

# Quality Statistical Sample Review Results

## for SPEC Partners and Employees

### Introduction

Stakeholder Partnerships, Education and Communication (SPEC) provides oversight of the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) program. The VITA/TCE program offers free tax return preparation assistance for low- to moderate-income taxpayers, seniors, persons with disabilities, those with limited English proficiency and Native Americans. SPEC's partners have assisted taxpayers in underserved communities for over 50 years under the VITA/TCE program.

During the 2023 filing season, dedicated SPEC partners supported more than 8,800 VITA/TCE sites, with more than 67,000 volunteers. VITA/TCE sites prepared and filed over 2.5 million tax returns across the country.

SPEC partners continued to remain dedicated to the cause and made return accuracy a priority.

For FY 2023, SPEC partners achieved an incredible 97.15% accuracy rate of returns prepared by volunteers. This is a remarkable accomplishment for partners, sites, volunteers and taxpayers!

### Quality Statistical Sample (QSS) Review – Return Preparation Accuracy

The Quality Statistical Sample return reviews measure the accuracy of return preparation at VITA/TCE sites across the country. These reviews determine if the application of tax law was applied correctly. This is performed through an assessment of the intake and interview process, the taxpayer's source document(s) and the completed tax return. For additional information, see Internal Revenue Manual (IRM) 22.30.1.3.8, VITA/TCE Return Preparation Accuracy.

Although SPEC conducts other types of oversight reviews, QSS reviews determine the accuracy of tax returns prepared at all eligible VITA/TCE sites and is the accuracy rate that is communicated externally. Sites that prepared fewer than 50 returns in the prior filing season (2022) and new sites that opened for the first time in filing season 2023 are not considered eligible for the review. Therefore, these estimates only represent sites that prepared at least 50 returns in 2022.

## 2023 Filing Season QSS Review Sample Plan

The 2023 filing season QSS review sample plan was designed to produce a statistically valid estimate<sup>1</sup> of the accuracy of tax returns prepared at eligible VITA/TCE sites during the filing season. The plan was developed using guidance from the IRS Statistics of Income (SOI) division. The 2023 filing season sample plan fell within the following parameters:

- **Industry Standard Validity:** within 90% confidence and 5% precision
- **Enterprise Level:** all sites combined
- **Stratified By:** type (VITA/TCE), SPEC areas (3), site size (small/medium/large)

A target sample size of 50 VITA and 50 TCE sites was determined based on SPEC resource considerations, historic accuracy and desired levels of confidence and precision. To account for an expected number of newly closed and inaccessible sites falling in the sample, a total of 55 VITA and 55 TCE sites were selected. Both the VITA and TCE selections were proportionately allocated by area using site production volumes from the prior year filing season (2023).

## 2023 Filing Season QSS Review Results

The 2023 filing season plan included 110 site visits with three tax return reviews at each site, for a total of 330 return reviews. Due to various situations such as weather, site closures, and reduced site hours, the Quality Program Office performed 103 of 110 planned site visits and completed 296 of 330 planned return reviews in 2023.

### Weighted Estimates (Overall Accuracy)

SPEC 2023 Filing Season	Weighted Estimate	Precision Margin
VITA	96.63%	2.60%
TCE	96.75%	2.68%
All Partners	97.15%	1.78%

- Weighted estimates represent the quality in sites that were eligible to be selected in 2023.
- Precision margins are based on a 90% level of confidence.
- Data is based on a filing season. QSS reviews concluded on April 14, 2023.

Of the 296 returns reviews, 288 were correct. According to SOI, this resulted in a weighted accuracy rate of 97.15% and an unweighted (raw) accuracy rate of 97.30%.<sup>2</sup>

<sup>1</sup> VITA/TCE-level estimates will also be statistically reliable but may not be within 5% precision.

<sup>2</sup> Although the QSS return reviews resulted in a 97.30% unweighted (raw) accuracy rate, the unweighted results may not represent the actual accuracy of returns prepared by the population of all eligible sites. For the estimate to be statistically valid, it should take into consideration the methodology used to sample the returns included in the estimate. Weighting is used to ensure that every sampled case has the appropriate amount of influence on the final estimate (See IRM 21.10.1.3.2.3, Weighted Sampling, for more information). The accuracy rate of 97.15% is weighted appropriately and reflects the method used to sample the specific sites and returns included in the 2023 filing season review.