



PY 2009 e-Services Customer Satisfaction Survey Task Order 13



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Research Background, Purpose, Method, Scope & Timing

- e-Services is a suite of 7 Web-based services, through which partners can conduct business with the IRS 24/7...
 - Registration for e-Services
 - PTIN Application
 - Online e-file Application
 - Disclosure Authorization (DA)
 - Electronic Account Resolution (EAR)
 - Transcript Delivery System (TDS)
 - Taxpayer Identification Number (TIN) Matching
- Each year, the IRS tracks customer satisfaction with e-Services to measure User satisfaction, attitudes, and concerns as well as Non-User interest in use of e-Services and reasons for non-usage.
- The 2009 survey is the second annual survey conducted with an identically configured sample, so the analysis here focuses on 2009 results (in total and by key User sub-groups), with comparison to the same type of sample surveyed in 2008.
- The 2009 survey was conducted by telephone 10/01/09—11/11/09 among 1,902 respondents drawn from lists provided by IRS and allocated across four segments of past-year usage:
 - 1) 501 **Heavy Users Of e-Services** – Registered Users who have used 500+ TDS, 100+ EAR, or 250+ DA.
 - 2) 500 **Medium Users** – Registered Users who have used 50 to <500 TDS, 25 to <100 EAR, or 25 to <250 DA.
 - 3) 400 **Light Users** – Registered Users who have used TDS, EAR, or DA at least once but <50 TDS, <25 EAR, or <25 DA.
 - 4) 501 **Eligible Non-Users**. EROs, RAs, or Online Providers who are either Non-Registered or Registered But Inactive, or Newly-Registered, or Registered But With No Record of TDS, EAR, or DA Usage within the past year.

For detailed sample selection, See Appendix Page 28.

NOTE1: When the 3 **User** groups are shown in “Total”, they are weighted to real-world Total User proportions (12% Heavy, 45% Medium, 43% Light).

Detailed Findings

STATISTICAL NOTATION USED IN REPORT

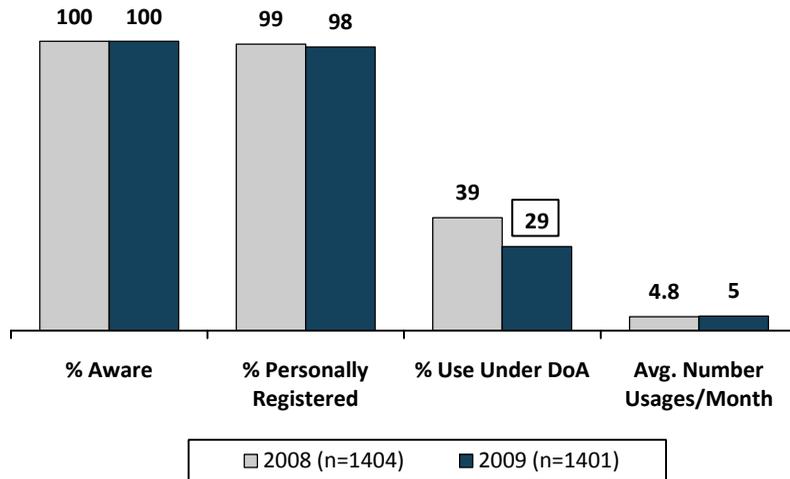
- Circled data are significantly HIGHER than comparative data at a 95% confidence level.
- Boxed data are significantly LOWER than comparative data at a 95% confidence level.

Findings Among Users Of e-Services

Awareness & Usage Of e-Services

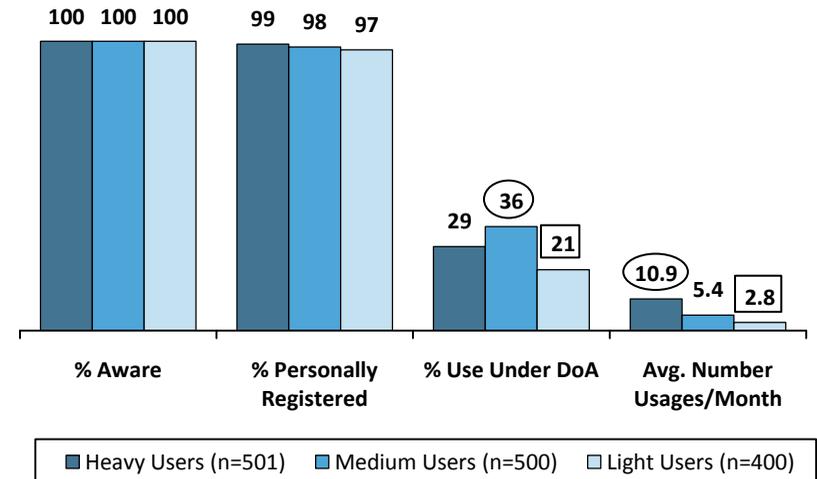
- As found in last year’s survey, virtually all Users were Aware of and personally Registered for e-Services. However, this year, fewer Users said they Use Under Delegation Of Authority (DoA). There was no significant change in Frequency Of Use (5 x/month).

Awareness & Usage: Total Users, '08 To '09



- All User segments acknowledged being Aware and Registered for e-Services. However, the segments differed in Use Under DoA (highest among Medium Users and lowest among Light Users) and, naturally, they differed in Frequency Of Use.

Awareness & Usage: By Extent Of Usage In '09

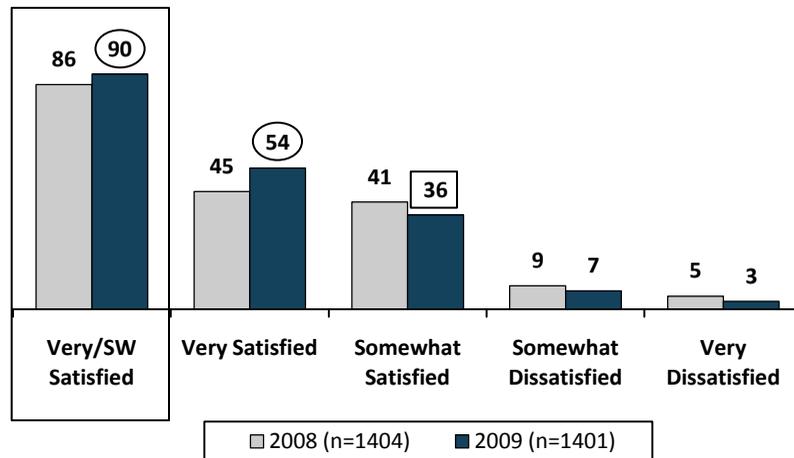


- Q1: Prior to today, were you aware of...e-Services?
- Q2: Are you personally registered as a user of e-Services?
- Q3: ...ever access e-Services as result of being delegated authority by another member of your firm or organization?
- Q4: On average throughout the year, about how often would you say you access and use e-services at the IRS website? (Converted to Times/Month)

User Satisfaction With e-Services (Overall Program Satisfaction)

- Overall Satisfaction with e-Services continued to increase in 2009, with clear movement into the strongest rating – “Very Satisfied”.

