

ATTACHMENT C: Life Events Alert Analysis Interview Guide

Interviewer Introductions

Hello. My name is _____ and I'm a researcher with the Internal Revenue Service and will be conducting our interview session today. Thank you for participating today to help us better understand your experience with using IRS and/or other existing resources designed to assist taxpayers with life events. We appreciate you taking the time to participate in this discussion.

Every year, approximately 8 million taxpayers get divorced or lose the ability to claim a dependent on their tax return due to eligibility issues (ex: dependent becomes too old to claim). As current tax laws provide tax breaks for married taxpayers and for those with dependents, experiencing either of these life events can increase the amount of tax liability a person owes from the prior Tax Year (TY). To prevent owing additional money at tax time, taxpayers with these life events should take steps to review their tax withholding and complete a W-4 to their increase withholding if necessary.

In the past, the IRS has created messaging to notify taxpayers of the potential impact these life events can have on their tax liability and to inform them of steps to take to ensure they do not owe an unexpected balance due when filing their return. During this study, the IRS is seeking to develop a stronger understanding of taxpayers' preferences for programs to assist them in preventing unexpected tax liability surrounding certain life events. Your input will be of great help to us to improve existing programs or to create new ones to achieve this mission.

Throughout our discussion today, I'll be asking you to describe your experience using existing resources (IRS or otherwise) that assist those with life events as well as your overall preference for how taxpayers should be notified life events may impact their tax return and steps they can take to minimize that impact. After today's discussion, you will receive \$100 as a token of our appreciation for your time and input.

Have you ever participated in an interview session like this one before?

Okay. Before we start, let me share with you some important information.

Disclosures/Informed Consent

1. **OMB Number.** The OMB Control Number for this study is 1545-2274. If you have any comments concerning the time estimates associated with this study or on how to make this process simpler, I will read to you an address you can write to.

Special Services Section
1111 Constitution Avenue, NW,
SE:W:CAR:MP:T:M:S - Room 6129
Washington DC 20224

We can also provide this address to you at the completion of our discussion.

There are no known risks to you for taking part in this interview session. All the data the IRS collects

will be kept private to the extent allowed by law. Your name will never be linked to your comments, nor will it appear in any written reports or publications. There are also no direct benefits to you for taking part in this interview, but your answers will help the IRS improve its services and materials to help tax preparers aid their clients in complying with tax law.

2. **Privacy.** Everything that you say here will be kept strictly private to the extent allowed by law. We will use first names only and names will not be used in any report. Again, your comments will be held private to the extent allowed by the law, so please feel free to tell me what you think.
3. **Voluntary Participation.** Your participation in this interview is entirely voluntary. You do not have to answer any questions that you do not wish to answer but please keep in mind, there are no wrong answers. Also, you can stop your participation at any time.
4. **Observers.** There may be another IRS researcher on the conference line who will be listening in on today's interview session and helping to take notes today.
5. **Time.** I will be watching our time and directing our conversation. This discussion will last for 60 minutes.
6. **Video and/or Audio Recording.** Because we want to assure we've collected all of your comments and suggestions, this session is being recorded so that we can write an accurate report about the issues that are raised during the discussion.

Section 1: Awareness of Life Event- General

Every year, millions of taxpayers experience life events, such as: getting divorced or losing the ability to claim a dependent. As current tax laws provide tax breaks for married taxpayers and for those with dependents, experiencing either of these life events can increase the amount of tax a person owes from year to year. If the taxpayer does not adjust their withholding amount, this can sometimes lead to a negative impact on these taxpayers' tax return.

Were you aware your life event may have an impact on the amount of tax you owed (**Note to interviewer: Instruct taxpayer that it is ok if they didn't know; in this interview study, we are looking for people who fit into both groups so we want an honest answer**).

If yes (**Note to interviewer: If taxpayer answers 'yes', begin asking them questions Section 1a: Taxpayers who were aware**)

If no (**Note to interviewer: If taxpayer answers 'no', begin asking them questions Section 1b: Taxpayers who were unaware**)

Section 1a: Taxpayers who were aware

You stated that you were aware the life event may have an impact on your taxes.

How did you become aware of this?

IRS resources? IRS Website?

Outside resources (email, tax preparer, another website, etc.)?

Explain how you found the resource.

If you were somehow notified of the resource, how helpful was the notification?

