

# Request for Approval under the “Generic Clearance for the Collection of Routine Customer Feedback” (OMB Control Number: 1545-2256)

TITLE OF INFORMATION COLLECTION: Revised Form W4 Usability

## PURPOSE:

MITRE is tasked with conducting an independent assessment of usability, stakeholder perceptions, and stakeholder impacts of the draft 2020 Employee’s Withholding Allowance Certificate Form W-4 (“Form W-4” or “the proposed new form”). The scope of this project encompasses gathering feedback to understand how changes to Form W-4 will impact external partners, stakeholders, and employee taxpayers through investigation of:

1. The usability and user experience of employees filling out the draft 2020 Form W-4
2. Employers’ perceptions and perceived effects on their employees and internal payroll operations
3. Effects on external payroll company operations

The purpose of usability and user experience interviews with taxpayers is to collect information from current Form W-2 employees, as defined by their income from wages, salaries, tips and other compensation reported on their tax return. Specifically, the research will fulfill the following objectives:

1. Identify usability issues with the proposed new Form W-4 form, based on sessions with taxpayers who have received a Form W-2 within the past four tax years<sup>1</sup>.
2. Identify potential data quality issues with the new form.
3. Identify potential issues with taxpayers’ ability to understand the new form instructions.
4. Measure taxpayer satisfaction with the new form.
5. Understand taxpayers’ perceptions of the new form.
6. Identify how the new form will affect taxpayers’ withholding decisions.

## DESCRIPTION OF RESPONDENTS:

The population of interest for is taxpayers who are current Form W-2 employees, as defined by their income from wages, salaries, tips and other compensation reported on their tax return.

## TYPE OF COLLECTION: (Check one)

- |   |   |
|---|---|
| <input type="checkbox"/> Customer Comment Card/Complaint Form                     | <input type="checkbox"/> Customer Satisfaction Survey |
| <input checked="" type="checkbox"/> Usability Testing (e.g., Website or Software) | <input type="checkbox"/> Small Discussion Group       |
| <input type="checkbox"/> Focus Group  | <input type="checkbox"/> Other: _____                 |

## CERTIFICATION:

I certify the following to be true:

1. The collection is voluntary.
2. The collection is low-burden for respondents and low-cost for the Federal Government.
3. The collection is non-controversial and does not raise issues of concern to other federal agencies.
4. The results are not intended to be disseminated to the public.
5. Information gathered will not be used for the purpose of substantially informing influential policy decisions.

<sup>1</sup> “In January 2018, median employee tenure (the point at which half of all workers had more tenure and half had less tenure) for men was 4.3 years, unchanged from January 2016. Median tenure for women, at 4.0 years in January 2018, also was unchanged from January 2016.” *Bureau of Labor Statistics News Release USDL-18-1500, September 20, 2018.*

- The collection is targeted to the solicitation of opinions from respondents who have experience with the program or may have experience with the program in the future.

Name: Courtney Rasey

To assist review, please provide answers to the following questions:

**Personally Identifiable Information:**

- Is personally identifiable information (PII) collected?  Yes  No
- If Yes, will any information that is collected be included in records that are subject to the Privacy Act of 1974?  Yes  No
- If Yes, has an up-to-date System of Records Notice (SORN) been published?  Yes  No

No PII will be collected. Discussion participants will not be identified in any of the documents or files used for this project. Further, no questions will be asked that are of a personal or sensitive nature, or require details regarding participants' tax return or account.

**Gifts or Payments:**

Is an incentive (e.g., money or reimbursement of expenses, token of appreciation) provided to participants?  
 Yes  No

**BURDEN HOURS**

Category of Respondent	No. of Respondents	Participation Time	Burden Hours
Read the introduction letter mailed to potential participants	1200	3 minutes	60 hours
Read the invitation letter mailed to potential participants	1200	3 minutes	60 hours
Potential respondents contact MITRE and complete a brief screener	60	10 minutes	1 hour
Participate in interview sessions	30	90 minutes	45 hours
<b>TOTAL</b>			<b>166 hours</b>

**FEDERAL COST:** The estimated cost to the Federal government is: **\$500,000**

**If you are conducting a focus group, survey, or plan to employ statistical methods, please provide answers to the following questions:**

**The selection of your targeted respondents**

- Do you have a customer list or something similar that defines the universe of potential respondents and do you have a sampling plan for selecting from this universe?  
 Yes  No

If the answer is yes, please provide a description of both below (or attach the sampling plan)? If the answer is no, please provide a description of how you plan to identify your potential group of respondents and how you will select them?

MITRE has access to the Compliance Data Warehouse (CDW), the largest database in the IRS providing data, metadata, tools, and computing services to hundreds of research analysts whose work is aimed at improving tax

administration. The dataset of records contained in the CDW represents the full universe of taxpayers. From these records, MITRE will sample potential participants from CDW according to the following strategy:

1. Identify potential interview locations and their zip codes.
2. Select interview location. MITRE will target one location within a 150-mile radius of the Washington, DC metropolitan area. For this location, MITRE will select 1-2 zip codes where the average AGI for that zip code falls within 15% of the national mean AGI.
3. Randomly select approximately 1,200 taxpayers who were W-2 wage, salary, and/or tip earners in TY2017 and reported their addresses as being in the selected zip codes in TY2017. These taxpayers will receive invitations to participate.
4. If time and resources allow, MITRE will additionally conduct a descriptive analysis of a random sample of all W-2 wage earners nationally, to compare the characteristics of the national population with this task's invitation sample.

The sampling strategy above will result in a random sample of invitees, that is, individuals we will invite to participate in the study. Based on reports from IRS Wage and Investment (W&I) of low response rates to invitations to participate in a previous study, MITRE plans to contact approximately 1,200 taxpayers to achieve a total interview sample of 20-30 participants. MITRE may also cultivate a "back-up" sample in case response rates are low for the first invitation. MITRE will record all decisions made during sampling for the final report. The recruitment strategy for contacting these individuals is described below.

#### **Administration of the Instrument**

1. How will you collect the information? (Check all that apply)
  - Web-based or other forms of Social Media
  - Telephone
  - In-person
  - Mail
  - Other, Explain
2. Will interviewers or facilitators be used?  Yes  No

**Please make sure that all instruments, instructions, and scripts are submitted with the request.**