

CEEN 2024 Cognitive Interview Guide

11/8/23

INTRODUCTION

Thank you very much for agreeing to participate in this discussion. I want to start out by introducing myself: my name is _____ and I work for a research company called ICF. *I am not an employee of the IRS.*

My company has been hired by the IRS to conduct interviews with taxpayers such as yourself. We are interested in finding out how people understand and interpret questions in an IRS customer survey. We want to know if the way the questions are worded, and the answer choices provided in the survey make sense to you.

I am going to ask you some questions based on the survey questions you see on my screen and invite you to give your interpretation, thoughts, and opinions. There are no wrong answers. Also, we are not interested in your actual survey responses per se; rather, we are interested in your reactions to and interpretations of the questions.

[SLIDE 2-3]

Before we begin, did you review the informed consent that was sent in your email invitation?

If YES: Obtain verbal consent to participate and ask if they have any questions.

INTERVIEWER: VERBAL CONSENT TO PARTICIPATE MUST BE RECORDED.

If NO: I'd like to go over the informed consent. **[Obtain verbal consent to participate and ask if they have any questions].**

IF APPLICABLE: We also have additional team members observing via a conference line. They have all signed confidentiality agreements in order to observe this discussion.

[SLIDE 4]

I also am required to let you know that for the IRS to speak with the public, we are required to have approval from the Office of Management and Budget. Their approval number for this project is 1545-1349. If you have any comments regarding this study, please write to: IRS, Special Services Committee, SE:W:CAR:MP:T:M:S – Room 6129, 1111 Constitution Avenue, NW, Washington, DC 20224.

Your participation in this discussion is completely voluntary. If at any point during the discussion you wish to stop, you may do so. We greatly appreciate any feedback you have to offer us. Please speak loudly and clearly so that our microphones can pick up your voice.

Do you have any questions?

- Yes
- No

INTERVIEWER: IF RESPONDENTS ANSWER NO, PROCEED TO START THE DISCUSSION.

This is a national IRS survey that will be administered online and over the phone. During this discussion I am going to guide you through survey questions through the screenshare. As we go through, I'd like you to read each survey question and answer choice before letting me know your response(s). As you answer the questions, please also think out loud. For example, if you are surprised by an answer choice, not sure what the choice means, or unsure of what we are asking, please let me know. After you respond to the items, I will ask you a few questions about how you arrived at your answer. I might ask you if anything was unclear or confusing or what certain words/phrases mean to you. But even if I don't specifically ask you about a question, please let me know if you have thoughts or questions about something you see on the screen, or the answer choices related to a question.

[SLIDE 5]

INTERVIEWER QUESTIONS APPEAR IN RED.

Section 1: CEEN Population Screening Questions

S1Q2. *FIRST TIME TESTING THIS WORDING.*

During 2023, were you self-employed or an independent contractor? This could include full-time or part-time work, such as:

- Freelancing
- App-based or "gig" income, such as rideshare or delivery driver (e.g., with Uber), rental host (e.g., with Airbnb), or online seller (e.g., Etsy)
- Other work in which you set your own hours or select your clients or projects

You may or may not have received a 1099 tax form from your employer or clients for this type of work.

1. Yes
2. No

1. In your own words, what do you think this question is asking you?
 2. What timeframe do you think this question is asking about?
 3. How familiar are you with the terms, "self-employed" and "independent contractor"?
 4. How familiar are you with the types of work described above?
 5. To what extent do you think the kinds of work described above represent self-employment or being an independent contractor?
 - a. Is there anything missing? Is there anything that should be removed?
 6. To what extent does the final sentence help you to understand the kind of work the question is asking about?
 7. To what extent is this question difficult to answer?
-

[SHOW IN PPT AS A GRID]

S1Q6.

Which of the following forms or schedules do you expect to include with your federal income tax return for 2023?

Please consider your income earned during the calendar/fiscal year 2023.