If helpful, how was it helpful?

Could the notification be improved? If so, how?

Once you got to the resource, was it helpful? Why or why not?

(Asking probing questions below if needed):

Helpful in notifying you:

- The life event could increase your tax liability, which could affect your tax return (smaller refund, owe more than you thought, owe when you didn't think you would owe)? Why or why not?
- You should act to determine if your tax liability truly increased? Why or why not?
- You would need to take additional steps to prevent owing additional money at tax time if your tax liability increased? Why or why not?

If an IRS resource: In general, how could IRS resources be improved to do a better job explaining life events can increase taxes and taxpayers need to take steps to investigate and possibly act?

What would be the best way for the IRS to notify taxpayers?

Email? Letter in the mail?

What should the correspondence look like?

What information should it contain?

How should the information be laid out?

When should the information be sent?

Time of year? Time of day/ day of week?

Frequency (one time, two times total, three times a year, etc.)?

If a non-IRS resource: In general, how could outside/non-IRS resources be improved to do a better job explaining life events can increase their taxes and taxpayers need to take steps to investigate and possibly act?

What would be the best way for non-IRS to notify taxpayers?

Email? Letter in the mail?

What should the correspondence look like?

What information should it contain?

How should the information be laid out?

When should the information be sent?

Time of year? Time of day/ day of week?

Frequency (one time, two times total, three times a year, etc.)?

Would you be interested in receiving other communications from the IRS, such as push notifications, to notify you your life event could have a potential negative impact on your tax return?

Why or why not?

We know there are scams out there in which people claim to be the IRS but really aren't.

If the IRS were to communicate with you apart from by mail, what could they do to assure you that their communication was legitimately from the IRS?

What if instead of life events, the IRS would want to notify taxpayers of how tax reform might impact their tax liability, which could affect their tax return and they may need to investigate and act?

Should that notification process be different than notifying taxpayers about life events? If so, how would it be different?

When did you become aware the life event could impact your taxes?

Did you take any action once you learned the life event could impact your taxes? Why or why not?

If taxpayer acted (**Note to interviewer: Begin asking taxpayer questions in Section 2a: Taxpayers who were aware and took action**)

If taxpayer did not act (**Note to interviewer: Begin asking taxpayer questions in Section 2b: Taxpayers who were aware but did not action**)

Section 1b: Taxpayers who were unaware

You stated that you were unaware the life event may have an impact on your taxes.

What would be the best way to notify taxpayers their life event may impact their taxes and they may need to take steps to investigate?

Letter in the mail?

Automated phone calls?

Push notifications?

Who should the correspondence come from?

IRS? Tax preparer? Someone else?

What should the correspondence look like?

What information should it contain?

How should the information be laid out?

When should the information be sent?

Time of year? Time of day/ day of week?

Frequency (one time, two times total, three times a year, etc.)?

Would you be interested in receiving other communications from the IRS, such as push notifications, to notify you your life event could have a potential negative impact on your tax return?

Why or why not?

We know there are scams out there in which people claim to be the IRS but really aren't. If the IRS were to communicate with you apart from by mail, what could they do to assure you that their communication was legitimately from the IRS?

What if instead of life events, the IRS would want to notify taxpayers of how tax reform might impact their tax liability, which could affect their tax return and they may need to investigate and act?

Should that notification process be different than notifying taxpayers about life events? If so, how would it be different?

(Note to interviewer: Begin asking taxpayer questions in Section 2c: Taxpayers who were unaware and did not take action)

Section 2a: Taxpayers who were aware and took action

I now want you to think about what you did after you learned your life event may have a negative impact on your tax return.

What was your first thought when you learned this? How did you feel?

What was the first action you took? Why was this your first action?

Tried to go to a resource (website, tax preparer, etc.) to obtain more information on what to do next?

Were you able to find a resource for more information?

If so, what was the resource? Was it easy find? Why or why not?

If you couldn't find a resource, what would have made it easier to find?

If you found a resource, was the information helpful in explaining the steps you needed to take to check your tax withholding and how to make an adjustment if necessary?

If helpful, how was it helpful?

Could the notification be improved? If so, how?

Tried to go to the withholding calculator?

Were you able to find the withholding calculator?

If so, was it easy find? Why or why not?

If you couldn't find the withholding calculator, what would have made it easier to find?

