

# IRS - LB&I Campaign Survey

## Frequently Asked Questions

### **What's this survey about?**

We're conducting this survey to understand your experience, as a taxpayer, regarding a letter from the IRS about a possible issue with your return or a recent examination of your organization. The goal of the Large Business & International (LB&I) division of the IRS is to improve your overall experience with filing returns, paying taxes, and any interactions you may have had with the IRS.

### **How will my answers be used?**

We'll use your responses for research purposes only. Participation is voluntary, but the information you provide will ensure that organizations like yours are represented.

### **Who should complete this survey?**

The person who had the most contact with the IRS on this matter.

### **How long will this survey take?**

This survey should take about 10 to 15 minutes to complete.

### **Who can I contact with questions or concerns about the survey?**

If you have questions about the content of this survey, please contact Cesar Villanueva via email: [cvillanueva@pcgfirm.com](mailto:cvillanueva@pcgfirm.com) or via phone at 650-223-8234. If you would like to contact someone at the IRS, please email Keith Fowler at [Keith.Fowler@irs.gov](mailto:Keith.Fowler@irs.gov).

You can verify the authenticity of this initiative and our contractor, PCG, at [www.irs.gov/css](http://www.irs.gov/css).

### **Background and Objectives**

The IRS Large Business and International Division (LB&I) is working to reform their compliance campaigns to identify areas that require one or more remedies to achieve compliance with applicable tax laws and policies.

The campaigns are the culmination of an extensive effort to redefine large business compliance work and build a supportive infrastructure inside LB&I

This study specifically focuses on 2 treatment streams to assess the overall effectiveness of campaign letters on taxpayer organizations:

- Soft Letters
- Issue Based Examination

### **Research Objectives**

- Assess impact of soft letters and issue-based examination on
  - Improving compliance with tax laws
  - Facilitating change in tax policies within organizations
  - Reducing tax preparation burden and risk of future audit

- Understand taxpayer experience with issue-based audit and areas of improvement
- Assess the effectiveness of the soft letters for taxpayers in identifying and providing information of applicable tax topics
- Assess the usefulness of soft letters from the IRS instead of an issue-based audit

### **Privacy Act and Paperwork Reduction Act Notice**

Our authority for requesting information with this survey is 5 U.S.C. § 301, and 26 U.S.C. §§ 7801, 7803, and 7805 and the Paperwork Reduction Act. The information you provide allows the IRS to analyze the role of taxpayer burden in tax administration. This information is also used to fulfil the IRS's statutory obligations to the Office of Management and Budget and Congress for information required by the Paperwork Reduction Act, and to provide tax policy analysis support to the Office of Tax Analysis at the Department of the Treasury. This information will also help us to better understand taxpayer needs and burden reduction opportunities.

Data collected will be shared with IRS staff, but your responses will be used for research and aggregate reporting purposes only and will not be used for other non-statistical or non-research purposes such as direct enforcement activities. The information that you provide will be protected as required by law. We estimate that it will take 15 minutes to complete this survey, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Providing the information is voluntary; not providing all or part of the information requested will have no impact on you but may reduce our ability to address taxpayer concerns regarding paperwork reduction.

We may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a valid OMB control number. The OMB number for this survey is 1545-1432. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: IRS, Special Services Section, SE:W:CAR:MP:T:M:S, Room 6129, 1111 Constitution Avenue, NW, Washington, DC 20224.

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#### **[SOFT LETTER]**

According to IRS records, your organization recently received a letter about:

<campaign1>

#### **[ISSUE BASED EXAM]**

According to IRS records, your organization was recently audited on the following issue:

<campaign2>

[Soft letter]

A: Are you familiar with this letter from the IRS?

1. Yes.
2. No. [TERMINATE – show thank you message]
3. Not sure. [TERMINATE – show thank you message]

[Issue Based]

B. Did you interact with the IRS during this issue-based examination?

1. Yes.
2. No. [TERMINATE – show thank you message]
3. Not sure. [TERMINATE – show thank you message]

IF A or B =Yes

Thank you in advance for contributing to this research. Your input is highly valued by LB&I and will remain completely anonymous.

**I508.**

D: Do you use assistive technology such as JAWS or ZoomText for users with a visual impairment?

1. Yes. [Go to 508 version of survey]
2. No.

**Please click the forward arrow to start the survey.**

[Screening ends]

[Survey starts]

**Campaign related questions:**

**Repeat Section A and Section B for each campaign (up to 2 campaigns per taxpayer contact).**

**Section A. Soft letters, else skip to Section B**

The following questions relate to the letter you received about: **<campaign1>** and/or **<campaign2>**

Our records indicate that your organization received a letter from the IRS on or around **<Date of letter>**.

