

Generic Information Collection Request

Request: The Census Bureau plans to conduct additional research under the generic clearance for questionnaire pretesting research (OMB number 0607-0725). The Census Bureau plans to conduct cognitive pretest interviews on a proposed redesign of the F-72 version (state governments) of the Quarterly Summary of State and Local Government Tax Revenue (QTAX). The QTAX measures tax revenues of state and local governments on a calendar quarter basis. This survey is collected under the authority of Title 13, United States Code (U.S.C.), Section 161 and 182. Further information regarding QTAX can be found at this website: <https://www.census.gov/programs-surveys/qtax.html>.

Purpose: The redesign of the F-72 QTAX form proposes to add several new data items to include new or different forms of sales and license taxes. The State Finance and Tax Statistics Branch proposed these new items due to increasing requests for their publication from data users. We have met in person with staff from the Bureau of Economic Analysis as well as an outside data user regarding these new tax codes. They have reviewed the protocol and given us their sign off. They do not have any additional concerns about these new data items. The proposed new data items have been adopted across many states, and continue to increase as a percentage of state total tax collections. The U.S. Congress, federal agencies, state and local governments, education and research organizations, investment and banking institutions, and the general public employ these results. Some major uses include the following:

- Development of government component of the gross domestic product estimates
- Development of the national income accounts
- Tax policy research

In order to remain on the forefront of emergent and relevant tax trends, these questions are essential to keeping the Census Bureau positioned as the premier data agency in the world. The QTAX survey provides quarterly estimates of state and local government tax revenue at a national level, as well as detailed tax revenue data for individual states. The state data covers the 50 state governments as well as all dependent state-level governmental entities.

Population of Interest: The new questions are intended to be in addition to the current questions on the QTAX form for state governments (F-72). Therefore, the cognitive testing will occur with state governments. In the future, these questions may also be added to the F-73 version (Quarterly Survey of Selected Non-Property Taxes, local governments), with cognitive testing being conducted on that form at that time.

Timeline: Testing will be conducted from September through December 2019.

Language: Testing will be conducted in English only.

Method: We plan to conduct cognitive interviews with respondents from state governments in person at their location (within a short travel distance from Washington, DC) as well as over the phone.

Sample: We plan to conduct a total of 15-20 cognitive interviews. The sample size necessary for this test was determined by experience. We plan to conduct interviews with states of various sizes, to help evaluate if their ability to report these items and their burden varies. We also plan to interview states both with and without these taxes.

Recruitment: Participants will be recruited using a prioritized list of potential government entities provided by the State Finance and Tax Statistics Branch in the Governments and Trade Management Division. We prioritized states that we know have these taxes to learn about how they would gather and report this data. We also will attempt to get several large and small states, to learn about their burden. Finally, we are targeting a couple of states local to DC so we are able to do those in person. Respondents will be informed that their participation is voluntary. The interviews may be audio recorded, to facilitate summarization.

Protocol: Participants will first briefly review the current QTAX questionnaire. Then participants will be asked to complete the redesigned questionnaire using a think-aloud protocol. After completing the questions, each participant will be asked debriefing questions.

Use of Incentive: Monetary incentives for participation will not be offered.

Below is a list of materials to be used in the current study:

1. Draft questions (Enclosure 1)
2. Protocol used for the study (Enclosure 2) including possible debriefing probes
3. New tax code descriptions for classification manual (Enclosure 3)
4. Current version of F-72 (Enclosure 4)

Length of interview: We expect that each interview will last no more than 60 minutes (20 cases x 60 minutes per case = 20 hours). Additionally, to recruit respondents we expect to make up to 3 phone contacts per completed case. The recruiting calls are expected to last on average 3 minutes per call (3 attempted phone calls per completed case x 20 cases x 3 minute per case = 3 hours). Thus, the estimated burden for this project is 23 hours (20 hours for interviews + 3 hours for recruiting).

The contact person for questions regarding data collection and statistical aspects of the design of this research is listed below:

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