If you found the withholding calculator, did you attempt to use it? Why or why not?

If you used it, was it helpful in determining if you needed to adjust your tax withholding? Why or why not? How could it be improved?

What changes could the IRS make so you'd be more likely to use the withholding calculator?

Tried to find a new employer withholding form (W-4) to submit to the IRS?

Where did you attempt to find a W-4 (went to employer, printed one offline, tax preparer, other)?

If so, was it easy to find a W-4 to submit? Why or why not?

If you couldn't find a W-4, what would have made it easier to find one?

If you found the W-4, was it easy to fill out and submit? Why or why not?

How could it be improved?

Did you or your employer submit the form to the IRS?

How did you know what information to put in the W-4 (withholding calculator, some other method, etc.)?

How confident (on a scale of 1 to 5, 1 least confident, 5 most confident) that the that you correctly completed the new W-4?

Other

Looking back, is there anything you would have done differently to investigate how your life event might impact your tax return? Why or why not?

If yes, what would you have done and what could the IRS have done to help you?

(Note to interviewer: Begin asking taxpayer questions in Section 3: Impact of Life Event on Tax Return)

Section 2b: Taxpayers who were aware but did not take action

What was your first thought when you learned this? How did you feel?

What could the IRS have done to help you take the appropriate action? If the IRS provided this information, would you have taken action? Why or why not?

If so, what would your first action have been and why?

Would try to find a resource (website, tax preparer, etc.) to obtain more information on what to do next?

How would you find the resource? Why would you go there?

Go to a website (IRS or otherwise)? Which one? Why?

A tax preparer?

A friend, relative, or family member?

Other source of information?

What information would be helpful to you? Why?

What format would the information be in?

Pamphlet/ written documentation?

Website language/ link?

Website guidelines/instructions?

Other?

What would the information say?

What would it tell you?

Would try to find the withholding calculator?

Have you used the calculator in the past 3 years?

Taxpayer has used calculator in past 3 years:

Was it easy find? Why or why not?

If not, how could the IRS make it easier to find?

Was the calculator helpful in determining if you needed to adjust your tax withholding? Why or why not? How could it be improved?

What changes could the IRS make so you'd be more likely to use the withholding calculator?

Taxpayer hasn't used calculator in past 3 years:

Have you ever tried to search for it in the past 3 years?

If yes, was it easy to find? Why or why not?

If not, how could the IRS make it easier to find?

If no, where would you go to find the calculator? Why would you go there?

Go to a website (IRS or otherwise)? Which one? Why?

A tax preparer?

A friend, relative, or family member?

Other source of information?

What would make it easy for you to use the W-4 calculator to determine if you needed to adjust your withholding? Why?

Would try to find a new employer withholding form (W-4) to submit to the IRS?

Have you completed a new W-4 form in the past 3 years?

Taxpayer has completed a new W-4 in the past 3 years:

Where did you go to find a new W-4? Why did you go there?

Go to a website (IRS or otherwise)? Which one?

A tax preparer?

Your employer?

A friend, relative, or family member?

Other source of information?

Was it easy find? Why or why not?

If not, how could the IRS make it easier to find?

Was it easy for you to complete and submit a new W-4? Why or why not?

If not, how could the IRS make it easier to complete and submit the W-4?

Taxpayer has not completed a new W-4 in the past 3 years:

Have you ever tried to search for one in past 3 years?

If yes, was it easy to find? Why or why not?

If not, how could the IRS make it easier to find?

If no, where would you attempt to find a W-4 (went to employer, printed one offline, tax preparer, other)? Why would you go there?

Go to a website (IRS or otherwise)? Which one?

A tax preparer?

Your employer?

A friend, relative, or family member?

Other source of information?

How could the IRS and its partners make it easy to find out how to submit a new W-4 form? Why?

What would make it easy for you to complete a new W-4 if you needed to adjust your withholding? Why?

a. Other?

(Note to interviewer: Begin asking taxpayer questions in Section 3: Impact of Life Event on Tax Return)

Section 2c: Taxpayers who were unaware and did not take action

How does it make you feel knowing a life event could impact your tax return?

What could the IRS have done to help you take the appropriate action? If the IRS provided this information, would you have taken action? Why or why not?

If so, what would your first action have been and why?

Would try to find a resource (website, tax preparer, etc.) to obtain more information on what to do next?