1. Which of the following best describes the type of letter you received from the IRS? (Single Select)
  1. Educational. (Letter was informational, and your organization didn't have to take any action or contact the IRS.)
  2. Action required. (Organization had to take action or contact the IRS.)
2. Did the tax topic, identified in the letter, apply to your organization?
  1. Yes, it applied to our organization.
  2. No, it didn't apply to our organization.
3. Please rate your level of agreement with each of the following statements regarding the letter.  
**Scale:**

1. Completely disagree
  2. Somewhat disagree
  3. Neither agree nor disagree
  4. Somewhat agree
  5. Completely agree
- a. The letter identifying the topic was sent within a reasonable amount of time after tax returns were filed.
  - b. The letter added value to your organization about the tax topic discussed.
  - c. The letter was informative.
  - d. The letter was easy to understand.
  - e. The tax issues mentioned in the letter were explained clearly.
  - f. The letter clearly indicated what action your organization should take next.
  - g. The letter motivated my organization to take action.
  - h. The letter had a positive tone.

4. What did your organization do first in response to the letter?
1. We responded as instructed in the letter
  2. We consulted a tax advisor on how to proceed and respond
  3. We contacted the IRS using the contact listed in the letter for clarification.
  4. My organization is still investigating the issue
  97. Other, please specify \_\_\_\_\_
  99. We took no action in response to the letter [Ask 4a and then skip to Q8]

**4a. ASK IF TOOK NO ACTION:** Why was no action taken in response to the letter? (OPEN ENDED)

**4b. ASK IF “CONSULTED A TAX ADVISOR”:** What was the next step you took after consulting a tax advisor?

1. We responded as instructed in the letter.
2. We contacted the IRS using the contact listed in the letter for clarification.
3. My organization is still investigating the issue.
97. Other, please specify \_\_\_\_\_.
99. We decided that no action was necessary at this time.

**4b1. ASK IF TOOK NO ACTION:** Why was no action taken in response to the letter after consulting a tax advisor? (OPEN ENDED)

**4c. ASK IF “CONTACTED THE IRS AS LISTED IN THE LETTER”:** What was the next step you took after contacting the IRS?

1. We consulted a tax advisor on how to respond
2. We responded as instructed in the letter
3. My organization is still investigating the issue
97. Other, please specify \_\_\_\_\_
99. We decided that no action was necessary at this time

**4c1. ASK IF TOOK NO ACTION:** Why was no action taken in response to the letter after contacting the IRS? (OPEN ENDED)

5. How satisfied are you with the following? [repeat scale]

**Scale:**

1. Very Dissatisfied
2. Somewhat Dissatisfied
3. Neither Satisfied nor Dissatisfied
4. Somewhat Satisfied
5. Very Satisfied

- a. Amount of time you and your company spent evaluating and working on this letter.
- b. Length of the entire process from opening the letter to actions taken.

6. What is the single greatest source of burden incurred in receiving and working on this letter (Choose one)?

1. Financial resources spent.
2. Staff resources required to analyze and respond to the letter.
3. Amount of time spent gathering information to respond.
4. Anxiety related to receiving and processing a letter from the IRS.
97. Other, please specify \_\_\_\_\_.
98. No burden incurred.

7. Overall, how satisfied are you with the experience you had receiving an educational letter from the IRS or responding to a letter about a tax related issue?

1. Very Dissatisfied
2. Somewhat Dissatisfied
3. Neither satisfied nor dissatisfied
4. Somewhat Satisfied
5. Very Satisfied

8. If you could change one thing to improve the experience of receiving and responding to this letter, what change would you suggest? [OPEN ENDED]

**Future of Soft Letters**

In the next section, we would like to understand your perspective about receiving such letters from the IRS.

9. Which of these describe how you feel about receiving a letter from the IRS about specific tax topics or issues?

1. It's helpful to the organization.
2. It disrupts the normal workflow of the organization.

3. Not sure yet.
97. Other, please specify \_\_\_\_\_.

10. How effective is this form of communication from the IRS about specific tax topics or issues discussed?

1. Very ineffective
2. Somewhat ineffective
3. Neutral
4. Somewhat effective
5. Very effective

11. To what extent is such a letter from the IRS, identifying an issue with your tax returns or an educational letter about a tax topic likely to help your organization with each of the following **in the future**?