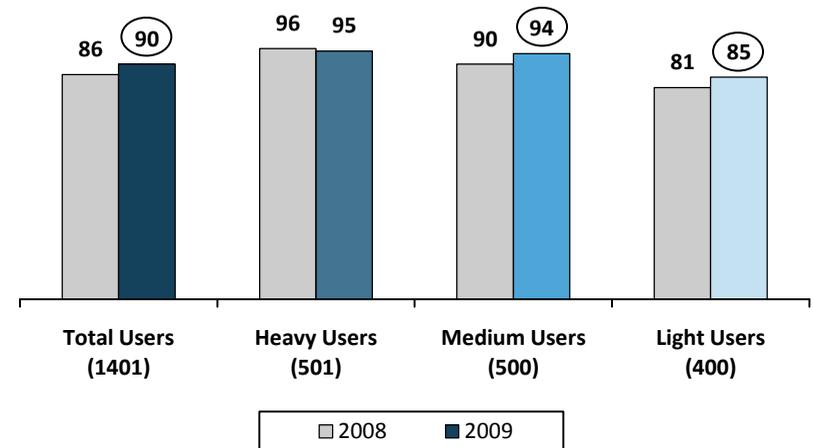
Satisfaction With e-Services: Total Users



NOTE: 2008 Results Included xxx% “Don’t Know”

- The increase in Overall Satisfaction came from Medium and Light Users. Satisfaction among Heavy Users was already quite high and remained the same.

% Very/SW Satisfied: By User Segments

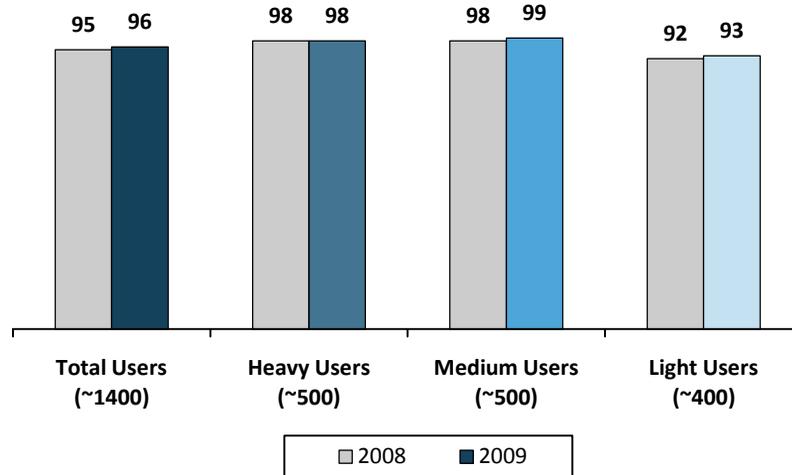


Q5: Thinking about the total e-Services program, including ALL of the specific services that you’re familiar with, how satisfied are you with the e-Services program overall?

Recommendation Intent & Specific Likes Of e-Services Program

- The proportion of Users who said they would Recommend e-Services to other tax professionals remained high and statistically the same this year.

% Would Recommend e-Services To Others



Q6: Would you recommend e-Services to other professionals like yourself?

- Specific Likes Of e-Services again centered around *Ease/Convenience* and *Having Access To Client Info* (both with higher mentions in 2009), followed by *Speed Of Access/Service* and *Liking Specific Services*. In only one clear difference by segment, Heavy Users were more likely to mention the *Speed* benefit.

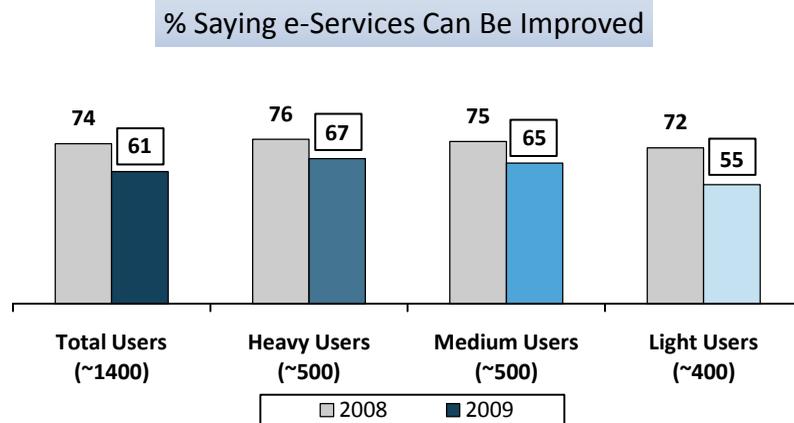
Top Mentions Of Specific Likes Of e-Services

| | Total 2008 Users (1404) % | Total 2009 Users (1401) % | 2009 Heavy Users (501) % | 2009 Medium Users (500) % | 2009 Light Users (400) % |
|--|---------------------------|---------------------------|--------------------------|---------------------------|--------------------------|
| <u>Ease/Convenience (Net)</u> | 37 | 42 | 39 | 43 | 42 |
| Accessibility/easy access to info | 13 | 12 | 10 | 12 | 12 |
| Not having to make phone calls | 7 | 10 | 7 | 10 | 10 |
| It's online/always available | 7 | 8 | 7 | 7 | 10 |
| <u>Having Access To Client Info/ Files/Data/Transcripts (Net)</u> | 35 | 42 | 43 | 45 | 40 |
| <u>Speed Of Access/Service (Net)</u> | 37 | 36 | 45 | 37 | 32 |
| Fast access to info/data/transcripts | 20 | 21 | 28 | 22 | 18 |
| Fast responses/get answers quickly | 4 | 4 | 5 | 5 | 3 |
| <u>Like Specific Services (Net)</u> | 28 | 26 | 26 | 28 | 23 |
| Transcript Delivery System | 13 | 10 | 8 | 12 | 9 |
| Power Of Attorney/can file a POA | 9 | 9 | 9 | 11 | 6 |

Q7: What if anything do you particularly like about the e-Services program overall?