- A. Itemized deductions (Schedule A)
- B. Interest and dividend income (Schedule B)
- C. Profit or Loss from Business (Sole Proprietorship) (Schedule C) *
- D. Capital gains or losses (Schedule D)
- E. Supplemental Income and Loss, such as rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc. (Schedule E) *
- F. Profit or Loss from Farming (Schedule F) *
- G. Self-employment income (Schedule SE) *
- H. U.S. Return of Partnership Income (Form 1065)
- I. U.S. Income Tax Return for an S Corporation (Form 1120-S) *
- J. U.S. Corporation Income Tax Return (Form 1120) *

* INDICATES FILING THIS FORM QUALIFIES SOMEONE FOR THE SURVEY, EVEN IF THEY DON'T SAY YES TO BEING SELF-EMPLOYED OR A SMALL BUSINESS

RESPONSE OPTIONS:

- 1. Yes
- 2. No
- 77. Don't know

- 1. To what extent are you familiar with these forms?
- 2. Which forms, if any, are you not familiar with?
- 3. To what extent is it easy or difficult for you to remember which of the following forms or schedules you included or expect to include?
 - a. Are there any forms that are particularly hard to respond about?

[IF S1Q2=2 AND S1Q3=6 (Didn't identify themselves as SB/SE)]

[Someone would get this question if they said they weren't self-employed or an independent contractor but filed a form that qualifies them for the survey, such as a Schedule C]

S1Q6sbse. *FIRST TIME TESTING THIS SCREEN*

You indicated that you filed the following with your tax return this year:

Profit or Loss from Business (Sole Proprietorship) (Schedule C)

Based on your responses, you qualify as someone who is self-employed, an independent contractor, or a small business owner for the purpose of this survey.

- 1. What do you think this screen is saying?

[SHOW IF S1Q2=1 (self-employed or an independent contractor)]

[Someone would get this question if they said they were self-employed or an independent contractor]

S1099Q1.

How do you most often receive Forms 1099 from your employer or clients?

1. I do not receive Forms 1099
2. Mail / paper correspondence
3. E-mail
5. Other (please specify): [TEXTBOX]

1. In your own words, what does the phrase “most often receive Forms 1099” mean?
 2. To what extent do the response options make sense?
 - a. Should any be removed? Should any be added?
 3. To what extent is this question difficult to answer?
-

S1Q3.

During 2023, did any of the following apply to you?

Select *all* that apply.

1. Owned/operated a Sole Proprietorship
2. Were a member of a Business Partnership as defined by the IRS with assets of less than \$10 million
3. Owned/operated a Limited Liability Company (LLC) with assets of less than \$10 million
4. Owned/operated an S corporation with assets of less than \$10 million
5. Had another type of small business (please specify): [TEXTBOX]
6. None of these

1. In your own words, what do you think this question is asking you?
 2. How familiar are you with the terms being used in the question? What, if anything, are you not familiar with?
 3. How easy or difficult was it for you to know whether your business assets were less than \$10 million?
 4. Is there anything missing? Is there anything that should be removed?
 5. To what extent is this question difficult to answer?
-

S1Q13.

Have you filed (or do you plan to file) a business income tax return that is separate from your personal tax return in 2024 for 2023?

Again, please consider the income your business earned during the calendar/fiscal year 2023.

1. No, I have not filed and do not plan to file a business return that is separate from my personal income tax return
2. Yes, I have filed or will file a business return that is separate from my personal tax return
77. Not sure

1. In your own words, what is meant by the phrase “business income tax return”?
 - a. How is a business income tax return different from your personal income tax return?
 - b. What forms were or would be included in a business income tax return?
 2. Consider the response options. In your own words, how is the first response options different from the second? How is the first response option different from the third?
 3. To what extent is this question confusing?
 4. To what extent is this question difficult to answer?
-

[SHOW IF S1Q8 = 1 or 2 (Have filed or got extension this year)]

PROVIDES CONTEXT FOR THE REMAINDER OF THE INTERVIEW ON HOW INVOLVED RESPONDENT IS IN PREPARING THEIR TAXES.