**Scale:**

1. Very unlikely
2. Somewhat unlikely
3. Neither likely nor unlikely
4. Somewhat likely
5. Very likely

- a. [COMPLIANCE] Change reporting of relevant items associated with this topic.
- b. [BENEFIT] Reduce the risk of being audited in the future about this topic.
- c. [BENEFIT] Provide you an opportunity to better support your tax position on this issue.
- d. [COMPLIANCE] Facilitate change in overall tax policies in your organization.

**Section B. Issue based Examinations**

**If an examination was conducted, ask this section.**

**Otherwise, skip to Section C.**

Our records indicate that your organization underwent an issue-based examination on **<INSERT issue>** from **<Date exam started>** to **<Date exam ended>**.

Q1. Was the exam conducted on-site or remotely?

1. On-site. (face-to-face)
2. Remotely. (correspondence or phone)

Q2. In your opinion, was the examination warranted, given the issues reviewed?

1. Yes, completely.
2. Yes, partially.
3. No, not at all.

Q3. **Please explain your response.** [OPEN ENDED]

Q4\_INTRO: Now, you'll be asked a series of questions about the audit process. For each one, please indicate how satisfied or dissatisfied you are, regardless of whether you agreed or disagreed with the final outcome. [analytically we can compare to domestic survey]

**Scale**

1. Very Dissatisfied
2. Somewhat Dissatisfied
3. Neither satisfied nor dissatisfied
4. Somewhat Satisfied
5. Very Satisfied

Collaboration and Fairness

Q4\_1. How would you rate your satisfaction with the following?

- a. The issue identified were material/substantial.
- b. You were given the opportunity to provide an explanation on the facts and circumstances related to each issue.
- c. Documents requested were relevant to the issue identified.
- d. The audit team worked with you to help minimize document requests.
- e. The audit team worked with you to identify the appropriate documents to fulfill the request.
- f. You had enough time to obtain the required documents in advance of deadlines.
- g. The audit team's efforts to discuss and resolve taxpayer barriers to responding to Information Document Requests (IDR).
- h. The audit team's responsiveness to your questions.
- i. The audit team's ability to handle issues promptly.
- j. The frequency with which the audit team met their deadlines.
- k. Audit team members' knowledge of your industry.
- l. Audit team members' knowledge of your company.
- m. Audit team members' knowledge of your company's audit history.
- n. Technical experts and specialists were engaged appropriately.
- o. The technical guidance the audit team provided during the audit process.
- p. The instructional guidance the audit team provided on how to respond to IDRs.
- q. How well the audit team helped you work through the audit process as quickly as possible.
- r. The audit team members' discussion of findings prior to issuing a Notice of Proposed Adjustment (NOPA).
- s. The audit Team members' consideration of your position on the issue identified.
- t. Level of collaboration and fairness was consistent across all members of the audit team.

Q4\_1Overall: Taking all factors into account, how would you rate your overall satisfaction with collaboration and fairness?

Transparency

Q4\_2. How would you rate your satisfaction with the following?

- a. The clarity of the audit team's description of the issue under investigation.

- b. Agent explained the rationale and justification for how they selected issue to include in the audit.
- c. Communication of the overall audit goals.
- d. Clearly communicated priorities.
- e. Priorities were consistent across agents and managers.
- f. Priorities were consistent over the course of the audit.
- g. Clarity of information requested in the IDR.
- h. IDR deadlines and milestones were clearly identified.
- i. Audit team's ability to answer your questions.
- j. How well the audit team communicated with you.
- k. You were kept informed of any changes to the scope or depth of your audit plan.
- l. How well the audit team kept you informed of progress toward milestones.
- m. Clarity of explanations provided for adjustments made to your return.
- n. Level of transparency was consistent across all members of the audit team.

Q4\_2Overall: Taking all factors into account, how would you rate your overall satisfaction with IRS's transparency during the audit process?

#### Certainty

Q4\_3. How satisfied are you with the following?

- a. The issue identified were clear.
- b. There was a thorough discussion of contingencies and/or changes to the audit plan resulting from new developments.
- c. The audit team adhered to the issue identified in the audit plan.
- d. Timelines for audit processes are clearly defined.
- e. Milestones are clearly defined.
- f. IRS adheres to its own timelines.
- g. Communications were consistent across the audit team members.
- h. The audit team gave reasonable consideration to the information you provided.
- i. The Notice of Proposed Adjustments (NOPA) was provided in a timely manner.