Can e-Services Be Improved? How?

- In total and in each segment, the proportion of Users who said e-Services Can Be Improved decreased in 2009. This, together with the higher Overall Satisfaction level, indicates clear improvement in User perceptions of the program.



- In 2009, Voluntary Suggestions For Improvement were linked to either the overall program or to specific services. Suggestions are summarized to the right and based on Total Users (there were few differences by User segment).

How e-Services Can Be Improved – Re-Based To Total Users

| | Total Users % (1401) |
|--|----------------------------|
| <i>Total e-Services Users in 2009</i> | |
| <u>% With Suggestions For OVERALL PROGRAM</u> | 45 |
| <u>Improve Specific Aspects Of e-Services</u> | 31 |
| Make PoA registration easier and faster | 9 |
| Eliminate the password re-set | 5 |
| Make historical client/data/info available | 4 |
| Provide live IRS reps for faster resolution to problems | 3 |
| Provide info on transcripts | 2 |
| <u>Improve The User Interface</u> | 19 |
| Make the site user-friendly/easier to navigate/fewer screens | 9 |
| Make the site less confusing/less cumbersome | 4 |
| Make the site more reliable/with less down-time | 4 |
| Make the system run faster/less time-consuming | 4 |
| <u>% With Suggestions SPECIFIC TO TDS</u> | 10 |
| Make it faster/less cumbersome/limit # of screens | 3 |
| Improve the PoA related to TDS (make it easier/less confusing) | 2 |
| Provide us more information from prior years | 1 |
| Expand amt. of info on transcripts/more detailed info needed | 1 |
| Be able to retrieve/gain easier access to individual transcripts | 1 |
| <u>% With Suggestions SPECIFIC TO DISCLOSURE AUTHORIZATION</u> | 6 |
| Improve the PoA related to DA | 3 |
| <u>% With Suggestions SPECIFIC TO REGISTRATION</u> (Make it easier) | 2 |
| <u>% With Suggestions SPECIFIC TO EAR</u> (More help/online chat) | 2 |

Q8: Can the overall e-Services program be improved in any way?

Q9: In what specific ways should it be improved?

Satisfaction With Program Dimensions

- In line with higher satisfaction and less need for improvement, the Dimensional Satisfaction Ratings (% very/somewhat satisfied) showed e-Services rated higher this year on all attributes except *availability of help at Help Desk* and *tutorials for different services*. As with satisfaction, Heavy and Medium Users rated attributes higher than did Light Users.
- Results from probes on several related issues can be found on Appendix Page 24 and they show that:
 - **For Password Re-set:** most want either an annual re-set or no re-set – i.e., what they experience at other sites. 15% suggested a reminder in advance of the re-set date.
 - **For Improvement of Tutorials:** only one stood out as clearly needing improvement – that for the full suite of services.
 - **Probing for Awareness of Other Info/Training** showed that 57% of Users were aware of training via the Nationwide Tax Forums, with 44-47% aware of Practitioner Phone Forums/Webinars and Small Business Tax Workshops. Only about one-third were aware of Tax Practitioner Institute Seminars, Practitioner Liaison Meetings, or Practitioner Video & Audio Presentations. In addition, there were limited suggestions for other types/forms of training – mainly, more webinars, more tutorials, more local events.

% Very/Somewhat Satisfied With Program Dimensions

| | Total 2008 Users (1404) % | Total 2009 Users (1401) % | 2009 Hvy Users (501) % | 2009 Med Users (500) % | 2009 Light Users (400) % |
|---|---------------------------------------|---------------------------------------|------------------------------------|------------------------------------|--------------------------------------|
| Total Users | | | | | |
| Level Of Security Provided By Site | 90 | 94 | 96 | 94 | 93 |
| Overall Appearance Of e-Services Site | 90 | 93 | 95 | 94 | 91 |
| Having Type Of Info That You Need | 88 | 90 | 95 | 94 | 84 |
| How Long For Response/Acknowledgment | 85 | 89 | 96 | 92 | 84 |
| Availability Of Specific Services You Need | 85 | 88 | 94 | 92 | 83 |
| Ease Of Understanding Of Content At Site | 84 | 89 | 95 | 92 | 85 |
| Ease Of Log-In/Identification | 82 | 89 | 94 | 92 | 83 |
| How Long Takes To Find Info Looking For | 82 | 88 | 95 | 92 | 82 |
| How Long Takes To Complete An Action | 81 | 86 | 91 | 88 | 82 |
| Determining Status Of Actions/Queries | 80 | 85 | 90 | 88 | 81 |
| Ease Of Navigation Of e-Services Site | 78 | 84 | 91 | 87 | 79 |
| On-Screen Instructions At e-Services Site | 77 | 83 | 88 | 86 | 79 |
| Ease Of Getting Started w/e-Services | 68 | 77 | 80 | 77 | 75 |
| Availability Of Help At e-Svcs. Help Desk | 64 | 59 | 71 | 59 | 54 |
| Need To Re-Set Password Every 6 Mos. | 45 | 49 | 56 | 53 | 43 |
| Tutorials At Site For Different e-Services | 41 | 30 | 36 | 25 | 35 |

Q10: Tell me how satisfied you are with that aspect of the e-Services program.

Drivers To Satisfaction With e-Services

- While dimensional ratings show satisfaction with each aspect of e-Services, they do not tell us which attributes have the greatest impact on Overall Satisfaction. To see this, we applied Correlation Analysis to Overall vs. Attribute satisfaction ratings.
 - Correlation Analysis produces output not as percentages, but as level of correlation, or correlation “scores”. The closer the score is to “1”, the stronger the correlation.
- The correlation scores of the e-Services Attributes are rank ordered to the right, along with the very/somewhat and very satisfied rating of each one (with very satisfied being the rating point where future growth in Dimensional Satisfaction lies). This shows that, among 16 attributes rated in the study*, 7 correlate more strongly than the others – though there are 12 attributes of .30+ (or moderate correlation) – indicating that many factors play a role in Satisfaction with e-Services and that no one or two attributes/factors dominate.

