

Treasury Inspector General for Tax Administration (TIGTA)
Globalization - Review of the Internal Revenue Service's Transfer Pricing Operations
(201530025)

1. Purpose

The Department of the Treasury is conducting an independent review of the Internal Revenue Service's (IRS) transfer-pricing operations to identify and assess the barriers to efficiently evaluating transfer-pricing issues. The Treasury Inspector General for Tax Administration (TIGTA), which is part of the Department of the Treasury but independent of the IRS, is charged with conducting these independent reviews of the IRS.

We plan to assess the effectiveness and efficiency of the IRS's processes for evaluating transfer pricing issues.

2. Methodology

We plan to conduct a survey of a sample of corporations we identified through computer analyses of electronic records as having had IRS examinations that involved a transfer pricing issue and/or a case that was closed by the IRS's International Business Compliance or the Transfer Pricing Practice in Calendar Year 2014. We plan to contact the corporations identified for their views on the transfer pricing examination experience and any specific obstacles encountered. We will evaluate the surveys to determine how corporations rate their IRS transfer pricing examination experience, their perception of IRS examination team knowledge of transfer pricing issues, timeliness, their adjustments/assessments/penalties, and basic customer satisfaction. If necessary, we will follow-up with the corporations on their responses. Information on our sampling methodology is included in the Estimation of Burden section.

3. Design

This voluntary survey should take approximately 10 - 15 minutes to complete and will address the following concerns of the corporations interactions with the IRS examination team involving a transfer pricing issue and/or a case that was closed by the IRS's International Business Compliance or the Transfer Pricing Practice in Calendar Year 2014.

- Rating of IRS transfer pricing examination experience;
- IRS knowledge of transfer pricing;
- Timeliness;
- Communication;
- Transfer Pricing Audit Roadmap;
- Adjustments/assessments/penalties and
- Customer Service.

The survey will be conducted via the Internet (Survey Monkey) as well as a postal mailer. Respondents will be provided a pre-addressed, postage-paid envelope for return responses.

4. Estimation of Burden

The collection of information will involve completion of the voluntary survey provided to respondents, via either the Internet (Survey Monkey) or a confirmation letter (mailer) based on a statistically valid sample of identified corporations with transfer pricing issues and cases closed in International Business Compliance and Transfer Pricing Practice in Calendar Year 2014. The average survey will take approximately 15 minutes to complete. From the 2,793 unique corporations, 400 confirmation letters will be mailed. Respondents are asked to fill out the survey via the Internet (Survey Monkey) or fill out and return the survey in the postage-paid envelope provided. Based on a 95% confidence and 3% precision rates, we need 190 responses. Our sample has 400 records selected (this sample will be verified by TIGTA's contract statistician). The total estimated burden for this survey is 47.5 hours.

No. of Mailer	400
No. of Respondents	190
Hours Per Response	0.25 hr. (15 minutes)
Total Estimated Burden	47.5