S1Q9.

Who prepared your federal income tax return or extension filing this year?

1. I did
 2. My spouse
 3. A friend or other family member
 4. An independent accountant/CPA
 5. A tax preparer at a tax preparation business such as H&R Block or Jackson Hewitt
 6. Other paid professional
 7. A volunteer preparer from a community organization (*do not count* a tax software company's promotional events)
 8. Someone else (please specify): [TEXTBOX]
 77. Don't know
-

[SHOW IF S1Q9=4/5/6]

[Someone would get this question if they used a paid preparer]

S1Q9rvw.

If you used a paid tax preparer, to what extent do you typically review the return before it is filed?

1. I don't review it **NEW RESPONSE OPTION**
 2. Minimal review
 3. Moderate review
 4. Detailed review
-
1. The question asks about reviewing your tax return. What does the word “review” in the question mean to you? What actions does review include? Who would be involved in a return review? [*If necessary*] To what extent does this review include your tax preparer?
 2. Consider the response options.
 - a. What does, “I don't review it” mean to you (for example, do you personally review it)
 - b. What does minimal review mean to you?
 - c. What about moderate review?
 - d. What does detailed review mean to you?
 3. [*If not clear from discussion*] To what extent would a tax preparer be involved in a minimal vs. moderate vs. detailed review?

4. To what extent is this question confusing?
5. To what extent is this question difficult to answer?

Section 2: E-File Mandate for Information Returns

S2Q8.

In 2023, did you pay any employees or independent contractors to do work for your business? (Do not count paying yourself or spouse.)

RESPONSE OPTIONS:

1. Paid employees only (employees would normally receive a W2 tax form)
2. Paid independent contractors only (independent contractors would normally receive a 1099 tax form)
3. Paid both types of workers
4. Paid neither type of worker
77. Not sure

[SHOW IF S2Q8=1,2,3 (Paid workers)]

[Someone would get this question if they said they paid workers]

S1099Q2.

Did you file any Forms 1099 reporting payments you/your business made to independent contractors in 2023 (1099-misc, 1099-NEC, 1099-K, 1099-R, etc.)?

1. Yes
2. No
77. Not sure

1. To what extent is this question confusing?
2. To what extent is this question difficult to answer?
3. What is typically included in the forms you file? Are you typically filing 1099s you received, you issued, or both?

[SHOW IF S1099Q2=1 (filed 1099 forms)]

[Someone would get this question if they filed 1099 forms]

S1099Q3.

Thinking about Form 1099s that you issue to independent contractors, how many Form 1099s do you file with the IRS on average (in a given tax year)?

1. 1 - 10
2. 11 - 25
3. 26 - 50
4. 51 - 99
5. 100+

1. To what extent is it easy or difficult to respond to this question?
 - a. To what extent is it easy or difficult to remember how many forms you file?
 - b. To what extent is it easy or difficult to come up with an average?
 2. To what extent do the ranges in the response options seem reasonable?
-

[SHOW IF S1099Q2=1 (Filed 1099 forms)]

S3IRIS1

The IRS now offers an online portal called the Information Returns Intake System (IRIS). The IRIS portal allows you to electronically file small or large volumes of any Form 1099 for free directly with the IRS.

Were you aware of the IRIS online portal for e-filing Forms 1099 that you issued to independent contractors?

1. Yes, I've heard of this
 2. No, I haven't heard of this
-

[SHOW IF (Yes, aware of IRIS)]

[Someone would get this question if they were aware of IRIS]

S3IRIS2

How did you first hear about the IRIS 1099 e-filing portal on IRS.gov?

1. A postcard from the IRS
 2. Tax professional
 3. Trade website or publication
 4. A friend, family member, or professional contact
 5. Social media (YouTube, Instagram, etc.)
 6. News
 7. On IRS.gov
 8. Online, but not on IRS.gov
 9. Somewhere else (please specify): [TEXTBOX]
1. What do you think of these answer options? Are any unclear?
 2. Are you surprised to see any of these answers in this list?
 3. Do you think this list is missing any ways people might have heard about this online portal?
-

[SHOW IF S1099Q2=1 (filed 1099 forms)]

[Someone would get this question if they filed Forms 1099]

S1099Q4.