Q4\_3Overall: Taking all factors into account, how would you rate your overall satisfaction with the level of certainty during the audit process?

#### Administrative Burden

Q4\_4. How satisfied are you with the following?

- a. The amount of time you and your organization spent working on this issue-based examination?
- b. The length of the entire audit process from opening discussions to examination closure?



Q4\_5. Prior to the audit, what was your expectation of the length of time in months for the issue-based examination to be completed:  
\_\_\_\_\_ months

- Q4\_6. What is the single greatest source of burden incurred by the audit process (Choose one)?
1. Financial resources spent on this issue-based audit, including cost of recording keeping.
  2. Staff resources required for issue-based audit.
  3. Amount of time spent gathering information.
  4. The cost of having financial reserves to cover future issue-based examinations.
  97. Other, please specify\_\_\_\_\_.
  98. No burden incurred.

Q4\_7. Please rate the degree of burden for each of the following activities using the following rating scale:

**Scale**

1. no burden
  2. low burden
  3. moderate burden
  4. high burden
  5. very high burden
  99. not applicable
- 
- a. Searching for supporting documentation.
  - b. The number of IDRs.
  - c. The number of technical advice memoranda's (TAMs), private letter rulings (PLRs), etc. provided.
  - d. Fees, including legal, from outside consultants.
  - e. The number of uncertain tax positions (UTPs) reported.
  - f. The number of adjustments (NOPAs).
  - g. The number of Revenue Agent Reports (RAR) requiring preparation, review, and processing.
  - h. The accumulation of interest on tax deficiencies.
  - i. The need to file amended state and local tax returns.
  - j. Overall burden on your tax department.

Q5. Was there a tax change due to the examination?

1. Yes, there was tax change.
2. No, there was no tax change.

Q6. [ASK IF Q5=1] Did you agree with the tax change?

1. Yes.
2. No.

Q7. Considering your overall experience with the issue-based examination but without regard to the outcome of the examination, how would you rate your satisfaction with the examination?

1. Very Dissatisfied

2. Somewhat Dissatisfied
3. Neither satisfied nor dissatisfied
4. Somewhat Satisfied
5. Very Satisfied

Q8. If you could change one thing to improve the experience of the issue-based examination, what would you suggest? [OPEN ENDED]

Q9. To what extent would issue-based examinations, such as this one, help your organization with each of the following in the future?

**Scale:**

1. Very unlikely
2. Neither likely nor unlikely
3. Somewhat unlikely
4. Somewhat likely
5. Very likely

- a. [COMPLIANCE] Change reporting of relevant items on this specific issue.
- b. [BENEFIT] Reduce the risk of being audited in the future on this specific issue.
- c. [BENEFIT] Provide you an opportunity to better support your tax position on this specific issue.
- d. [COMPLIANCE] Facilitate change in overall tax policies in your organization.

**Usefulness of Soft letters**

In this next section, we would like to understand your perspective about receiving letters from the IRS on tax topics that may be relevant to your organization.

Scale:

1. Yes
2. No

Q10. Are you familiar with the following letters sent by the IRS?

- a. Identifying the issue with your organization's tax returns post filing.
- b. Providing educational information on specific tax topics.

Q11. Thinking about the issues covered under last year's audit process, how useful would a letter from the IRS be in identifying issues and providing your organization an opportunity to correct the issues, instead of an issue-based examination from the IRS?

1. Not at all useful
2. Not very useful
3. Neutral/Don't know yet
3. Somewhat useful
5. Very useful
99. Don't know/Not sure

Q12. Please explain your response. [OPEN ENDED]

**Section C. Resource questions**

QA. Based on your experience with <this examination/this letter identifying issues with your organizations returns>, how likely are you to attend IRS Outreach events such as workshops and meetings or use IRS-provided materials to learn more about the issues?

1. Very unlikely
2. Neither likely nor unlikely
3. Somewhat unlikely
4. Somewhat likely
5. Very likely

QB. How do you typically learn about new tax information? Select all that apply.

1. Tax press. (for example, Bureau of National Affairs (BNA), Commerce Clearing House, Inc (CCH), Tax Notes Today, Tax Report, etc.)
2. Continuing Professional Education (CPE) events
3. Trade groups
4. Tax Executives Institute (TEI)
5. From a tax advisor
6. Announcement from the IRS (email or website)
97. Other, please specify \_\_\_\_\_.

This concludes the survey. Thank you for your help.