* *Keep in mind that there may be other variables or attributes which were not captured in the study, but which could have stronger impact or correlation to Overall Satisfaction than those attributes shown here.*

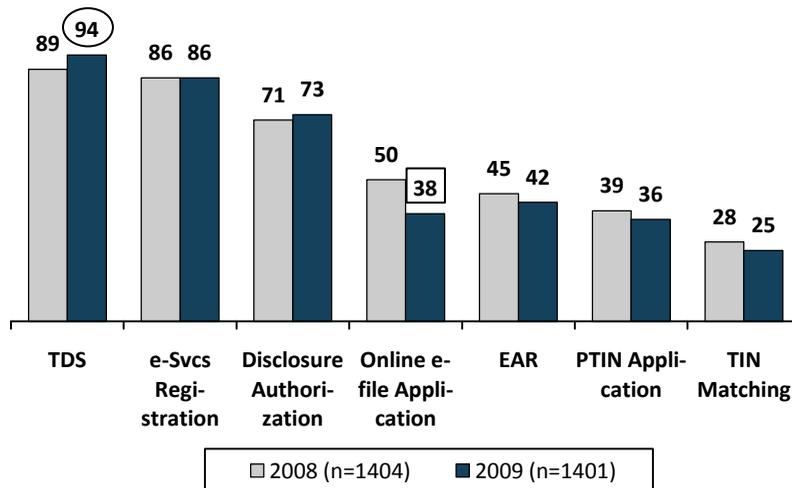
Key Drivers To Satisfaction With e-Services

| | Correlation Score | % Very/SW Satisfied (%) | % Very Satisfied (%) |
|--|-------------------|-------------------------|----------------------|
| 1. How Long Takes To Find Info You're Looking For | .46 | 88 | 52 |
| 2. Availability Of Specific Services That You Need | .45 | 88 | 53 |
| 3. How Long It Takes To Complete An Action | .44 | 86 | 51 |
| 4. Having The Type Of Information That You Need | .43 | 90 | 57 |
| 5. Ease Of Understanding Content At e-Services Site | .43 | 89 | 53 |
| 6. Determining The Status Of Your Actions/Queries | .42 | 85 | 50 |
| 7. Ease Of Navigation Of The e-Services Site | .42 | 84 | 47 |
| 8. On-Screen Instructions At The e-Services Site | .37 | 83 | 47 |
| 9. Overall Appearance Of The e-Services Site | .36 | 93 | 59 |
| 10. Ease Of Log-In/Identification | .35 | 89 | 63 |
| 11. How Long It Takes To Get A Response/Acknowledgmt | .34 | 89 | 63 |
| 12. Ease Of Getting Started With e-Services | .31 | 77 | 42 |
| 13. Tutorials At The Site For Different e-Services | .27 | 30 | 20 |
| 14. Level Of Security Provided By The e-Services Site | .25 | 94 | 82 |
| 15. Availability Of Help At The e-Services Help Desk | .22 | 59 | 45 |
| 16. The Need To Re-Set Your Password Every 6 Months | .16 | 49 | 30 |

Specific e-Services Used & Frequency Of Use Of Each

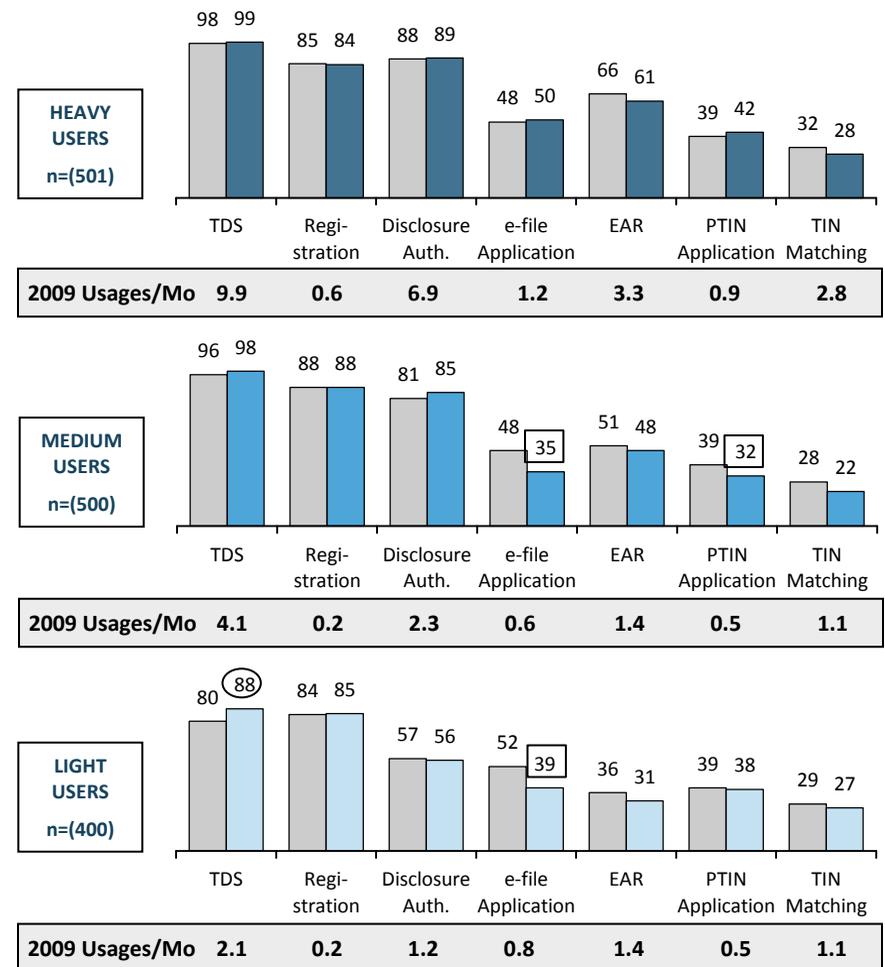
- Next, in terms of usage of specific e-Services, the chart below shows that TDS was the only e-Service with higher claimed Usage this year (and as shown to the right, the increase came mainly from Light Users). Other services were statistically stable vs. 2008 – except Online e-file Application, which had lower usage (due to Medium and Light Users).

e-Services Used



- Per shaded boxes to the right, Frequency Of Usage was again highest, naturally, among the Heavy Users.

Usage & Monthly Frequency Of Use: By Segment



Q12: Which specific e-Services have you ever used?
 Q13: About how often do you use (EACH SERVICE USED)?

