unassisted	23,015	0.19%	591
7	Amended	High	Unassisted	27,091	0.22%	591
8	Amended	Low	Unassisted	32,183	0.27%	591
9	Exam - High	High	Assisted	65,083	0.54%	591
10	Coll - High	Low	Assisted	74,933	0.62%	591
11	Exam - Low	High	Unassisted	90,776	0.75%	591
12	Exam - Medium	High	Assisted	92,153	0.76%	591
13	Exam - Low	Low	Unassisted	132,179	1.09%	591
14	Coll - High	High	Assisted	193,443	1.60%	591
15	Amended	Low	Assisted	257,990	2.13%	591
16	Coll - Low	High	Unassisted	308,263	2.55%	591
17	Coll - Low	Low	Unassisted	386,219	3.19%	591
18	Amended	High	Assisted	472,121	3.90%	591
19	Exam - Low	Low	Assisted	1,459,608	12.05%	591
20	Exam - Low	High	Assisted	2,055,678	16.97%	591
21	Coll - Low	Low	Assisted	2,361,685	19.50%	591
22	Coll - Low	High	Assisted	4,037,175	33.33%	591

2013 Information Return Burden Survey and 2013 Employment Tax Burden Survey
The 2013 Information Return Burden Survey and 2013 Employment Tax Burden Survey are still in the early design stages, including survey development and sampling methodology. Preliminary sample strata are provided below. Final strata will be provided as an addendum to this request.

Information Return Burden Survey Preliminary Strata

- Forms (or combination of forms) filed
  Note: Most issuers of information returns file only one or two different forms.

Form #	Description
1098	Mortgage Interest Statement
1098-B	Proceeds from Broker and Barter Exchange Transactions
1099-DIV	Dividends and Distributions
1099-INT	Interest Income
1099-MISC	Miscellaneous Income
1099-Q	Payments from Qualified Education Programs
1099-R	Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc.
1099-S	Proceeds from Real Estate Transactions
1099-K	Merchant Card and Third-Party Network Payments
5498	IRA Contributions Information
1099-PATR	Taxable Distributions Received from Cooperatives
1099-OID	Original Issue Discount
1099-S	Proceeds from Real Estate Transactions
1098-T	Tuition Statement
1098-C	Contributions of Motor Vehicles, Boats, Airplanes
1042-S	Foreign Person's U.S Source Income Subject to Withholding
1099-LTC	Long-Term Care and Accelerated Death Benefits
1097-BTC	Bond Tax Credit
5498-ESA	Coverdell ESA Contribution Information
5498-SA	HSA, Archer MSA, or Medicare Advantage MSA

- Number of forms filed (Level of Activity)
- Average dollar amount of reported income (or contribution in the case of Forms 5498, 5498-ESA and 5498-SA)

Employment Tax Burden Survey Preliminary Strata

Form #	Form Name
940	Employer's Annual Federal Unemployment (FUTA) Tax Return
940-EZ	Employer's Annual Federal Unemployment (FUTA) Tax Return (short form)
941	Employer's Quarterly Federal Tax Return
941-X	Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund
943	Employer's Annual Federal Tax Return for Agricultural Employees
943-X	Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund
944	Employer's Annual Federal Tax Return
944-X	Adjusted Employer's Annual Federal Tax Return or Claim for Refund
945	Annual Return of Withheld Federal Income Tax
945-X	Adjusted Annual Return of Withheld Federal Income Tax or Claim for Refund
W-2	Wage and Tax Statement
W-2C	Corrected Wage and Tax Statement
W-3	Transmittal of Wage and Tax Statements
W-3C	Transmittal of Corrected Wage and Tax Statements
8027	Employer's Annual Information Return of Tip Income and Allocated Tips

- Number of Forms W-2 filed (Level of Activity)
- Average dollar amount of income reported on Forms W-2
- Pre-tax employee benefits offered (Form W-2 FICA wages > taxable wages)
- Revenue reported on issuer's income tax return