How did you file Form 1099?

1. e-file with FIRE (Filing Information Returns Electronically) application on IRS.gov
2. e-file with 3rd-party accounting software
3. e-file using the IRIS portal on IRS.gov

4. Paper/mail
5. Tax professional or payroll service
77. Not sure

1. What do you think of these answer options? Are any unclear?
2. Are you surprised to see any of these answers in this list?
3. Do you think this list is missing any ways people might have filed Form 1099?
4. If you have filed Forms 1099, have you ever filed in multiple ways in the same year?

[SHOW IF S1099Q2=1 (filed 1099 forms)]

[Someone would get this question if they filed 1099 forms]

S1099Q6.

Are you aware of the new requirement that if you are filing 10 or more information returns in 2024 you must e-file them?

These information returns include Forms 1098, 1098-T, 1099-DIV, 1099-INT, 1099-K, 1099-MSK, 1099-NEC, and 8027.

1. Yes, I've heard of this requirement
 2. No, I haven't heard of this requirement
-
1. [If yes] How did you learn about this requirement?
 2. Could you describe what is meant by the phrase "information returns"?
 3. Which, if any, of these forms do you recognize?
 - a. Does it help to have this list?
 4. What, if anything, might make this question clearer?

Section 3: Form 1099K

S3Q4cc. NEW QUESTION

Did your business receive any payments using credit cards in 2023?

1. Yes
 2. No
-
1. Is anything confusing or unclear about this question?
 2. How easy or difficult would it be for you to answer this question?
 3. Do you think someone else would be comfortable or uncomfortable about answering this question honestly?

S3Q5_CashApp1.

Did your business receive any payments through PayPal, Venmo, Cash App, Zelle, or another third-party payment network or platform in 2023?

1. Yes
2. No

1. How familiar are you with PayPal, Venmo, Cash App, and Zelle?
 - a. Are you not familiar with any of those?
 2. How familiar are you with the term “third-party payment network or platform”?
 - a. To what extent is this an accurate description of something like PayPal or Venmo?
 3. Would you recommend any changes to the networks/platforms listed, either removing something or adding something?
 4. To what extent is this question difficult to answer?
 5. Do you think someone else would be comfortable or uncomfortable about answering this question honestly?
-

S3Q5_CashApp4. NEW QUESTION

Did you receive any personal, non-business payments through PayPal, Venmo, Cash App, Zelle, or another third-party payment network or platform in 2023? This could be from friends or family members to pay you back or chip in for personal expenses.

1. Yes
2. No

1. Is anything confusing or unclear about this question?
 2. To what extent is this question difficult to answer?
 3. Do you think someone else would be comfortable or uncomfortable about answering this question honestly?
-

[SHOW IF S3Q5_CashApp1= 1 (Used 3rd-party network transactions)]

S3Q5_CashApp2.

How easy or difficult was it to calculate how much income your business received through Paypal, Venmo, Cash App, Zelle, or another third-party payment network or platform in 2023?

1. Not applicable, I did not report that income
 2. Very easy
 3. Somewhat easy
 4. Somewhat difficult
 5. Very difficult
-

[SHOW IF S3Q5_CashApp2 = 1 (Did not report 3rd-party network transactions)]

S3Q5_CashApp3.

There are many reasons people may not report the income they received through third-party networks or platforms.

What prevented you from reporting payments you received through Paypal, Venmo, Cash App, Zelle, or another third-party payment network or platform in 2022?

[TEXTBOX]

S1099kQ1. NEW QUESTION

Were you issued any Forms 1099-K for the 2023 tax year?

Forms 1099-K are issued by credit card processors and third-party electronic payment platforms for transactions totaling at least \$600 in a calendar year.