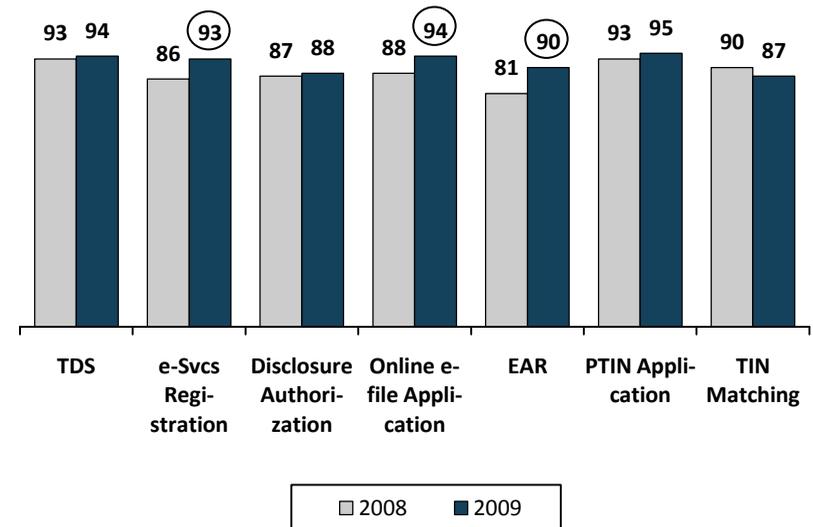
Probes On Services & Level Of Satisfaction With Each e-Service

- Probing for Other Services Wanted by Users yielded a wide range of low level mentions, led by:
 - *Ability to check on payment history* (only 4% mentions)
 - *Ability to access prior-year information* (3%).
 - For a list of all 1%+ mentions, see Appendix Page 24.

- Responses to additional probing on How IRS Can Stimulate Usage Of Disclosure Authorization showed that...
 - The primary issue (especially for Medium Users) was lack of demand and the suggestion was for IRS to *create demand*.
 - At a far lower level came mentions of *need more information about it and make it easier to use*.
 - For more detailed responses, see Appendix Page 24.

- Users were asked to rate their level of Satisfaction With Each e-Service Used. Results showed that 3 of the 7 services had higher Satisfaction this year (DA, Online e-file Application, and EAR), with no statistical change in ratings of the other 4 services.

% Of Users Very/Somewhat Satisfied With Each Service



Base Sizes Vary Depending On # Claimed Users Of Each Service

Q14: Based upon your experience in using this service, how satisfied are you with it?

Points Of Possible Improvement In Each Service

- Finally, Users who rated themselves less than “very” satisfied with a service were asked for their Suggestions For Improvement Of Each Service.
- Below and to the right are the top Suggestions for each of the 7 services. Some of the mentions will seem repetitive, as they were among the suggested Program improvements on Page 8.

Top Points Of Improvement In Services

| | Total Users % |
|--|------------------|
| TDS: <i>Base = Users Less Than “Very” Satisfied With Service</i> | (195) |
| Easier/faster PoA process | 8 |
| Make it easier to understand/less confusing/complicated | 7 |
| Include more information on transcripts | 6 |
| Allow retrieval of individual transcripts | 5 |
| Make it more user-friendly | 5 |
| Make system easier to access | 5 |
| Make system run faster/less time-consuming | 5 |
| Better/clearer on-screen instructions at help site | 5 |
| e-Services Registration: <i>Base = Users Less Than “Very” Satisfied</i> | (205) |
| Shorten registration time | 15 |
| Make registration process easier | 10 |
| Better/clearer on-screen instructions at help site | 9 |
| Make it less confusing/complicated | 8 |
| Make it more user-friendly | 6 |
| Make it less cumbersome | 6 |
| Have to wait to get PW/PIN#/Letter in mail instead of email | 6 |

Top Points Of Improvement In Services (Cont’d.)

| | Total Users % |
|---|------------------|
| Disclosure Authorization: <i>Base = Users Less Than “Very” Satisfied</i> | (318) |
| Make PoA process easier/quicker | 8 |
| Make the system run faster | 8 |
| Improve the process of verifying/authorizing signatures | 8 |
| Make it less confusing/complicated | 8 |
| Make it less cumbersome | 5 |
| Make the system easier to access | 5 |
| Make it more user-friendly | 4 |
| Make historical data/client info available | 4 |
| e-file Application: <i>Base = Users Less Than “Very” Satisfied</i> | (86) |
| Make it easier to understand/less confusing/complicated | 9 |
| Make password re-set less frequent | 4 |
| Better/clearer on-screen instructions at help site | 3 |
| EAR: <i>Base = Users Less Than “Very” Satisfied</i> | (195) |
| Faster resolution to problems/issues | 11 |
| More helpful/knowledgeable representatives | 11 |
| Make system easier to access | 5 |
| Make system run faster/less time-consuming | 5 |
| PTIN Application: <i>Base = Users Less Than “Very” Satisfied</i> | (64) |
| Make it less confusing/complicated | 5 |
| Better/clearer on-screen instructions at help site | 5 |
| TIN Matching: <i>Base = Users Less Than “Very” Satisfied</i> | (86) |
| Make system run faster/less time-consuming | 4 |
| Make process less time-consuming | 4 |

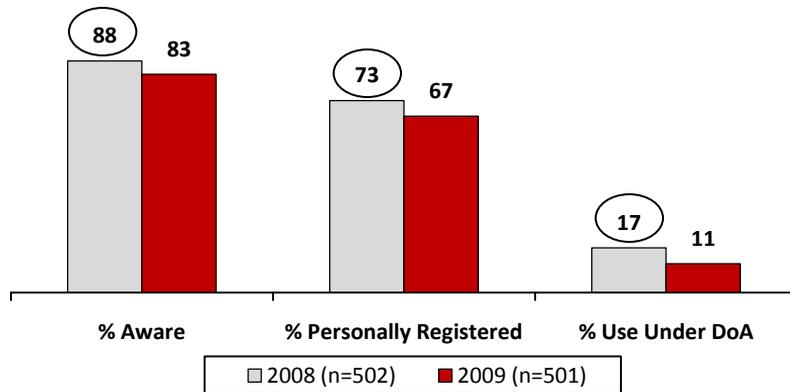
Q15: What specifically would you suggest to the IRS that would improve this particular service?

