

Supporting Statement
Approval Request for Customer Satisfaction Research (1545-1432)
W&I ITIN Program Changes: Taxpayer Experience with the ITIN Application and Renewal Process

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. Each year, millions of tax returns are filed using an Individual Taxpayer Identification Numbers (ITIN). Taxpayers that are ineligible for SSNs use an ITIN issued by the Internal Revenue Service (IRS) in order to comply with their tax filing and payment obligations, claim dependents, and receive tax benefits. In 2015, the Protecting Americans from Tax Hikes (PATH) Act was established and changed the requirements for how taxpayers apply for ITINs, what documentation is required, how long an ITIN is effective, how the IRS treats deactivated ITINs, and when an ITIN must be issued to receive certain tax credits. There are two basic groups of taxpayers affected by this legislation; the non-use group and the pre-2013 group. For the non-use group, if the taxpayer's assigned ITIN had not been used on at least one U.S. tax return in the last three consecutive tax years, that ITIN expired on December 31, 2016. This group of ITIN taxpayers, an estimated 11 million, was not individually notified of their expiring ITIN. For the pre-2013 group, the legislation required the expiration of all ITINs issued before 2013 whether used on a U.S. tax return or not.

The IRS sent letters to approximately 440,000 affected taxpayers, informing them that they would need to renew their ITIN. The letter contained information regarding the updated application process and the documentation that would be needed to successfully complete the process. As this program continues, and eventually rolls out to approximately 10 million ITIN holders, there is a need to review the process and assess taxpayer comprehension of the program changes. This project will aid in achieving the goal of improving the taxpayer experience with the ITIN application process for both initial applicants and those renewing due to the Path Act program changes.

2. Purpose and Use of the Information Collection

From an operational value perspective, the purpose of this research is to help the IRS measure the ITIN taxpayer's understanding of program changes, their knowledge of the documentation requirements, identifying channels most used for communication of tax information, and comprehension of ITIN related notices (CP 565, CP 566 and CP 567). This information will aid in making process improvement recommendations that can reduce the number of rejected applications, increase ITIN taxpayer compliance and assist in migrating this population to digital customer service channels which could potentially reduce the demand on IRS staffing and training resources. From a taxpayer value perspective, the purpose of this research is to better understand the taxpayer experience with the ITIN application and renewal process and to identify any improvement opportunities. Conducting an electronic survey of Certifying Acceptance Agents (CAA), Acceptance Agents (AA) and community organizations that assist with completing ITIN applications, will provide perspective on the experience of the ITIN taxpayer during the application and renewal process. Both CAAs / AAs and community organizations developed to assist this population can deliver information on all aspects of the application process, help identify improvement priorities and help gain an understanding of common pain points experienced during the process.

3. Consideration Given to Information Technology

The survey will be administered by a contractor as an electronic survey.

4. Duplication of Information

This is the only survey administered by the IRS that will be disseminated to CAAs, AAs and identified community organizations to gather quantitative data surrounding the ITIN application and renewal process.

5. Reducing the Burden on Small Entities

The ITIN survey has been designed to minimize burden. The time that a respondent takes to complete the survey has been carefully considered and only the most important areas are being surveyed. The average time of survey completion is expected to be 10 minutes. Small Entities will not be included in the survey population.

6. Consequences of Not Conducting Collection

Without conducting this survey, WISS will not be able to identify improvement priorities and commonly expressed pain points with the ITIN application process. By collecting feedback from those that work closely with the ITIN population, the most common barriers in their service and participation in the program can be identified.

7. Special Circumstances

There are no special circumstances.

8. Consultations with Persons Outside the Agency

There are not any known consultations with persons outside of the Agency.

9. Payment or Gift

There will be no payment offered to survey respondents.

10. Confidentiality

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and WISS will ensure that all participants are treated fairly and appropriately. The security of the data used in this project and the privacy to the extent allowed by law of the taxpayers will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A & B. Physical security measures include a locked, secure office. Notes are stored in locked cabinets or shredded.

Also, the data returned to the IRS will have no identifying information relating specific records to individual taxpayers. Nonetheless, the IRS will ensure that privacy is maintained to the extent allowed by the law and security of the aggregated results will receive the utmost attention. Public and official access to the information will be tightly controlled. The computer files containing this tabulated information will remain password protected at all times. Data security approaching level C-2 will be accomplished using the Windows 7 operating system. WISS will apply fair information and record-keeping practices to ensure protection of all participants. 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.

11. Sensitive Nature

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

12. Burden of Information Collection

The estimated time to complete the survey is 10 minutes. Based on a potential sample of 5,000 respondents and assuming a 35 percent response rate, there are 1,750 expected survey participants,

leaving 3,250 non-participants. The contact time to solicit participants could take up to 1 minute to read the pre-contact letter, resulting in an initial solicitation burden of $5,000 * 1/60$ minutes = 83.33 burden hours. Anticipated survey completion time is 10 minutes. For 1,750 survey respondents, taking 10 minutes to complete the survey, the total participation time is $1,750 * 10 / 60$ minutes = 291.67 burden hours. The total burden hours for the survey is $83.33 + 291.67 = 375$ **burden hours**

Collection Activity	Minutes Per Person	Number of Participants	Total Hours
Soliciting CAA, AA and community organization participation	1 minute	5,000	83.33
Survey completion	10 minutes	1,750	291.67
TOTAL HOURS			375 hours

13. Costs to Respondents

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

14. Costs to Federal Government

\$24,962

15. Reason for Change

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

16. Tabulation of Results, Schedule, Analysis Plans

All survey question data will be released in summary form only. Given a statistically valid sample size, results from the survey will be presented as a representation of the larger taxpayer population that utilizes the Refund API. Descriptive techniques will be employed to provide OLS with a basic understanding of this population and their overall satisfaction with the Refund API service. Although WISS does not publish its findings, information will be shared (when appropriate) with other organizations within the IRS, and will include specific discussion of the limitation of the data as discussed above.

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

Data collection will begin on July 2018 and end in October 2018. .

B. STATISTICAL METHODS

The primary purpose of these collections will be for internal management purposes; there are no plans to publish or otherwise release this information.

1. Universe and Respondent Selection

In order to be selected for receiving a survey, participants must have the following characteristics:

- Be an IRS Agency recognized Certifying Acceptance Agent or an Acceptance Agent
- Be a community organization identified by the Agency that assists with completing ITIN applications for the target population

Qualitative and quantitative data will be gathered, which will not be, nor presented to be, representative of the entire industry.

2. Procedures for Collecting Information

The survey will be administered by a contractor as an electronic survey. WISS will be responsible for tabulating the data and conducting data analysis.

3. Methods to Maximize Response

Survey administration will include an emailed invitation to opt-in, an opt-in email, information to access the survey and one reminder email in an effort to maximize the response rate. If potential respondents want to contact the IRS directly to verify authentication, they may go online to IRS.gov and search for Customer Satisfaction Surveys. Finally, the survey length is minimized to reduce respondent burden and respondents are assured anonymity of their responses.

4. Testing of Procedures

Pretesting will not be conducted.

5. Contacts for Statistical Aspects and Data Collection

The statistical expertise of statisticians and operations research analysts within WISS will be sufficient for the needs of the data collected from this project.

For questions regarding the study and statistical methodology, contact:

Marisa McDaniels

401 W. Peachtree Street, NW

Atlanta, GA 30308

404-338-7572 | marisa.mcdaniels@irs.gov

Jeffery McConnell, COR

401 W. Peachtree Street, NW

Atlanta, GA 30308

404-338-8531 | veronica.b.ogletree@irs.gov

