Online Services
Supporting Statement
Approval Request for Generic Clearance for the Collection of
Qualitative Feedback on Agency Service Delivery
OMB #1545-2256

Internal Revenue Service - Online Services: Customer Project Plan

Filing Security

1. Project Information

    a.   **Project Name:** Filing Security

    b.   **Project Number:** 1545-2256

    c.   **Project Customer:** Online Services (OLS)

    d.   **Project Overview:** The purpose of this research is collect qualitative data to identify taxpayer filing behavior and preferences to better understand how to integrate filing security features into IRS Online Account (OLA)

    e.   **Estimated Start Date:** October 2018

    f.   **Estimated End Date:** December 2018

2. Background

Every year, millions of fraudulent tax returns are filed resulting in a higher dependence on a burdensome, high cost paper and in-person activities for the taxpayer and the IRS. Currently, the IRS uses the identity protection PIN (IP-PIN) feature for taxpayers that have been victims of identity theft in some states (FL, GA, and DC), however, currently very few eligible taxpayers participate in this program. The IP-PIN, while very useful for individual filers, falls short in protecting against tax preparer fraud and cannot be useful for taxpayers that do not participate in the program.

There is a need for IRS to develop a better way to protect both taxpayers and tax professionals from breaches involving taxpayer personal identifying information. The purpose of the proposed OLA account filing security feature is to prevent electronic filing of a fraudulent return. The user interviews will help the research team gain insight into the taxpayer experience with identity theft and how it affects taxpayers and professionals.

The goal of this research is to better understand the flows, processes, partners and people that define how increased filing security impacts one's ability to file.

3. Research Goals/Objectives

a. **Objective 1:** Collect and understand relevant and related data available within the IRS on identity theft and prevention.

b. **Objective 2:** Collect and understand relevant and related industry and service data.

c. **Objective 3:** Collect information in order to understand the process taxpayers and tax professionals would experience when managing an account with a lock.

d. **Objective 4:** Identify the backend processes, props, touchpoints, partners and people necessary to manage possible OLA filing security features.

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4. **Research Questions**

a. **Research Question 1:** How do taxpayers interact with their tax preparers while filing?

b. **Research Question 2:** What is taxpayer and tax preparer sentiment around identity protection regarding the filing process?

c. **Research Question 3:** What steps do tax preparers take to protect their client's information?

d. **Research Question 4:** How can agency partners or other partners help with identity verification?

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5. **Methodology**

a. **Type of Testing**

☐ Comprehension: This type of testing evaluates participants' understanding of the communication goals of the notice or product.

☑ Usability: This type of testing evaluates participants' ability to use a product or service.

b. **Participants:**

   i. **Total Number of Participants**: 15
   ii. **Demographic Data Recorded**: Yes
   iii. **Additional Participant Criteria (Project Specific):** Recruited population will consist of taxpayers, tax professionals and identify theft and prevention industry experts.
   iv. **Participant Recruitment Strategy:** Participants will be recruited from across the country, across varying demographics (age, gender, education levels) to capture a varied population. Recruiting will take place through a number of methods including the research team's networks, job posting boards, business-related online forums, meetups, shared workspaces, Taxpayer Assistance Centers and incubators.
   Interviews will be conducted with the following audience segments:

- **Individual taxpayers**

    - Primary taxpayer that has an SSN
    - Has filed return within the past 2 years
    - At least 18 years of age
    - Optional: Affected by identity theft
    - Optional: Has authenticated and set up an IRS online account

- **Tax professionals**

    - Has filed returns for clients within the past 3 years
    - At least 18 years of age
    - Optional: Has prepared and filed taxes on behalf of client's that use an IP-PIN

- **Industry and service professionals:** Recruitment for this

    audience segment will take place by utilizing the research team's and internal stakeholder's networks within the desired areas of expertise

v. **Data Sources Utilized for Recruitment (if none indicate n/a):** N/A
vi. **Participant Honorarium:** No honorarium will be provided to research participants.

c. **Overview of Testing Methodology:**

User Research: One-on-one Interviews/user testing:
The focus will be understanding what filing looks like with a third party and a locking mechanism. Data will be collected through qualitative one-on-one interviews, either remote or in-person. These interviews will primarily consist of open-ended questions and will run approximately 30 to 45 minutes. In-person interviews will be conducted in public locations such as offices / places of business, coffee shops, libraries, shared workspaces, or meetup events as well as in IRS facilities. Remote interviews will take place by phone and/or video/screen sharing applications such as Skype etc.
Total Testing Sessions: 15
Total Testing Hours: 11

d. **Advantages and Limitations:**
   i. **Sample Size:** Due to the total number of participants being tested (15), testing results may not reflect the opinions and attitudes of all taxpayers.
   ii. **Qualitative Data:** Usability testing and qualitative informational sessions will provide data that is typically descriptive in nature and testing results may not reflect the opinions and attitudes of all taxpayers.

e. **How the data will be utilized:** The data collected in this project will aid in the possible development of an OLA filing security feature that will assist in reducing the number of fraudulent returns and protect taxpayers from identify filing fraud.

6. **Staffing Point(s) of Contact**
   a. **Customer Point of Contact**
      i. **Name:** Matt Leibner
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      iii. **Phone Number:** 202-317-4715

   b. **OLS Project Point of Contact**
      i. **Name:** Marisa McDaniels
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      iii. **Phone Number:** 470-639-3120

7. **Project Timeline**

Milestone	Responsible Function	Testing Start Date	Estimated Due Date
Project Kick-off Meeting	OLS	8/28/2018	8/28/2018
Preliminary Analysis Results	OLS	November 2018	November 2018
Final Analysis Results	OLS	December 2018	December 2018