Findings Among Non-Users Of e-Services

Non-User Awareness, Usage & Likelihood Of Future Use

- After hearing a general description of it (see Appendix Page 26), Non-Users were asked about their awareness and usage of e-Services. 2009 results showed decreases in Awareness, Registration, and Use Under DoA.
 - Note: Non-Users were identified and sampled identically to 2008, with identification in the IRS database as “non-registered users, registered but inactive, newly-registered, or registered but with no record of TDS, EAR, or DA usage within the past year.”

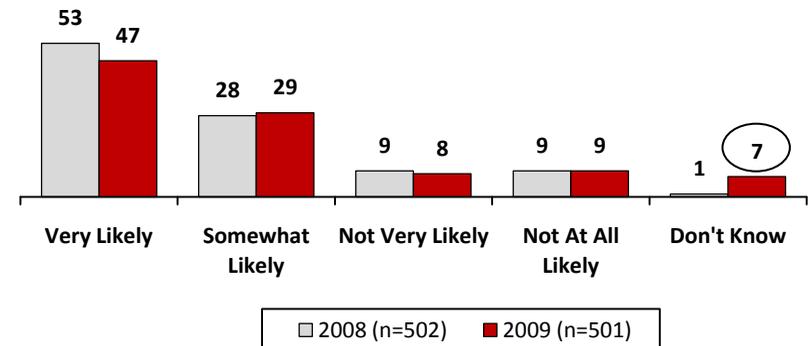
Awareness & Usage Of e-Services: Non-Users



Q1: Prior to today, were you aware of...e-Services?
 Q2: Are you personally registered as a user of e-Services?
 Q3: ...ever access e-Services site...being delegated authority by another member of firm?

- Based upon the same general description of the program, Non-Users were asked about their Likelihood Of Using e-Services (or using it more) in the future.
- The only significant change in this measure vs. 2008 was an increase in the “don’t know” responses. Otherwise, as in 2008, about half of Non-Users said they were “very likely” to use e-Services, with another 28-29% “somewhat likely”.

Non-Users’ Likelihood Of Use Of e-Services



Q18: Based upon everything you now know about e-Services, how likely are you to use it, or use it more often, in the future?

Perceived Likes, Reasons For Non-Use & Suggestions For Stimulating Use

- Non-Users’ perceptions of what they Would Like About e-Services again centered around *ease or convenience* and then *speed in use* – with both perceptions especially strong among those likely to use the program.

Non-Users’ Perceived Likes Of e-Services

| | Total Non-Users (501) % | Very Likely To Use (236) % | Very/SW Likely To Use (380) % | Not Very/At All Likely (89) % |
|--|-------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| <u>Ease/Convenience (Net)</u> | <u>39</u> | <u>54</u> | <u>46</u> | <u>19</u> |
| Would be easy/very convenient | 12 | 18 | 15 | <u>3</u> |
| It’s online | 7 | 8 | 8 | 6 |
| Less paperwork | 6 | 11 | 7 | 2 |
| <u>Speed In Use (Net)</u> | <u>31</u> | <u>42</u> | <u>36</u> | <u>17</u> |
| Would be fast/quick to use | 10 | 14 | 12 | <u>3</u> |
| Fast response/get answers quickly | 4 | 6 | 4 | 1 |
| <u>Would Like Specific Services (Net)</u> | <u>15</u> | <u>15</u> | <u>17</u> | <u>10</u> |
| Electronic filing | 4 | 3 | 3 | 2 |
| <u>Information (Net)</u> | <u>20</u> | <u>22</u> | <u>20</u> | <u>22</u> |
| Access to client information files | 8 | 11 | 9 | 8 |
| Access to data/information | 5 | 4 | 5 | 8 |
| <u>Could Not Name Anything Liked</u> | <u>9</u> | <u>2</u> | <u>5</u> | <u>25</u> |

Q19: What if anything do you think you would like about the e-Services program?

- The primary Reason For Non-Use was a *lack of need for e-Services* and *lack of information/awareness*.
- The top Suggestions For Stimulating Usage were to *make it easier to use, provide more information about it, and increase awareness*.

Top Reasons For Non-Use & Suggestions For Stimulating Usage

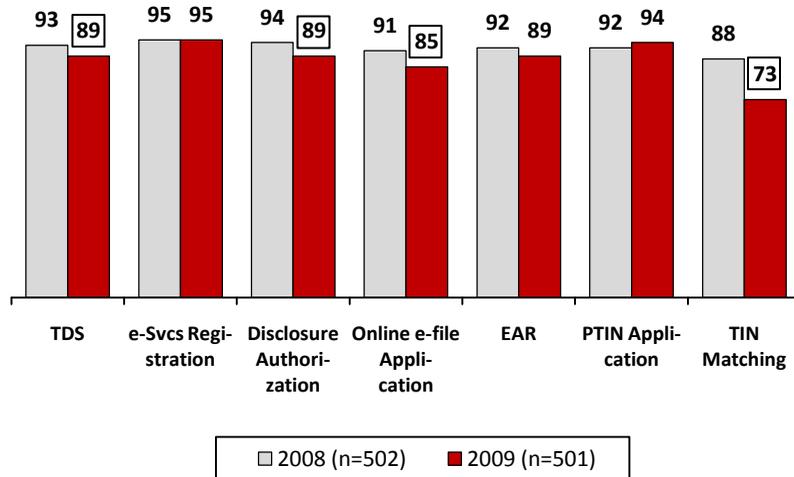
| | Total Non-Users (501) % | Very Likely To Use (236) % | Very/SW Likely To Use (380) % | Not Very/At All Likely (89) % |
|---|-------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| <u>All Mentions Of “No Need” (Net)</u> | <u>45</u> | <u>47</u> | <u>46</u> | <u>47</u> |
| Don’t need to use it often | 12 | 17 | 14 | 6 |
| <u>Lack Of Info/Awareness (Total)</u> | <u>21</u> | <u>14</u> | <u>21</u> | <u>10</u> |
| Not aware/didn't know about it | 13 | 8 | 13 | 6 |
| Don't know enough about it | 7 | 3 | 6 | 4 |
| <u>TO STIMULATE USE, IRS SHOULD...</u> | | | | |
| Make it easier/more user-friendly | 11 | 9 | 11 | 9 |
| Provide more education/info | 9 | 8 | 9 | 8 |
| Increase awareness of it | 8 | 8 | 9 | 4 |
| Nothing/no suggestions | 48 | 52 | 48 | 52 |

Q20:two most important reasons not using e-services?
Q21: Anything IRS can do to make you more interested.

