

Supporting Statement  
Approval Request to Conduct Cognitive & Psychological Research  
(OMB #1545-1349)  
FY 2020 Taxpayer Advocate Service ID Authentication Focus Groups

**A. JUSTIFICATION**

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

The 2018 National Taxpayer Advocate's Annual Report to Congress contained a recommendation that the IRS conduct a study to determine why many taxpayers take several weeks to verify their identity when requested to do so by the IRS. The IRS agreed to implement this recommendation. After the Taxpayer Advocate Service (TAS) and Wage and Investment operating division (W&I) discussed this issue, it was determined that focus groups needed to be conducted in order to determine the taxpayer issues with the identity authentication process. Depending on the findings of these focus groups, a survey may then be needed to provide more quantitative data to determine why taxpayers delay authenticating their identity and the number of taxpayers who experience problems with the IRS identity authentication process. The results of these focus groups will be necessary to obtain the information to design an effective survey to determine why many taxpayers take so long to complete the identification process. Last year, the IRS requested nearly a million taxpayers verify their identity before the taxpayers' claimed refund would be released. Nevertheless, the IRS does not understand what issues taxpayers face during the authentication process. The focus groups will be a first step for the IRS to understand problems faced by taxpayers during the identity authentication process, and hopefully improve the process.

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

These focus groups will be utilized to obtain information about taxpayer experiences authenticating their identity with the IRS. The participants will review the various letters the IRS sends to taxpayers requesting the taxpayer verify their identity before the IRS will release the refunds. The review of these letters will include the clarity of the letter, the understanding of next steps, and what could be improved. The groups will also explore why taxpayers delay in authenticating, as well as the authentication process itself. To this end, the groups will elicit information about each type of authentication method and allow participants to compare these experiences. Specifically, the focus groups will concentrate on taxpayer experiences authenticating their identity through the IRS's three methods of authentication: telephone, web site, and in-person. Finally, the groups will capture recommendations about how the IRS can improve its identity authentication process to make it easier for taxpayers to complete.

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

Potential focus group participants will receive a letter requesting that they volunteer for the focus groups by returning an interest form in a postage-paid envelope or by calling a toll-free number to speak to a TAS representative. As such, we do not anticipate any information technology concerns.

### **4. Duplication of Information**

Similar data is not gathered or maintained by TAS or W&I and is not available from other known sources.

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

We are only contacting individual taxpayers to participate in these focus groups. No small business entities will be contacted.

### **6. Consequences of Not Conducting Collection**

Without this feedback, TAS and W&I will not obtain information to improve the identity authentication process. The current process results in the delay of legitimate refunds for weeks or even months.

### **7. Special Circumstances**

There are no special circumstances. The results received will not create new policy but will assist the IRS by providing feedback on the identity authentication process.

### **8. Consultations with Persons Outside TAS**

No one outside the IRS or TAS was consulted concerning these focus groups.

### **9. Payment or Gift**

All participants will be recruited on a voluntary basis. We request approval for an incentive of \$75 per person. Approximately 48 participants will be recruited; however no more than 40 volunteers will participate in the discussion groups. Nevertheless, all volunteers who appear for the focus group sessions will be paid the stipend. We will recruit two extra participants per focus group in case some volunteer participants do not actually attend.

### **10. Confidentiality**

Respondents' privacy will be protected to the extent allowed by law. Access to all case-related data is maintained by IRS employees on IRS laptops. Access is restricted to the assigned owner of the laptop.

Only necessary contact information will be obtained from taxpayers who volunteer to participate in the focus groups and will be limited to name and telephone number.

During the focus groups, only the first names of participants will be used. A Privacy Impact Assessment has been completed and approved by the Privacy Office.

### 11. Sensitive Nature

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

### 12. Burden of Information Collection

Past experience has shown that we can expect a response rate of approximately 5 percent of the taxpayers requested to participate in the focus group to actually express an interest in participating in one of the focus groups. Furthermore, we would like to have some latitude in screening volunteers to ensure that we obtain volunteers with a mix of genders, age, and elapsed days until authentication. Accordingly, we expect to contact about 6,000 potential applicants to receive about 300 volunteers. Volunteers will spend about one minute reading the short invitation letter. Those who respond to the invitation letter will spend another minute completing their response. It is expected that these same volunteers will spend an additional minute responding to the additional screener questions and verifying availability for the focus group. The focus groups will take about two hours to complete. Burden hours are expected to total 206 hours and are summarized in the following table:

Category of Respondent	No. of Respondents	Participation Time	Burden (in Hours)
Letters mailed to 6,000 potential participants	6,000	1 minute or less	100
Expected Respondents	300	1 minute	5
Additional Screening	300	1 minute or less	5
Actual Focus Group Participants	48 (maximum)	2 hours	96
<b>Totals</b>			206

### 13. Costs to Respondents

There is no dollar cost to respondents. The total estimated annual cost burden to respondents is \$5,145.88. 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. Costs to Federal Government

The anticipated cost to the Federal Government is approximately \$20,100. About \$12,000 of these costs are from the travel of a trained moderator and note-taker to the four focus group sites. Printing the letters is expected to cost about \$4,500 and the \$75 stipend for 48 participants will cost \$3,600.

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

No change is requested. This is a new request for approval.

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

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. TAS and W&I will prepare a final summary report.

### **17. Display of OMB Approval Date**

The OMB approval information will appear in the letter soliciting volunteers and will be announced prior to the commencement of the focus groups.

### **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**

June 2020 to August 2020.

## **B. STATISTICAL METHODS**

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

Focus group participants will be extracted from a random sample of taxpayers required to authenticate their identity before the IRS would release the refund claimed on a return filed during the 2020 filing season. We will seek to obtain a mix of participants, based on gender, age, and the length of time before the authentication process was completed.

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

TAS and W&I will send recruitment letters to taxpayers who completed the identity authentication process during the 2020 filing season. The letter requests taxpayers volunteer to participate in the focus groups by returning a short interest form contained with the letter or by leaving a message on a toll-free IRS telephone

number. Volunteers will be screened to ensure eligibility for the focus groups. Information will be collected during four approximately two-hour focus groups conducted by a trained focus group moderator and a trained note-taker. No personally identifiable information will be collected, and all information will be aggregated and consolidated into a final summary report.

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

We hope to maximize the responses by communicating the importance of these focus groups and reducing taxpayer burden. Respondents will be contacted quickly after they express interest in participation in the focus groups. All selected participants will receive a confirmation letter thanking them for their willingness to participate in the focus group. The letters will also contain a reminder of the time and location of the focus group.

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

There will be 48 participants over the course of four focus groups. Each focus group will be conducted by an experienced, well-trained moderator. The moderator will direct discussions in accordance with the moderator's guide, while a scribe takes notes about the interaction. The moderator will complete an introduction and provide an overview of the process to the participant. No personally identifiable information will be shared during observations.

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

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## **C. ATTACHMENTS – English Versions of TAS Survey Correspondence – PDF Format**

- Exhibit A – Letter seeking volunteers
- Exhibit B – Letter thanking non-selected participants
- Exhibit C – Letter thanking and confirming selected participants
- Exhibit D – Focus group moderator guide
- Exhibit E – Privacy impact assessment approval memorandum
- Exhibit F – Screener Question