SUPPORTING STATEMENT

INTERNAL REVENUE SERVICE
STATISTICS OF INCOME
Generic Clearance Approval Request for Cognitive and Psychological Research
(November 2020 through October 2023)

Abstract

This is a request for generic clearance by the Internal Revenue Service (IRS), Statistics of Income (SOI) Division, coordinating with Wage and Investment (W&I), Small Business/Self Employed (SB/SE), Large Business and International (LB&I) and Tax-Exempt and Government Entities (TE/GE) Divisions to conduct research. The research will result in making recommendations for positive changes to current tax forms and customer service procedures. These changes will represent improvements aimed at easing the taxpayer burden in understanding and working with the forms, contributing to a simplification of the processing of the forms within the IRS processing environment, and improving and modernizing customer service avenues. The research and development activities in the forms improvement process will be conducted by external contractors employing state-of-the-art cognitive psychological testing methods. We have demonstrated, by extensive applications over the past decade, the feasibility and value of this approach to questionnaire construction, survey technology, and interview processes. Previous experience in applying these techniques has resulted in recommended improvements to IRS forms and publications, filing requirements, and electronic filing. The planned research and development activities will be conducted during Calendar Year 2020 through Calendar Year 2023 with the goal of making continued improvements to tax forms and new technologies.

B.   Collection of Information Employing Statistical Methods

1.   Sample Design

The data collected will be used primarily for research activities that improve data collection processes, including tax forms and interactive technologies, rather than to produce estimates about the population. The objective is to interview a variety of people, rather than a probability sample of the population, or to conduct limited surveys of users and potential users of pilot technology. For most of the research design activities concerning items applicable to the general population, respondents will be recruited by telephone or mail contact. In some cases of surveys of potential users of pilot technologies, probability samples may be used. Detailed sample designs will be provided separately for each of these cases.

For testing some hypotheses, however, some initial screening of volunteers will be done to identify eligible respondents. Eligible respondents are defined as those

individuals who have not participated in more than three survey research projects and meet other necessary requirements. Special attempts may be made to recruit from special groups if there are no volunteers from these groups as a result of the general recruiting effort.

2.   Data Collection Procedures

Small Group Research

Recruitment: The external contractor will generally recruit respondents through telephone calls. In most cases, the IRS will provide criteria to select appropriate respondents. The public will have the choice of participating in the research. Their participation is voluntary. If the respondent possesses the desired characteristics, an interview is scheduled.

In-person Interview: Once an interview is scheduled, it is the responsibility of the respondent (from the public sector) to travel to the interview site. The rooms are private and soundproof to insure privacy of the interview. To reduce the number of no shows, scheduled volunteers will be sent a reminder letter giving the time of the interview and directions to the laboratory. They should also receive a reminder telephone call before the interview.

When the respondent arrives, he/she will receive an explanation of the purpose of the interview and the procedures to be used. The respondent will then be asked to read a brief description of the study or a description of the study will be presented orally. The respondent is then given an assurance of privacy to read. This assurance is then reread orally by the interviewer to the respondent and the need for audio or video taping of the interview is explained.

Interviewing can last from 1/2 hour to 2 hours depending on the specific laboratory techniques being applied.

The selection of the laboratory technique, in turn, is determined by the hypotheses to be tested. The most commonly used methods include concurrent and retrospective think-aloud interviews and focus group interviews. In one-on-one think-aloud interviews, respondents are asked questions (pertinent to the tax form or procedure in question) and are asked to think-aloud about how and why they answered as they did. The interviewer usually probes extensively to ascertain the degree of comprehension and the recall processes involved.

Focus group interviews usually consist of 6-10 people per group. In these small group sessions, respondents are again asked questions (pertinent to the tax form or procedure in question) and are asked to respond openly to each based on their individual experience. The moderator tries to involve everyone in each question to better understand attitudes, opinions, and concerns.

Debriefing: All respondents should be debriefed. This procedure reiterates the purpose of the project and answers respondents' questions regarding the study.

As a cost-saving method, sometimes focus groups are held via telephone. The interview techniques remain the same, adjusted slightly to accommodate participation via telephone as opposed to having all participants together in one room.

All respondents will be provided with an address to offer comments concerning the data collection process and the Office of Management and Budget (OMB) Control Number.

3.   Methods to Maximize Response Rates

As noted, to reduce the number of no-shows, scheduled volunteers will be sent a reminder letter giving the time of the interview and directions to the laboratory. They will also receive a reminder telephone call before the interview.

4.   Tests of Procedures and Methods

The tests proposed for research fall into a number of categories which cognitive psychologists utilize to confirm or reject research hypotheses. Some of these tests include those tasks outlined by Michael W. Eysenck (1984) in A Handbook of Cognitive Psychology. Some of the possible tests outlined are:

- developing protocols, scenarios, and question probes--follow-up questions used to gain more information about respondents' strategies for answering questions,

- concurrent think-aloud interview--respondents think aloud while answering questions and responses are probed extensively,

- focus groups and individual interviews--structured and unstructured discussion with groups or individuals,

- retrospective think-aloud interview--respondents answer all questions first, then are asked how they arrived at their answer,

- sorting ranking tasks--respondents sort lists or similar items into groups that go together and rank the items according to specified scale,

- confidence ratings--respondents relate the degree of confidence they have in the accuracy of their answers,

- memory cues--interviewer reads terms which are intended as aid to recall, and

- response latency--measurement of the elapsed time between the presentation of

the question and the respondents answer.