Qualification For & Likelihood Of Use Of Specific e-Services

- Next, after hearing a detailed description of each e-Service (Appendix Page 27), Non-Users were asked if they are Personally Qualified To Use Each Service. 2009 results showed perceived qualification down for several services – especially for TIN Matching.

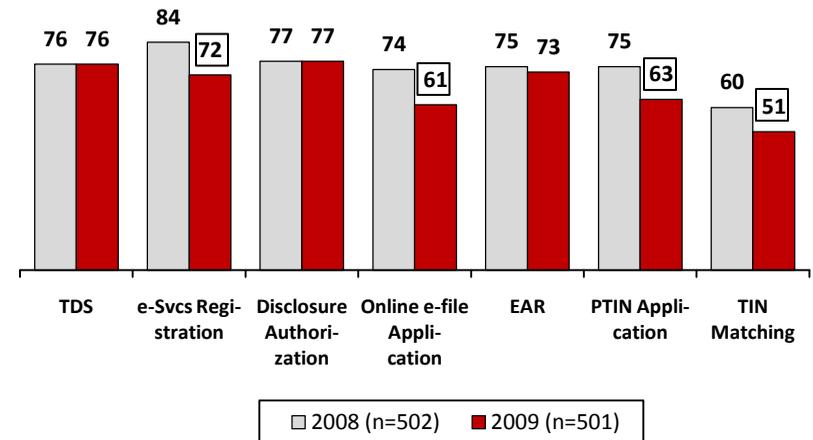
% Of Non-Users Who Said That They Are Personally Qualified To Use Each Service



Q23: Based upon the (DETAILED) description, is this a service that you personally would qualify to use?

- Finally for Non-Users, Likelihood Of Usage Of Each Service was also lower this year in the case of four of the services – Registration, Online e-file Application, PTIN Application, and TIN Matching.

% Of Non-Users Very/Somewhat Likely To Use Specific e-Services In The Future



Q24: Assuming you did qualify to use this service, how likely would you be to use it, or use it more, in the future?

Other Learning From Both Users & Non-Users

Reaction To e-Notices

- Users and Non-Users were asked their Interest In Receiving Electronic Notices (for bal dues, errors, etc.) rather than by paper. While significantly more Users than Non-Users were interested in e-Notices, interest was high in both groups and remained high even if it required e-Services registration.

Interest In e-Notices vs. Paper Account Notices – Generally And Via Secure e-Services Mailbox

| | TOTAL 2009 USERS (1401) % | 2009 Hvy Users (501) % | 2009 Medium Users (500) % | 2009 Light Users (400) % | TOTAL NON- USERS (501) % |
|--|------------------------------------|---------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| Total Users | | | | | |
| <u>% Likely To Choose e-Notices vs. Paper</u> | 86 | 90 | 88 | 83 | 77 |
| % Very Likely To Use | 71 | 75 | 70 | 70 | 55 |
| <u>If Had To Access/Register With e-Services To Receive e-Notices From Secure Mailbox After Notification,</u> | | | | | |
| <u>% Likely To Choose e-Notices vs. Paper</u> | 86 | 88 | 86 | 84 | 78 |
| % Very Likely To Choose e-Notices | 71 | 76 | 71 | 68 | 61 |

- Q24A: If IRS provided an e-Services capability allowing authorized Practitioners/other 3rd Parties to receive their copies of Taxpayer acct. (bal dues/math error) notices electronically, how likely would you be to choose this instead of paper notices?
- Q24D: If it were necessary for you to [access] [NON-USERS: register for and access] e-Services to retrieve electronic notices from a secure mailbox, after receiving an e-mail or other electronic notification that “You’ve Got Mail”, how likely would you be to choose this option instead of receiving paper notices?

- Respondents were also asked about e-Notices From The Viewpoints Of Business And Individual Taxpayers. From their responses, they seemed to feel that Business Taxpayers would be somewhat more likely to use e-Notices than Individual Taxpayers.

Interest In e-Notices vs. Paper Account Notices From Viewpoints Of Business Or Individual Taxpayers

| | TOTAL 2009 USERS (1401) % | 2009 Hvy Users (501) % | 2009 Medium Users (500) % | 2009 Light Users (400) % | TOTAL NON- USERS (501) % |
|--|------------------------------------|---------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| Total Users | | | | | |
| <u>From Viewpoint Of BUSINESS Taxpayer</u> | | | | | |
| <u>% Likely To Choose e-Notices vs. Paper</u> | 66 | 72 | 66 | 64 | 67 |
| % Very Likely To Choose e-Notices | 46 | 56 | 43 | 46 | 43 |
| <u>From Viewpoint Of INDIVIDUAL Taxpayer</u> | | | | | |
| <u>% Likely To Choose e-Notices vs. Paper</u> | 59 | 66 | 59 | 57 | 64 |
| % Very Likely To Choose e-Notices | 39 | 50 | 37 | 38 | 41 |

- Q24B: ...from the viewpoint of a Business Taxpayer. If you had the option to receive your Business tax account notices electronically, how likely would you be to choose this option instead of receiving paper notices?
- Q24C: ...from the viewpoint of an Individual Taxpayer. If you had the option to receive your Individual tax account notices electronically, how likely would you be to choose this option instead of receiving paper notices?

Usage Of Other Websites & Are There Lessons There For IRS?

- To see if IRS can learn from the website preferences of this audience, respondents were asked about Usage Of Different Types Of Websites. The top types were the same as last year – Online Banking, Government, and Shopping websites. e-Services Users again had significantly higher levels of usage of each type of site than Non-Users.

Other Website Usage & Frequency Of Use

| | TOTAL USERS (1401) % | NON- USERS (501) % |
|--|-------------------------------|-----------------------------|
| Total Users | | |
| <u>% Use Online Banking</u> | 64 | 52 |
| Average Freq. Of Use Per Week | 4.5 | 4.7 |
| <u>% Use Gov't. Sites Other Than irs.gov</u> | 78 | 67 |
| Average Freq. Of Use Per Week | 3.4 | 2.7 |
| <u>% Use Shopping Websites</u> | 59 | 49 |
| Average Freq. Of Use Per Week | 1.2 | 1.0 |
| <u>% Use Credit Card Records & Points Sites</u> | 41 | 29 |
| Average Freq. Of Use Per Week | 1.4 | 1.1 |
| <u>% Use Service Sites—Photo, Memorials, etc.</u> | 13 | 7 |
| Average Freq. Of Use Per Week | 0.9 | 2.0 |
| <u>% Use Blogs Or Discussion Sites</u> | 17 | 12 |
| Average Freq. Of Use Per Week | 3.5 | 2.8 |

Q38: Please tell me whether you ever use that type of Online service or site.
Q39: About how often do you use it?