  Less than $5,000
  $5,001 – 50,000
  $50,001 - $100,000
  $100,001 - $500,000
  $500,001 - $1,000,000

$1,000,001 - $5,000,000
$5,000,001 - $10,000,000
$10,000,001 or more

2. Describe the procedures for the collection of information.

We have two objectives in the design of the following protocols. The first is the efficient collection of the current sample; the second is to inform the design of future studies. The exact form of each of these contacts will vary somewhat, depending upon several factors. First, it will depend upon whether the contractor is able to obtain a telephone number for sampled taxpayers. For those respondents able to be matched with phone numbers, communication will take place via mail with telephone follow-up contact, if necessary. For respondents without phone numbers, all communication will necessarily take place via mail. The anticipated success rate for matching the sample to telephone numbers is about 50 percent.

Individual Taxpayer Burden Surveys (2013, 2014, 2015) and 2014 Taxpayer Compliance Burden Surveys

Contact	Description	Schedule
Contact 1: Pre-note	The pre-note is a hardcopy letter from an IRS official endorsing the survey and emphasizing the importance of the data collection effort. It notifies the respondent of selection for the survey, as well as provides information about the survey and assurances that there is no risk associated with participation. In addition, respondents will be given directions on how to view the survey on the taxstats website.	Beginning of data collection period
Contact 2: Survey packet	The survey packet consists of a paper-and-pencil questionnaire, a pre-addressed postage paid reply envelope, and a letter from the survey vendor indicating that the enclosed survey is the one referred to in the previously-received pre-note, a reminder that completing the survey is voluntary, and indicating that the enclosed $2 incentive is a token of appreciation. The paper survey also includes information on how the respondents may complete the survey on the web, if so desired. A $2 incentive will be enclosed in this mailing only.	1 – 2 weeks after Contact 1 mails
Contact 3: Thank you/reminder Postcard	All respondents will be mailed a thank you/reminder postcard, including those who 1) have completed the survey or 2) who have not completed the survey and for whom no contact phone number is available. The postcard will thank those who have already submitted a completed survey and ask those who have not to please do so.	3 weeks after Contact 2 mails
Contact 4: Survey packet	Nonrespondents are sent the survey packet, which provides a second copy of the paper-and-pencil questionnaire, a pre-addressed postage paid reply envelope, and a letter from the survey vendor asking for response. As with the first survey packet, the paper survey also includes information on how the respondents may complete the survey on the web, if so desired.	2 weeks after Contact 3 mails
Contact 5: Phone call (only for nonrespondents that have been matched to a phone number)	If no completed survey is received either by mail or web, non-respondents that have been matched to a phone number will receive a prompt from a telephone interviewer asking them to complete the survey. Telephone interviewers will be prepared at this stage to administer the interview over the telephone if the respondent wishes.	2 weeks after Contact 4 mails
Contact 5: Reminder postcard (only for nonrespondents that have NOT been matched to a phone number)	Nonrespondents that have not been matched to a phone number will receive a reminder postcard.	2 weeks after Contact 4 mails
Contact 6: Survey packet	Nonrespondents are sent the survey packet, which provides a third copy of the paper-and-pencil questionnaire, a pre-addressed postage paid reply envelope, and a letter from the survey vendor asking for response. As with the first and second survey packets, the paper survey also includes information on how the respondents may complete the survey on the	2 weeks after Contact 5 phone or postcard follow-up

	web, if so desired.	
Contact 6 Survey packet: 2013 Experiment	For the 2013 survey, one half of the nonrespondents will be sent a survey packet which provides a *short version* of the paper-and-pencil questionnaire, a pre-addressed postage paid reply envelope, and a letter from the survey vendor asking for response. The short version of the questionnaire consists primarily of the critical time and money questions. The response rate and quality of responses received on the short survey will be evaluated to determine whether it can increase response rate while delivering quality data and reducing print and mailing costs. As with the other survey packets, the paper survey also includes information on how the respondents may complete the survey on the web, if so desired.	2 weeks after Contact 5 phone or postcard follow-up

