

**Moderator Guide for
NTF21 Improving the Offer in Compromise (OIC) Customer Experience and Challenges to
Accurately Reporting Income from Form 1099-K
Focus Groups**

Hi! My name is _____ and I'm a focus group moderator from the Internal Revenue Service. My co-moderators are _____ and _____, and they will be taking notes during our conversation.

We are seeking information about two topics today. First, we will discuss you and your clients experiences with the Offer in Compromise (OIC) process. When reviewing an offer in compromise, the IRS considers each taxpayer's unique set of circumstances, such as their ability to pay, their income, expenses, and asset equity. The second topic is seeking information on the challenges of accurately reporting income from Form 1099-K. We will be asking about your understanding of and experience with these topics and seeking ideas for improving the processes and experience.

For those of you who may not have participated in a focus group before, a focus group is a research tool used to gather ideas and opinions from a group of individuals with a common characteristic or experience by means of directed discussion. The common experience today is that everyone here should be tax professionals who have assisted a client with an offer in compromise or worked with a client who had applied on their own.

(Note to Moderator: If someone does NOT have the appropriate experience, thank them and politely have them leave.)

Before we start, I need to go over several administrative items and some ground rules:

- Administrative items
 1. The written summary created from this session will NOT use any names nor reflect any personal information that could be traced to you.
 2. We ask you to respect others privacy and not share what is discussed today.
 3. As a standard practice and for the protection of your privacy, a Privacy & Civil Liberties Impact Assessment (PCLIA) has been submitted and approved for this project.
 4. The Paperwork Reduction Act requires that the IRS display Office of Management and Budget (OMB) control number on all public information requests. The OMB Control Number for this focus group is 1545-1349. Participation in this focus group is voluntary, and we estimate the length of the session will be one hour.

My job as the moderator is to help guide the flow of conversation, make sure everyone's comments are heard, and ensure the list of specific questions are covered in our session together. A few ground rules and then we'll get started:

- Ground Rules
 - Please silence any background noise and cell phones.
 - Everyone's opinion is valuable, so I'd like everyone to participate.
 - There are no right or wrong answers. Please speak up if you have a different point of view.
 - Whenever you speak, please state your name, then your response; we only need to know your first name during our discussion today.

Does anyone have any questions before we get started?

Warm Up

Let's begin! Please give me your first name only, how long you have been preparing taxes, and approximately how many offers you have worked within the last 3 years.

- a) [Note to moderator]: Go around the phone [round-robin] and count.

Part A: Awareness of the OIC Program

- 1) What is your overall experience with the OIC program?
- 2) How familiar are you and your clients with the eligibility criteria for an offer?
- 3) Where do your clients go for information about the OIC process?
 - a) IRS.gov?
 - b) Contact you directly?
- 4) Are you aware of the Offer in Compromise Pre-Qualifier tool on IRS.gov?
[Note to moderator]: Go around the phone [round-robin] and count.
- 5) For those of you who have used the tool, do you find it easy to use?
 - a) ASK: Is it somewhat accurate/reasonable in its suggested "preliminary offer amount"?
- 6) Please tell us your understanding of the process IRS uses to calculate the future income portion of the reasonable collection potential for an offer based on the number of months left on the statute. (Note to Moderator: IRS may use longer than 12- or 24-month multiplier to calculate the reasonable collection potential of the offer. It will be based on the number of months left on the statute if it will pay the tax liability in full.)

Part B: OIC Process

- 7) What do you expect to happen after submitting an offer?
 - a) Wait for the IRS employee to call?
 - b) Do you get all the information from your client to file the offer and then hold it until it is requested by the IRS? Why or why not?
 - c) Do you submit supporting statements and documents up front, so they are able to work the case immediately? Why or why not?
- 8) How do you typically get updates on your clients' OIC submission?
 - a) Email, phone, letter/notice, online account?
- 9) What is your experience receiving return phone calls or mail responses from the IRS about the offer?
 - a) ASK: Would you prefer the offer specialist set up an appointment with you?
- 10) Once an offer is approved, how do you monitor your client's responsibilities to stay in compliance?
 - a) Are you aware your client should stay in compliance during the entire offer process?
 - b) Do you monitor your clients tax payments and filings after receiving approval for an offer?
 - c) Under what circumstances do your clients find it difficult to make required tax payments?
 - d) Do your clients find it difficult to make required estimated tax payments?
 - e) Do your clients make all required federal tax deposits to remain current?
- 11) What is your experience with IRS communication on monitored OICs?

Part C: Barriers

- 12) What barriers or obstacles have you or your clients encountered when applying for an OIC?
 - a) What factors should the IRS consider when evaluating OIC applications?
- 13) What experiences have you had with OIC payments being processed?
 - a) Problems or difficulties in the last 90 days, 6 months, a year, pre-COVID?

Part D: Suggestions for Improvement

- 14) What improvements would you make to the OIC process?
- 15) Are there any additional factors that you think the IRS should consider when evaluating applications for OIC?
- 16) How can IRS help your OIC clients remain in compliance?

Part E: Form 1099-K

- 17) What questions are most frequently asked about Form 1099-K?
- 18) Are your clients receiving a Form 1099-K?
 - a) Probe: Do they receive third-party settlement organization 1099-Ks?
 - b) Are your clients receiving 1099-K forms only when the \$20,000/200 transaction threshold is met?
- 19) Are taxpayers provided a tax reporting statement summary?
 - a) Probe: Do the platforms provide a dashboard of income and taxes, fees, or other amounts withheld?
- 20) Do taxpayers know the amounts listed on a Form 1099-K are gross amounts and may not be the amount(s) they receive?
 - a) Do they know the gross amounts may include taxes and fees?

Part F: Suggestions for Improvements

- 21) What can IRS do to help taxpayers accurately report income from gig economy work reported on a Form 1099-K?
 - a) What type of communication would help?
 - b) Additional education?
 - c) Improve forms and instructions?
 - d) Publications?
- 22) How can IRS better reach your clients who receive a Form 1099-K to advise them of their tax obligations?

Part G: Conclusion

- 23) Are there any additional comments about the topics we covered today?

Before we conclude, I would like to check with my co-moderator to see if they need any information clarified.

Thank you for sharing your thoughts and opinions today. Your participation and feedback are extremely valuable and will provide the IRS with information to consider. Have a great day!