OMB #1545-1432

Supporting Statement
Information Collection Request (ICR)
To Conduct Customer Satisfaction Research for the
IRS SURVEY OF INTERNATIONAL NON-FILERS
May 23, 2013

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The fast pace of change in the global economy requires an equally fast pace of change within the Internal Revenue Service (IRS). The IRS must strategically manage resources, associated business processes, and technology systems to effectively and efficiently meet international service and enforcement missions. To achieve this, the IRS will modernize information systems, use data to make informed decisions and allocate resources, and expand online tools and service available for international taxpayers.

To accomplish these goals, the IRS has developed a Multi-year Plan for Service-Wide International Tax Administration and formed the International Planning and Operations Council. Wage & Investment Research & Analysis (WIRA), in support of the strategic initiatives of this plan, is working with Large Business and International (LB&I) to increase IRS knowledge regarding taxpayers living abroad.

LB&I is responsible for providing tax information and assistance services to U.S. taxpayers residing abroad, entities conducting business abroad, and non-U.S. citizens that have a U.S. filing requirement. Specific strategies employed by LB&I include:

- Increase compliance among U.S. citizens living abroad and non-citizens who have a U.S. filing requirement.
- Improve the ability to address complex reporting, filing and payment avoidance tactics in a global environment.
- Identify fraud and develop referrals, apply penalties where appropriate.
- Leverage available technology; identify and secure new technology.

WIRA's mission is to inform valued operational change. WIRA's business model is based on:

- Moving from descriptive to predictive explanatory analysis.
- Grounding work in outcomes and performance measures.
- Relationship management.

WIRA and LB&I collaborated on a similar survey; the *2011 IRS Survey of Individuals Living Abroad* which was completed by 1,753 survey respondents (670 by mail and 1,083 online) between May 10th and July 29th, 2011. Of the 1,753 respondents, 79 were classified as International Non-Filers. The current survey builds upon this subset of International Non-Filers.

2. Purpose and Use of the Information Collection
Given the success of the *2011 IRS Survey of Individuals Living Abroad* with respect to the International Non-Filer subset, the purpose of this survey is to reach a larger population to gain a unique perspective on the reasons why some U.S. citizens living abroad do not file, their awareness of certain tax provisions and forms specific to International Taxpayers, and how the IRS can encourage voluntary compliance among this population.

This information will help identify opportunities for service enhancement, targeted outreach, and education of International Non-Filers in addition to helping the IRS target resource allocation. Information from the survey will not be used to justify a change in agency policy or enforcement without proper statistical follow-up and justification behind the need for a change.

The primary goal of this survey is:

- To understand the reasons why some U.S. Citizens living abroad do not file a tax return, and
- To gain insight from International Non-Filers on their awareness of certain tax provisions and forms specific to International Taxpayers, and
- Learn how the IRS can encourage voluntary compliance among International Non-Filers.

Recruitment Efforts

WIRA will provide the contractor with 3,500 International Non-Filer names and addresses.

3. Consideration Given to Information Technology
The survey will be administered by the contractor as a four-wave mail survey with web component (as an option for survey recipients to respond in lieu of mail). Standard Procedures are used in order to obtain the highest response rate possible.

4. Duplication of Information
To WIRA's knowledge, this is currently the only survey the IRS is conducting on International Non-Filers. The depth of information to be garnered from the *IRS Survey of International Non-Filers* has not been achieved from any other past IRS survey.

5. Reducing the Burden on Small Entities
N/A

6. Consequences of Not Conducting Collection

Failure to fund this program would not allow us to identify operational areas we need to improve for the International Taxpayer.

7. Special Circumstances
There are no special circumstances. The information collected will be voluntary and will not be used for statistical purposes.

8. Consultations with Persons Outside of the Agency
N/A

9. Payment of Gift
N/A

10. Confidentiality
All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the vendor 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. Data security at the C-2 level is accomplished via the Windows NT operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and review periodically.

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 which provide for the protection of taxpayer information as well as its release to authorized recipients.

The survey will not contain tax return or taxpayer information. Survey 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 is laid out in the Privacy Act, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code provides for the protection of information as well as its releases to authorized recipients.

The contractor will hold the identities of respondents private to the extent allowed by law. The contractor will not provide the IRS with data or status updates that are linked to individual respondents. Upon completion of data collection and cleaning, the contractor will provide non-identified survey data to the IRS. The data will not include any individually identifying information such as name, address, or taxpayer identification number.

11. Sensitive Nature
No questions will be asked that are of a personal or sensitive nature.

12. Burden of Information Collection
This research is expected to use a total of 325.5 burden hours.
The estimated time to complete the survey both mail and online is 10 minutes per Participant.

Collection Activity	Minutes Per Person	Number of Participants	Total Hours
Read Pre-notification letter	1	3500	58
Read Cover letter	1	3500	58
Read Follow-up letter	.05	3500	29
Read Follow-up letter	1	3500	58
Complete Surveys	10	735	122.5
		TOTAL HOURS	**325.5**

Estimated Response Rate: 21%

13. Costs to Respondents
N/A

14. Costs to Federal Government
$96,000

15. Reason for Change
N/A

16. Tabulation of Results, Schedule, and Analysis Plans
All survey responses are released only as summaries. The contractor shall hold the identities of the taxpayers responding to this survey, private to the extent permitted by law. The data collected is used to survey and track customer satisfaction at an international level.

The respondent data is analyzed with a view to:

- Provide insight from the customer's perspective about possible improvements;
- Provide useful input for program evaluation and execution at the programmatic and area office level of service delivery;
- Provide additional information on important "drill down" areas;

17. Display of OMB Approval Date
N/A

18. Exemptions to Certification for Paperwork Reduction Act Submissions
These activities comply with the requirements in 5 CFR 1320.9.

19. Dates collection will begin and end
August 1, 2013 – October 31, 2013

B. STATISTICAL METHODS

The primary purpose of these collections will be for internal management purposes; there are no plans to publish or otherwise release this information.

1. Universe and Respondent Selection

The survey will be administered by the contractor through the Government Printing Office (GPO) as a four-wave mail survey. Each mail survey will contain unique set of control numbers.

An online web component will also be available through the contractor's website as an option for survey recipients to respond in lieu of mail. The web component must allow the user the ability to start and stop (e.g., allowing them to return at a later time to complete the survey). The web component must prevent the user from submitting more than one survey.

2. Procedures for Collecting Information

A contractor in conjunction with WIRA will be conducting the research. The contractor will be responsible for the data collection task, including scanning or manually entering survey data and hosting the online survey.

3. Methods to Maximize Response
The questionnaire length is minimized to reduce respondent burden; which should increase response rates. Respondents are assured anonymity of their responses.

Analysis of the data will be conducted by the contractor and W&I. Data analysis will include basic and advanced statistical techniques to include, descriptive statistics Analysis of Variance (ANOVA), segmentation, and driver/leverage analysis. The analysis will be conducted using standard statistical software such as SAS and SPSS.

4. Testing of Procedures

The questionnaire is an established and tested survey instrument. The current survey will be similar in length and content to the attached *2011 IRS Survey of Individuals Living Abroad*.

5. Contacts for Statistical Aspects and Data Collection

The contractor will be the contact for questions regarding the study, questionnaire design, or statistical methodology.