**Moderator Guide** **for TM60XXX NTF21**

**Office of Servicewide Interest - Interest Abatement Feedback**

**Office of Servicewide Penalties - Civil Penalties and Reasonable Cause Relief**

**Combined Focus Group**

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’ll discuss interest abatement related to when an IRS employee caused an unreasonable error or delay. Second, we’ll discuss civil penalty relief related to reasonable cause. We’ll be asking about your understanding of and experience with these topics and seeking ideas for improving resolution in these areas.

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 items today are knowledge of or experience with the two topics just mentioned. Is anybody here today NOT experienced with or has no knowledge of either of those topics? (Note to Moderator: If someone does NOT have the appropriate knowledge or 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 a 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 first name, and 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, how many years you’ve been a tax practioner, and what state you practice in?

[Note to Moderator: Round-robin to count all participants and ensure they can unmute.]

**Part A: Interest Abatement Feedback**

Internal Revenue Code section 6404(e)(1) gives the IRS discretion to abate interest on an underpayment where an IRS employee caused an unreasonable error or delay **and** the taxpayer (or representative) did **not** significantly contribute to the error or delay.

1. Tell us your understanding of what this provision means.
	1. ASK Mandatory Probe - What is “an unreasonable error or delay caused by an IRS employee”?
	2. ASK Mandatory Probe – What does this mean to you “the taxpayer (or representative) did not significantly contribute to the error or delay”?
	3. ASK Mandatory Probe – What does “IRS discretion to abate interest” mean to you?
2. Have you had interest assessed because an IRS employee caused an unreasonable error or delay where the taxpayer (or you the representative) did **not** significantly contribute to the error or delay?
	1. [For any **YES** interest assessed responses:] If yes, please briefly describe the circumstance.

[Note to Moderator – If participants HAVE experience, go to Q#3 and call on them.]

* 1. [If all/most responses are **NO** interest assessed) draw out their awareness and understanding:]
		1. What circumstances do you believe might qualify for this interest abatement?
		2. How do you think you could make a request for interest abatement?
			1. Optional Probe – Where or to whom would you submit the request? Is there a particular form to use? Are there different ways to make a request?
		3. What types of reasons or provisions might you cite? Why would you file?
		4. If you were to have interest assessed, what might lead you to not request abatement?
			1. Optional Probe - Complexity involved; time required; low dollar amount involved

[Note to Moderator – Skip Q#3 and go to Q#4]

1. For those that HAVE had interest assessed in that circumstance, did you request interest abatement?

 [Note to moderator – Draw out those from Q#2 stating they had that experience.]

* 1. **YES:** If you made a request for interest abatement, briefly describe that process.
		1. ASK Mandatory Probe - How did you make your request? Where or to whom did you submit it? Is there a particular form you used? Are there different ways to make a request?
		2. ASK Mandatory Probe - What types of reasons or provisions did you cite? Why was it filed?
		3. ASK Mandatory Probe - If abatement was requested and NOT allowed, was it clear why it was denied? Why was it denied?
	2. **NO:** If you experienced additional interest assessed but did not request abatement, why not?
		1. Optional Probe - Complexity involved; time required; low dollar amount involved
1. Describe any challenges or barriers you see in applying for abatement of interest related to an unreasonable error or delay caused by an IRS employee.
	1. Optional Probe - Difficulty communicating with the IRS (telephone or correspondence)
	2. Optional Probe – Timeliness of IRS response (whether approved or denied)
2. Many requests received by the IRS for this type of interest abatement are rejected for not meeting the criteria **or** failing to document they meet the criteria. What are the top improvements or changes the IRS should make to increase the number of approved interest abatement requests?
	1. ASK Mandatory Probe - What specific improvements or changes to irs.gov would help this area?
	2. ASK Mandatory Probe – What improvements or changes should be made to the process of requesting interest abatement? Any changes to the forms or instructions?

Now we’ll move on to the second topic we’ll be discussing today.

**Part B: Civil Penalties and Reasonable Cause Relief**

Different types of civil penalties may be asserted by the IRS. Taxpayers may request a reduction of or relief from certain civil penalties. Requesting that involves identifying which criteria for relief they are applying under, and, documenting how the taxpayer’s circumstances met that criteria. “**Reasonable cause**” is a term commonly used in this area.

1. Tell us your understanding of what constitutes reasonable cause criteria for civil penalty relief.
	1. Optional Probe – How would you describe it to a client who asked you about seeking reasonable cause relief from a civil penalty?
2. Describe your understanding of how reasonable cause criteria apply to different types of civil penalties, such as failure to file or failure to pay or accuracy related penalties?
	1. ASK Mandatory Probe – How are reasonable cause criteria similar or different for the various types of civil penalties?
3. Explain how you would document your client’s circumstances met reasonable cause criteria if you were applying for civil penalty relief.
	1. Optional Probe - What types of supporting information or documents would you provide?
4. What reference sources would you use to search out information on civil penalties and reasonable cause relief?
	1. ASK Mandatory Probe –Have you or would you use irs.gov as a reference for this topic? Why? Why not?
	2. ASK Mandatory Probe - What specific improvements or changes to irs.gov could increase understanding in this area?
5. What are the top challenges or barriers for taxpayers requesting civil penalty reasonable cause relief? How can those challenges be addressed?
	1. Optional Probe - What are the most important things for the IRS to change or improve related to civil penalty reasonable cause relief?

**Part C: Conclusion**

1. Are there any additional comments about either of the two topics we covered today?
	* Interest abatement where an IRS employee caused an unreasonable error or delay
	* Civil Penalties and Reasonable Cause Relief

Before we conclude, I would like to check with my notetakers to see if they need any information clarified. \_\_\_\_First name X\_\_\_\_? \_\_\_\_First name Y\_\_\_\_?

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!