1. Yes, I was issued one or more Forms 1099-K
2. No, I was not issued any Forms 1099-K
77. Not sure

1. Is it clear what time period this is asking about?
 2. What kinds of transactions do you think are included on a 1099k form?
 3. Could you give an example of a type of transaction that would appear on a 1099k form?
 4. Could you give an example of a type of transaction that would not appear on a 1099k form?
 5. How did you know whether you were issued a 1099k or not?
-

[SHOW IF S1099kQ1= 1 (Issued any Forms 1099-K)]

[Someone would get this question if they got any Forms 1099-K]

S1099kQ2. NEW QUESTION

Which of the following best describes what was included on the Form(s) 1099-K that you were issued for 2023?

1. Only business payments I received
2. Only personal payments I received
3. Both business and personal payments I received
77. Not sure

1. What is this question asking, in your own words?
 2. Could you give an example of a business payment someone could receive?
 3. Could you give an example of a personal payment someone could receive?
 4. Where do you look for information about how to report 1099k form?
 5. What type of information or guidelines around transactions did you find about what to do with reporting 1099k forms?
-

[SHOW IF S1099kQ1= 1 (Issued any Forms 1099-K)]

[Someone would get this question if they got any Forms 1099-K]

S1099kQ3. NEW QUESTION

As far as you can tell, were there any problems or errors with any of the Forms 1099-K you were issued for 2023?

Select *all* that apply.

1. No, there were no problems or errors
2. Personal transactions were included
3. The transaction amounts or totals were incorrect
4. I was issued a Form 1099-K for an account that was not mine
5. I did not find out about a Form 1099-K until after I filed
6. Another type of problem or error (please specify): [TEXTBOX]
7. Not sure

1. How would/did you know there was a problem?
2. What would/did you do to try to resolve the problem?
 - a. How would/did you research or find out what to do?

Section 4: Cryptocurrency

S3Q6_BTC.

In 2023, did you purchase any BitCoin, Ethereum, or other virtual currency property, digital assets, or cryptocurrency?

1. Yes
2. No

1. In your own words, what do you think this question is asking you?
2. Are you familiar with any of the terms used in this question?
3. Are any of the terms confusing or unclear?

S3Q6.

In 2023, did you conduct any business using BitCoin, Ethereum, or other virtual currency property, digital assets, or cryptocurrency? Consider both income you received and payments you made.

1. Yes
2. No

S3Q6_BTC2.

In 2022, did you pay any employees with BitCoin, Ethereum, or other virtual currency property, digital assets, or cryptocurrency?

1. Yes
 2. No
-

S3Q6_BTC3.

As the use of virtual currency/cryptocurrency continues to increase, what kind of information, resources, guidance, assistance, etc., can the IRS provide to self-employed workers or small business owners such as yourself concerning its use?

[TEXTBOX]

[SHOW IF S3Q6 = 1 (Used virtual currency)]

S3Q6a.

How simple or complicated was it to figure out how to report your virtual currency property?

1. Very Simple
 2. Somewhat Simple
 3. Somewhat Complicated
 4. Very Complicated
-
4. In your own words, what do you think this question is asking you?
 5. To what extent is this question confusing?
 6. To what extent is this question difficult to answer?
 7. Can you describe what you did to figure out to report virtual currency property for your taxes?
 8. What does the word "property" mean to you in this question? Would you answer differently if the question said, "income"?
-

Section 5: Attitudes

S7Q1a. B-D ARE NEW STATEMENTS

Please indicate your agreement with the following statements about taxes:

- A. Contacting the IRS will increase my chances of being audited
- B. Owning a small business or being self-employed increases my chances of being audited
- C. Compared to a few years ago, my chances of being audited are higher
- D. It would be unfair if I were audited

RESPONSE OPTIONS:

1. Strongly disagree
 2. Disagree
 3. Neither agree nor disagree (neutral)
 4. Agree
 5. Strongly agree
-
1. Could you describe what each statement means to you?
 2. Do you think someone else would be comfortable or uncomfortable answering these honestly?
-

