

**Moderator's Guide for
TM103XX NTF21 Passport Program and Virtual Currency
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 **the IRS's Passport program** that began in 2018. The program is a legislated partnership between the IRS and the Department of State (DOS) where "seriously delinquent tax debt" can have implications on passport use, issuance, and renewal. We are collecting feedback to help the IRS determine if the information available on IRS.gov is sufficient to explain the Passport Program and provide guidance on how to resolve certification issues. We'll also be talking about **Virtual Currency** and some of the trends you've been seeing recently.

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 have experience preparing taxes for clients and some may have clients with significant tax debt or virtual currency.

(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?

- **Warm Up**

Let's begin! Please give me your first name only and how long you have been preparing returns?

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

Part A: Awareness of the Program

- 1) What experiences have you had with the Passport program?
 - a) ASK: Are you aware of the Passport program?
 - b) ASK: How did you first hear about the program?
- 2) Have you had any clients who received a "Notice of Certification of Your Seriously Delinquent Federal Tax Debt to the State Department"?
 - a) Probe: If no, have any clients mentioned the program to you?
 - b) Probe: Have you heard about it from radio or TV ads for tax resolution assistance?
- 3) Where have you gone to get more information about the passport program?
 - a) Probe: Were the resources easy to find and understand?

Part B: Knowledge of Program Details

- 4) What do you know about the criteria for certification with the Department of State?
 - a) ASK: What do you think qualifies as, "Seriously delinquent tax debt"?
- 5) What is your understanding of the implications of being certified to the Department of State?
 - a) Probe: Are you aware that DOS can revoke a certified taxpayer's passport at any time?
 - b) Probe: Are you aware that being certified can impact the ability to renew or apply for a new passport?
- 6) Are you aware of the options for resolving the IRS tax debt that can reverse a taxpayer's certification?
 - a) Probe: What do you know about the exclusions/exceptions from certification?
- 7) What barriers have you or your clients experienced when attempting to resolve a passport certification issue?

Part C: Suggestions for Improvement

If you're in front of a computer, could you please go to IRS.gov and search for the word, "Passport"? Please click on the first result titled, "Revocation or Denial of Passport in Case of Certain Unpaid Taxes." While looking at this site, let's discuss some of the content.

- 8) Do you feel the information on IRS.gov sufficiently explains the program?
- 9) What do you think IRS.gov can do to improve the information about the program?
 - a) Probe: Clarify terms? (certification vs. decertification vs. reverse certification)
 - b) Probe: Add links? Where? For what?

- c) Probe: FAQs for CP508C Notice?
- 10) Do you have any suggestions for increasing awareness about the program?
- 11) Is there anything else about the passport program that you'd like to share with us?

That concludes our conversation on the passport program. Let's switch over to discussing Virtual Currency.

Part D: Virtual Currency

- 12) Please tell us about the use of virtual currency by your clients?
 - a) ASK: How does this reflect regional or other factors unique to your client population?
- 13) What records or other information do your clients provide to allow you to report their virtual currency transactions?
 - a) Probe: Received Form 1099-K? 1099-B?
 - b) ASK: Have your clients received any other forms reporting virtual currency transactions?

[Note to moderator: Form 1099-K is usually used for credit card transactions, but virtual currency can be reported on these. 1099-B is for bartering since virtual currency is considered "property" by IRS.]

- 14) What are some of the areas of misunderstanding about the reporting requirements of virtual currency transactions?
- 15) What kinds of abuses of the tax system have you noticed, or do you suspect, that are facilitated through virtual currency?
 - a) Probe: How do you see tax fraud being impacted by virtual currency or other digital assets?
 - b) Probe: How are they disposing the assets? Are they reporting the gains?

[Note to moderator: "Other digital assets" include things like non-fungible token (NFT). A non-fungible token (NFT) is a unit of data on a digital ledger called a blockchain, where each NFT can represent a unique digital item, and thus they are not interchangeable. NFTs can represent digital files such as art, audio, videos, items in video games and other forms of creative work.]

- 16) How do you see your role as a preparer being impacted by virtual currency in the next five years?
 - a) Probe: Next year? Next 3 years?
- 17) Is there anything else about virtual currency transactions that you'd like to share with us?

Part D: Conclusion

- 18) 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!