

**Supporting Statement**  
**Information Collection Request (ICR) Approval Request to Conduct Cognitive & Psychological Research – Focus Groups/Interviews (OMB# 1545-1349)**

**Title: 2018 IRS Nationwide Tax Forum Focus Groups:  
Evaluating the Tax Preparer Toolkit for EITC  
and Other Refundable Credits**

**Wage & Investment Division  
Wage & Investment Strategies & Solutions (WISS)**

**A. JUSTIFICATION**

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

The Earned Income Tax Credit (EITC), originally enacted in the 1970's, is a refundable tax credit that supplements the earned income of low-income workers. As a work-oriented credit, the amount of the credit received by a taxpayer initially increases as earnings increase, then, after reaching a plateau, begins to decrease as earnings increase. Unfortunately, the process for determining credit eligibility and completing the steps to claim the credit can be confusing and burdensome to taxpayers and tax preparers, sometimes resulting in erroneous, but non-fraudulent, claims.

With the stated goal of helping taxpayers and preparers understand the refundable tax credits for which they are eligible, the Return Integrity and Compliance Services (RICS) office oversees the development and continued updates to the online Tax Preparer Toolkit. The Tax Preparer Toolkit is designed as a "one stop shop" for everything a preparer needs to prepare quality returns, practice refundable credit due diligence, and help their clients receive the Earned Income Tax Credit, Child Tax Credit/Additional Child Tax Credit and the American Opportunity Tax Credit they are due.

To assess the current use and function of the Tax Preparers toolkit, RICS has partnered with Wage & Investment Strategies & Solutions (WISS) to conduct focus groups with tax preparers to seek feedback on the content, layout, and use of the online Tax Preparer Toolkit.

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

The purpose of this project is to gather information from tax professionals on the content, layout, and use of the online Tax Preparer Toolkit. Participants will provide input on current content, discuss items the toolkit should include, and evaluate the online functionality of tools and topics. Focus group findings will be utilized and distributed by RICS as part of their ongoing effort to provide the most up-to-date and accurate resources on EITC and other refundable credits.

**3. Consideration Given to Information Technology**

Data collection for this project will be completed during in-person focus groups coinciding with the following 2018 IRS Nationwide Tax Forums:

<b>City, State</b>	<b>Dates</b>
Atlanta, GA	July 10-12
National Harbor, MD	July 17-19
San Diego, CA	August 7-9
Chicago, IL	August 21-23
Orlando, FL	September 11-13

**4. Duplication of Information**

This focus group project will provide valuable information that has not been collected during previous focus group projects, and is not available in any internal IRS data source.

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

Participants for this project will be recruited from individual attendees at the 2017 IRS Nationwide Tax Forums. No small entities will be contacted or recruited for participation in these focus groups.

**6. Consequences of Not Conducting Collection**

If the requirement is not approved, RICS will not receive valuable feedback from tax preparers regarding the use and content of the Tax Preparers Toolkit. As such, RICS will not know what information is beneficial in helping them meet the needs of their clients, or what additional information may help make the process of claiming refundable credits less burdensome.

**7. Special Circumstances**

There are no special circumstances. The information collected will be voluntary. The findings from this project could be used in making management decisions regarding the inclusion of additional information within the instructions used to complete IRS tax forms.

**8. Consultations with Persons Outside the Agency**

This project is being completed in partnership with the RICS office. There will be no consultation with persons outside the agency.

**9. Payment or Gift**

There will be no incentives given for participating in the focus groups.

**10. Confidentiality**

The IRS will apply and meet fair information and record-keeping practices to ensure privacy to the extent allowed by law. This includes criteria for disclosure, laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of

which provide for the protection of taxpayer information, as well as its release to authorized recipients.

Focus group participants will not be identified in any of the documents or files used for this project. The IRS will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy to the extent allowed by law of the focus group participants.

## 11. Sensitive Nature

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

## 12. Burden of Information Collection

The focus group will be designed to minimize burden on participants, with each session lasting 60 minutes.

Participant recruitment will take place among attendees at the IRS Nationwide Tax Forums. We anticipate a 25% recruitment acceptance rate, thus we will talk to 240 Tax Forum attendees, to fill 60 total participant spots (12 attendees for each focus group session at five Tax Forums).

The contact time needed to recruit for participants could take up to two minutes, with the resulting burden being  $240 \times 2 \text{ minutes} = 480 / 60 \text{ minutes} = 8 \text{ burden hours}$ .

For participants, total participation time in focus groups is 60 minutes. The time burden for participants is  $60 \times 60 = 3,600 / 60 \text{ minutes} = 60 \text{ burden hours}$ .

The total burden hours for the focus group is  $8 + 60 = 68 \text{ burden hours}$

Category of Respondent	No. of Respondents	Participation Time (in minutes) *	Burden (in hours)
Soliciting Potential Participants	240	2	8
Expected participants	60	60	60
<b>Totals</b>			<b>68</b>

**Estimated Response Rate: 25%**

**Total Burden Estimate = 68 hours**

## 13. Costs to Respondents

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

## 14. Cost to Federal Government

The estimated cost is \$7,000.

## 15. Reason for Change

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

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

This project will use a constant comparison analysis to analyze focus group data. This analysis initially groups data into smaller units, and identifies each with a unique descriptor or code. Next, codes are placed into broader categories with the final goal of uncovering overall themes.

**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 occurring between July 10, 2018 and September 13, 2018.

**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**

July 10, 2018 through September 13, 2018

**B. STATISTICAL METHODS**

**1. Universe and Respondent Selection**

Focus group participants will be solicited in-person from individuals attending the IRS Nationwide Tax Forums.

**2. Procedures for Collecting Information**

A WISS researcher will serve as the moderator for the focus group sessions. An additional WISS or other IRS employee will serve as a note taker/scribe for the sessions.

**3. Methods to Maximize Response**

The focus group sessions will be limited to one hour in length, and the session topic will be clearly communicated to potential participants to maximize participation. Participants will be assured anonymity of their responses, thus being free to express their thoughts and opinions.

**4. Testing of Procedures**

Focus groups are an established and tested qualitative research method. Questions contained within the moderator's guide will be reviewed by the RICS program office to assure the included

topics meet the stated project goals. Only minor changes to the moderator's guide are expected following submission of this supporting statement.

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

For questions regarding the study or the research and statistical methodology, contact:

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