

## Supporting Statement

### OMB Information Collection (ICR) Approval Request to Conduct

#### Approval Request to Conduct Interviews and Research (OMB #1545-1349)

#### 94X Employment Tax Interviews

##### A. JUSTIFICATION

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

The Internal Revenue Service (IRS) enlists a balanced measurement system consisting of business results, customer satisfaction and employee satisfaction. This initiative is part of the Service-wide effort to maintain a system of balanced organizational performance measures mandated by the IRS Restructuring and Reform Act (RRA) of 1998. This is also a result of Executive Order 12862 that requires all government agencies to survey their customers.

The Internal Revenue Service (IRS) uses a balanced measurement system consisting of business results, taxpayer satisfaction, and employee satisfaction. The use of these balanced organizational performance measures is mandated by the IRS Restructuring and Reform Act of 1998. Executive Order 12862 also requires all government agencies to survey their taxpayers and incorporate taxpayer experience in their process improvement efforts. Additional guidance and industry best practices indicate the importance of understanding customer experience, expectations and needs when looking to make operational improvements. There is also some research that indicates an improved customer experience can lead to improved compliance.

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

The current interviews are designed to gather the Small Business/Self Employed (SB/SE) taxpayer perspective on the employment tax journey. This information will be used to inform employment tax filing journey maps. A taxpayer journey map for employers outlines the customer experience from their perspective. The map would include on-boarding employees, withholding, depositing, reporting, paying employment taxes, and filing Form W-2s with Social Security Administration. Barriers to electronic filing will also be identified.

###### 3. Consideration Given to Information Technology

Interview and Focus Group will be administered via phone.

###### 4. Duplication of Information

Similar data is not gathered or maintained by SB/SE or available from other sources known to SB/SE.

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

Small business or other small entities may be involved in these efforts but SB/SE will minimize the burden on them of information collections approved under this clearance by sampling, asking for readily available information, and using short, easy-to-complete feedback collection mechanisms. These interviews, because they are administered over the phone potentially imposes much less burden on the respondent compared to face-to-face, in-person interviews. In addition, the comparable or superior response rate anticipated with this mode will mean a smaller sample may be necessary, reducing overall burden. The estimate for the number of Small Business records is less than 1 percent of the total population available to sample. Additionally, this interview is voluntary; therefore, entities may choose not to participate if they deem it too burdensome.

## 6. Consequences of Not Conducting Collection

SB/SE initiatives fall under the IRS goal to “*IMPROVE SERVICE TO MAKE VOLUNTARY COMPLIANCE EASIER and ENFORCE THE LAW TO ENSURE EVERYONE MEETS THEIR OBLIGATION TO PAY TAXES.*” If the requirement is not funded, SB/SE will not have the external measures used to assess their success in meeting IRS goals. This will also cause SB/SE to be less effective as it will not have the data to know which products and services identified by customers need improvement or need to be developed to service these populations.

## 7. Special Circumstances

There are no special circumstances relating to this request. The information collected will be voluntary and will not be used for statistical purposes.

## 8. Consultations with Persons Outside the Agency

ICF is the outside contractor working with the agency in creating the survey questionnaire

## 9. Payment or Gift:

\$75 honorarium

## 10. Confidentiality:

Respondents’ privacy will be protected to the extent allowed by law. Access to all case-related data is maintained by SB/SE employees within IRS database. Access is limited and restricted to assigned individuals on an as needed basis.

## 11. Sensitive Nature

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

## 12. Burden of Information Collection –

Category of Respondent (English)	No. of Respondents	Participation Time	Burden Hours
Recruitment Screening – Non-participants	725	0 minutes	0
Recruitment Screening – Qualified Participants	200	4 minutes	13.33
Focus Group	20	60 minutes	20
<b>Totals</b>			<b>33.33 hrs</b>

## 13. Costs to Respondents

There is no dollar cost to respondents. The total estimated annual cost burden to respondents is \$832.58. The surveys take place across the United States with all cross-sections of society.

This estimate was created using the mean hourly wage for all occupations (\$24.98) from the BLS May 2018 National Occupational Employment and Wage Estimates - United States.

#### **14. Cost of Federal Government**

Estimated cost is \$18,325. This is the cost of the task in the contract with ICF.

#### **15. Reason for Change**

No change is being requested. This is a new request

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

The results of this survey will be used to identify ways to improve the SB/SE customer experience and increase voluntary compliance. Feedback collected provides useful information, but it does not yield data that can be generalized to the overall population. IRS will hold the identities of respondents' private to the extent permitted by law. Data quality summary containing procedures and results of quality assurance testing of survey data capture and processing will be submitted cleansed, labeled, formatted, re-coded, weighted survey data in agreed to format (SPSS or SAS) format

#### **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 of Information will Begin and End –**

6/1/2020 – 12/31/2021

## **B. STATISTICAL METHODS**

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

The contractor utilizes a subcontractor National Opinion Research Center (NORC) at the University of Chicago who has a panel of people interested in participating in cognitive interviews on a wide variety of subject matter. NORC invites panel members who are likely to fit the Small Business/Self Employed population to answer the screener questions. Those who meet the criteria and are interested in participating in the focus group are selected.

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

The Contractor shall ensure accurate representation of the U.S. SB/SE taxpayer population and conduct the focus groups via phone. In addition to providing the required performance measurements, the method, and data collection instruments shall serve a diagnostic purpose, directing the IRS to the most critical factors affecting taxpayer satisfaction and the taxpayer experience and to courses of action that will address them.

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

The Contractor will maximize response and cooperation rates among those selected for the sample using industry standard recognized methods. The initial screener interview will take approximately 4 minutes and the Focus Group will take 60 minutes.

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

NA

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

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