2013 Tax-Exempt Organization Burden Survey

Contact	Description	Schedule
Contact 1: Initial survey packet	The initial survey packet consists of a paper-and-pencil (TeleForm) survey, a letter from the IRS endorsing the survey, a letter from the survey vendor with instructions on completing the survey online, and a postage-paid return envelope.	Beginning of data collection period
Contact 2: Thank you/reminder Postcard	All respondents will be mailed a thank you/reminder postcard, including those who 1) have completed the survey or 2) who have not completed the survey and for whom no contact phone number is available. The postcard will thank those who have already submitted a completed survey and ask those who have not responded to please do so.	7 – 10 days after Contact 1 mails
Contact 3: Follow-up survey packet	All sampled organizations will receive a follow-up survey packet, which will include the paper-and-pencil (TeleForm) survey, a letter from the IRS endorsing the survey, and a letter from the survey vendor with instructions on completing the survey online.4 The letters will be tailored to acknowledge the earlier survey package sent to the respondent.	7 – 10 days after Contact 1 mails
Contact 4: Telephone nonresponse follow-up	If no completed survey is received either by mail or web, non-respondents that have been matched to a phone number will receive a prompt from a telephone interviewer asking them to complete the survey. Telephone interviewers will be prepared at this stage to administer the interview over the telephone if the respondent wishes.	7 – 10 days after Contact 1 mails

2014 Small Tax-Exempt Organization Burden Survey

Contact	Description	Schedule
Contact 1: Initial survey packet	The initial survey packet consists of a paper-and-pencil (TeleForm) survey, a letter from the IRS endorsing the survey, instructions on completing the survey, and a postage-paid return envelope.	Beginning of data collection period
Contact 2: Thank you/reminder Postcard	All respondents will be mailed a thank you/reminder postcard, including those who 1) have completed the survey or 2) who have not completed the survey and for whom no contact phone number is available. The postcard will thank those who have already submitted a completed survey and ask those who have not responded to please do so.	7 – 10 days after Contact 1 mails
Contact 3: Follow-up survey packet	All sampled organizations will receive a follow-up survey packet, which will include the paper-and-pencil (TeleForm) survey, a letter from the IRS endorsing the survey, and a letter from the survey vendor with instructions on completing the survey online.4 The letters will be tailored to acknowledge the earlier survey package sent to the respondent.	7 – 10 days after Contact 2 mails

2015 Business Taxpayer Burden Survey, 2014 Business Compliance Burden Survey, 2013 Information Return Burden Survey, 2013 Employment Tax Burden Survey, 2015 Trust Return Burden Survey

Contact	Description	Schedule
Contact 1: Initial survey packet	The initial survey packet consists of a paper-and-pencil (TeleForm) survey, a letter from the IRS endorsing the survey, a letter from the survey vendor with instructions on completing the survey online, and a postage-paid return envelope.	Beginning of data collection period
Contact 2: Thank you/reminder Postcard	All respondents will be mailed a thank you/reminder postcard, including those who 1) have completed the survey or 2) who have not completed the survey and for whom no contact phone number is available. The postcard will thank those who have already submitted a completed survey and ask those who have not responded to please do so.	7 – 10 days after Contact 1 mails
Contact 3: Follow-up survey packet	All sampled organizations will receive a follow-up survey packet, which will include the paper-and-pencil (TeleForm) survey, a letter from the IRS endorsing the survey, and a letter from the survey vendor with instructions on completing the survey online.4 The letters will be tailored to acknowledge the earlier survey package sent to the respondent.	7 – 10 days after Contact 2 mails

Web survey. The secure web survey will be posted online using a proprietary web survey delivery system developed by our contractor. The software easily accommodates different question formats, including open-ended response fields. It also allows participants to skip questions and complete the survey in more than one session (i.e., the respondent can leave the web survey and come back to finish it at a later time). Development and testing of the web survey will follow well-established, documented best methods.

