

**OFFICE OF MANAGEMENT AND BUDGET  
Clearance Package**

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**TAB Conjoint Update Focus Groups for Cognitive Research**

**Internal Revenue Service  
Wage and Investment Division  
October 19, 2010**

## A. Introduction

In 2006, a conjoint study was conducted as part of the Taxpayer Assistance Blueprint (TAB) to investigate taxpayers' preferences among options for contacting the IRS to resolve tax-related issues and how to prepare and file their tax return. The study used a random sample but over-sampled for Taxpayer Assistance Center (TAC) users. The data collected in the 2006 conjoint study was used to create the Taxpayer Value Model, so IRS employees can access the data to make decisions about potential service options for taxpayers.

For this project, the IRS wants to collect data to build upon the previous conjoint to include service tasks expected to be available within the next 2-4 years (such as tasks related to the recent Healthcare legislation), more realistic performance attribute categories derived from IRS policy and Subject Matter Experts in each service channel, and over-sampling for taxpayers who self-prepare their return as prior research indicates that these individuals use IRS service at higher rates than those taxpayers who use a paid preparer. The data collected in this project will be used to update the Taxpayer Value Model.

The main objective of this project is to determine how tax-related task attributes, service channel attributes, and barriers/perceived burden influence service channel selection among taxpayers. This comparative value analysis process will evaluate service channel options for use by taxpayers. Specifically, the objective of the focus groups will be to obtain information about how people receive service from the IRS, identify key attributes for determining IRS channel choice, and test specific terms to be used in the following online survey.

## B. Methodology

### Focus Group Study Design

Participants will be recruited for two phone-based focus groups that will concentrate on refining a draft set of alternatives, attributes, and attribute levels. The Contractor will provide participants with call-in information for the focus groups. The focus group participants must have filed a federal tax return for the most recent tax year. Both focus groups will be conducted by telephone, last approximately one hour, and include approximately 8 participants. The focus group recruitment/screener interview script and focus group moderator's guide are attached.

### Data to be Collected

The focus groups will derive qualitative data about how people receive service from the IRS, identify key attributes for determining IRS channel choice, and test specific terms to be used in the following online survey.

### How Data will be Collected and Used

Data will be collected by conducting two telephone focus groups. The data will be used to develop the survey instrument for the TAB Conjoint Update Survey.

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Data Collection Dates

The focus groups will be recruited and administered beginning February 1, 2011; ending, February 28, 2011.

Who is Conducting the Research/Where

W&I Research and Analysis will be conducting the research in conjunction with Pacific Consulting Group, PCG. The research will be conducted by phone and recruitment will take place from a nationwide panel.

Cost of Study

\$10,288.

Stipend

There will be a \$50.00 stipend paid to participants. This fee is the standard amount currently used in the market research industry as an incentive for non-professional level focus group participants.

Recruitment Efforts

Using a list of panelists provided by the subcontractor, PCG will recruit taxpayers to participate in two one-hour phone focus groups. The panel meets the following requirements:

- The sampling frame must include both listed and unlisted phone numbers.
- The sample frame cannot be limited to current Web users or computer owners.
- Panelists must be selected at random to join the panel.
- Unselected volunteers may not be allowed to join the panel.

Location-Region/City and Facility

Not applicable. The focus groups will be conducted by phone nationwide.

Expected Response Rate

The expected response rate is 70%.

Methods to Maximize Response Rate

The focus group participants are already members of a panel which has been pre-screened. Respondents are assured anonymity of their responses.

Test Structure and Design

The study will be conducted using two one-hour phone focus groups. The attached recruiting script will be used to recruit participants from a panel provided by the subcontractor (Knowledge Networks). The panel meets the following requirements:

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- o The sampling frame must include both listed and unlisted phone numbers.
- o The sample frame cannot be limited to current Web users or computer owners.
- o Panelists must be selected at random to join the panel.
- o Unselected volunteers may not be allowed to join the panel.

The attached moderator's guide will be used during the focus group session conducted by a training moderator from PCG.

Efforts to not Duplicate Research

This is currently the only TAB Conjoint study being conducted.

Participants Criteria

The focus group participants must have filed a federal tax return for the most recent tax year.

**C. Privacy, Disclosure, Privacy, Security Issues**

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and Macro will ensure that all participants are treated fairly and appropriately.

The security of the data used in this project and the privacy of taxpayers will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A & B. Physical security measures include a locked, secure office. Notes are stored in locked cabinets or shredded.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all taxpayers. This includes criteria for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

The focus group notes and report will not contain any tax return or taxpayer information. Participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy of the survey respondents. We will apply the fair information and record-keeping practices to ensure protection of all survey respondents. The criterion for disclosure laid out in the Privacy Act, the Freedom of Information Act, and section 6103 of the Internal

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Revenue Code provides for the protection of information as well as its releases to authorized recipients.

PRA Statement and OMB Control Number

The OMB Control Number for the study and all required information will be provided to participants at the end of the focus group.

**D. Burden Hours**

Recruitment should take 5 minutes per person  
( $23 \times 5 = 115$  minutes / 60 minutes = 1.91 hours—round up to 2 hours).  
For the focus groups, 1 hour per person  
(8 people  $\times$  2 focus groups = 16 people  $\times$  1 hour = 16 hours).  
16 hours focus group + 2 hours recruitment = 18 hours  
TOTAL BURDEN: 18 hours

**E. Attachments**

- Participant Screener
- Moderator's Guide