How would you find the resource? Why would you go there?

Go to a website (IRS or otherwise)? Which one? Why?

A tax preparer?

A friend, relative, or family member?

Other source of information?

What information would be helpful to you? Why?

What format would the information be in?

Pamphlet/ written documentation?

Website language/ link?

Website guidelines/instructions?
Other?

What would the information say?
What would it tell you?

Would try to find the withholding calculator?

Have you used the calculator in the past 3 years?

Taxpayer has used calculator in past 3 years:

Was it easy find? Why or why not?

If not, how could the IRS make it easier to find?

Was the calculator helpful in determining if you needed to adjust your tax withholding? Why or why not? How could it be improved?

What changes could the IRS make so you'd be more likely to use the withholding calculator?

Taxpayer hasn't used calculator in past 3 years:

Have you ever tried to search for it in the past 3 years?

If yes, was it easy to find? Why or why not?

If not, how could the IRS make it easier to find?

If no, where would you go to find the calculator? Why would you go there?

Go to a website (IRS or otherwise)? Which one? Why?

A tax preparer?

A friend, relative, or family member?

Other source of information?

What would make it easy for you to use the W-4 calculator to determine if you needed to adjust your withholding? Why?

Would try to find a new employer withholding form (W-4) to submit to the IRS?

Have you completed a new W-4 form in the past 3 years?

Taxpayer has completed a new W-4 in the past 3 years:

Where did you go to find a new W-4? Why did you go there?

Go to a website (IRS or otherwise)? Which one?

A tax preparer?

Your employer?

A friend, relative, or family member?

Other source of information?

Was it easy find? Why or why not?

If not, how could the IRS make it easier to find?

Was it easy for you to complete and submit a new W-4? Why or why not?

If not, how could the IRS make it easier to complete and submit the W-4?

Taxpayer has not completed a new W-4 in the past 3 years:

Have you ever tried to search for one in past 3 years?

If yes, was it easy to find? Why or why not?

If not, how could the IRS make it easier to find?

If no, where would you attempt to find a W-4 (went to employer, printed one offline, tax preparer, other)? Why would you go there?

Go to a website (IRS or otherwise)? Which one?

A tax preparer?

Your employer?

A friend, relative, or family member?

Other source of information?

How could the IRS and its partners make it easy to find out how to submit a new W-4 form? Why?

What would make it easy for you to complete a new W-4 if you needed to adjust your withholding? Why?

b. Other?

(Note to interviewer: Begin asking taxpayer questions in Section 3: Impact of Life Event on Tax Return)

Section 3: Impact of Life Event on Tax Return

Life events have an impact on a taxpayer's overall tax liability during the year. Thus, they can alter the amount a taxpayer owes or is refunded when filing from one year to the next.

I want you to compare the tax return you filed in ____ for wages earned in ____ to the tax return you filed in ____ for wages earned in ____ (fill in blanks with information applicable to the taxpayer). If you have a copy of those tax returns with you, please feel free to refer to those to help you remember.

How did your amount owed (or refunded) on your taxes compare for the tax return you filed in ____ for wages earned in ____ to the tax return you filed in ____ for wages earned in ____ (fill in blanks with information applicable to the taxpayer)?

Did you owe more? Less? Same amount?

Did you have any other big changes from the year before the life event to the year of the life event (you or your spouse changed jobs, took a large 401 withdrawal, etc.)?

If taxpayer submitted a new W-4:

Do you feel the steps you took relevant to your life event helped your tax situation in a positive way? Why or why not?

Are there other things the IRS could do to help taxpayers with life events to be aware of and act (if necessary) to positively impact their tax situation? If so, what are they?

If taxpayer did not submit a new W-4:

Did not being able to adjust your withholding impact your tax return in a positive or negative way? Why?

What do you feel was the biggest hindrance to allowing you to adjust your withholding?

Are there other things the IRS could do to help taxpayers with life events to be aware of and take action (if necessary) to positively impact their tax return?

Conclusion

This concludes today's session. I would like to thank you for coming to share your thoughts and ideas today. You have given us a lot of good information that we will share with relevant IRS personnel to make taxpayers aware of the potential negative impact life events can have on their tax liability and to inform them of steps to take to prevent this negative impact.

Before we go, is there anything else anyone would like to add? Thanks again!