Paper-and-pencil survey. The paper-and-pencil mail survey will be designed to be user friendly, easy to

navigate, and with clear and simple instructions. The survey will be created using TeleForm technology, a software system for intelligent data capture and image processing. The software extracts indexing information automatically from any document type through the use of multiple recognition engines. TeleForm reads hand print, machine print, optical marks, bar codes, and signatures.

Data storage and usage. Response data will be stored and tracked in a response database which can then be used to update and extend the IRS compliance burden model. In addition, a tailored Survey Management System will track cases throughout all modes of contact, including mail, telephone, and IVR.

Focus groups. Focus groups allow the IRS to speak directly to industry stakeholders and other resources regarding the primary drivers of burden to inform survey instrument design. They are extremely important to the design of a new survey because they offer the opportunity to increase and validate the understanding of the burden incurred by the relevant population as well as to develop and test meaningful survey questions.

3. Describe methods to maximize response rates and to deal with issues of non-response.

Upon completion of the survey protocol, we will conduct a non-response bias analysis. This analysis will be the same as what was done for previously-conducted surveys, using a raking technique as a way to control for bias in a multivariate scenario. The process is further outlined in the paper "Response Mode and Bias Analysis in the IRS' Individual Taxpayer Burden Survey", by J. Michael Brick, George Contos, Karen Masken, and Roy Nord.

4. Describe any tests of procedures or methods to be undertaken.

To ensure that the collection of information is not burdensome and that the questions are clearly written and will produce accurate and valid results, the IRS will conduct cognitive testing for any new or revised survey instrument. Cognitive testing is a well-established qualitative research method intended to identify problems respondents have with comprehension of survey questions (Willis 2005)[1]. The testing will be conducted with taxpayers in the Washington, D.C. area. Respondents will be recruited according to specific criteria (e.g., filing status, complexity of return, and filing method). Efforts will be made to recruit respondents who are demographically representative of the population being surveyed.

In addition, at the outset as well as after each interaction of testing, the instrument will undergo extensive review by the IRS, the contractor, and stakeholders.

5. Provide the names and telephone numbers of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

IRS Office of Research/Department of the Treasury Office of Tax Analysis

Statistical Design:
Michael Sebastiani (statistical lead), IRS Research, Analysis, & Statistics   202-803-9155

Ahmad Qadri IRS Research, Analysis, & Statistics 202-803-9373
Leann Weyl, IRS Research, Analysis, & Statistics 202-803-9364
Ishani Roy, IRS Research, Analysis, & Statistics 202-803-9372

Collection and Analysis:
John Guyton (overall lead), IRS Research, Analysis, & Statistics 202-803-9156
Brenda Schafer (deputy lead), IRS Research, Analysis, & Statistics 202-803-9412
George Contos, IRS Office of Program Evaluation and Risk Analysis   202-803-9403

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[1]Willis, G.B. (2005). Cognitive Interviewing: A Tool for Improving Questionnaire Design. Thousand Oaks, CA: Sage Publications.

Ronald H. Hodge II, IRS Research, Analysis, & Statistics 202-803-9414
Patrick Langetieg, IRS Research, Analysis, & Statistics 202-803-9419
Melissa Vigil, Research, IRS Research, Analysis, & Statistics 202-803-9404
Jose Colon de la Matta, IRS Research, Analysis, & Statistics   202-803-9413
Susan Nelson (policy analysis advisor), Department of Treasury, Office of Tax Policy 202-622-1324

Westat (2013 Surveys)

Data Collection:
Kerry Levin, Project Manager, 301-294-3928
Jennifer O'Brien, Project Director, 301-251-4272
Jocelyn Newsome, Research Analyst
Martha Stapleton, Project Manager
Stephanie Beauvais, Project Manager
Dawn Nelson, Project Manager

Statistical Design and Analysis:
Mike Brick, Statistician

Note: The BPA that will cover the 2014 and 2015 surveys has not yet been awarded. We will provide an update to this request as soon as the survey vendor is identified and employees of the vendor are assigned to the surveys.