- Those using each type of website were asked Which One Specific Site Was Best Of Its Type. Responses were extremely dispersed, so only the top few mentions are shown below – with highlighting of those with notably high mentions.

BEST Site Within Each Type

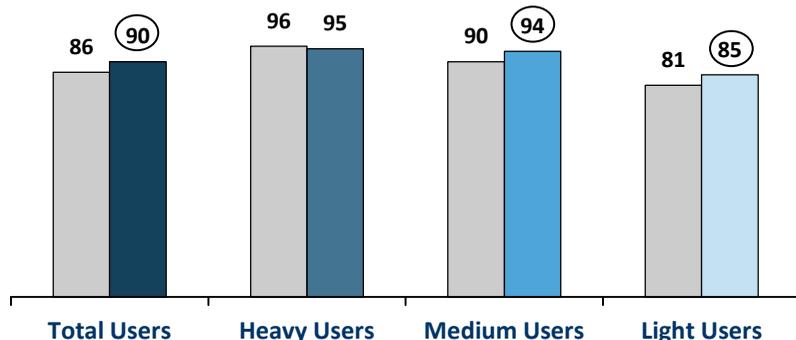
| Total Users (BASE VARIES BY SITE TYPE) | TOTAL USERS % | NON- USERS % |
|--|---------------------|--------------------|
| <u>BEST Online Banking Sites</u> | | |
| Bank of America | 9 | 10 |
| <u>BEST Other Gov't. Sites</u> | | |
| Social Security Administration | 9 | 7 |
| <u>BEST Blog/Discussion Sites</u> | | |
| Facebook | 25 | 31 |
| <u>BEST Credit Card Sites</u> | | |
| Chase | 10 | 9 |
| American Express | 9 | 10 |
| <u>BEST Shopping Websites</u> | | |
| Amazon | 26 | 25 |
| Ebay | 5 | 6 |
| <u>BEST Service Sites</u> | | |
| Snapfish | 9 | 3 |
| Shutterstock | 9 | 9 |

Q40: Of all of the different sites you've ever used for this online service/activity, which one would you say is the best at serving your needs?

Key Findings

Key Findings

Results showed higher Overall Satisfaction with e-Services in 2009, with the increase coming from Medium and Light Users (Satisfaction remained very high among Heavy Users).



Analysis of Drivers to Satisfaction with e-Services showed that many factors play a role, but with 7 attributes having greater impact on Satisfaction than the others...

1. How Long Takes To Find Info You're Looking For
2. Availability Of Specific Services That You Need
3. How Long It Takes To Complete An Action
4. Having The Type Of Information That You Need
5. Ease Of Understanding Content At e-Services Site
6. Determining The Status Of Your Actions/Queries
7. Ease Of Navigation Of The e-Services Site

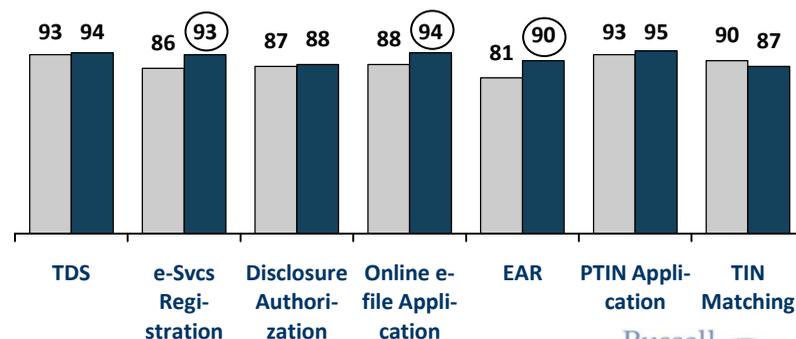
e-Services was rated high on each key driver in 2009, though ratings of these and other attributes (especially the strongest rating, "very satisfied") should be closely monitored over time.

While Non-Users were sampled the same as in '08, their results pointed down, with 5-6 point drops in awareness and claimed registration and with lower perceived qualification for and likelihood of use of specific e-Services. Still...

- 75% were very/somewhat likely to use the program, with perceived benefits being *Ease/Convenience* and *Speed* and with main reasons for non-use being *Lack Of Need* and *Lack Of Awareness*.
- Services with highest interest were DA, TDS, and EAR; services with lowest interest were TIN Matching, Online e-file Application, and PTIN Application.

Finally, regarding e-Notices, survey results showed that interest was again high among both Users and Non-Users (even if receiving e-Notices requires e-Services registration).

Specific Likes of the program centered around *Ease/Convenience*, *Having Access To Client Info*, *Speed*, and *Liking Specific Services*. And each service had high satisfaction ratings, though there were clearly areas of improvement for each (as detailed on Page 13).



Appendix

Data From Probes On Password, Tutorials/Training, Other Services & DA

Probes On 6-Mo. Password Re-Set , Tutorial & Other Info/Training

| | Total Users | Heavy | Medium | Light |
|---|-------------|-------|--------|-------|
| Less Than Very Satisfied w/PW Re-Set Frequency | (966) | (304) | (352) | (279) |
| | % | % | % | % |
| Q11A—More Suitable Password Re-Set: | | | | |
| Once a year | 38 | 32 | 38 | 40 |
| Never | 17 | 21 | 15 | 19 |
| Reminder when date approaching | 15 | 7 | 18 | 15 |
| Avg. Password Re-Set At Other Sites | | | | |
| Once a year | 20 | 24 | 19 | 21 |
| Never | 41 | 28 | 41 | 44 |
| Q11B—Tutorials That Need Improvement | | | | |
| Less Than Very Satisfied w/Tutorials At Diff. Sites | (237) | (81) | (70) | (86) |
| | % | % | % | % |
| Overall Tutorial For Full Suite Of e-Services | 74 | 72 | 63 | 81 |
| Transcript Delivery System Tutorial | 12 | 12 | 14 | 10 |
| e-Services Registration Tutorial | 12 | 14 | 17 | 8 |
| Disclosure Authorization Tutorial | 10 | 14 | 16 | 5 |
| Electronic Account Resolution Tutorial | 8 | 14 | 11 | 5 |
| Online e-file Application Tutorial | 5 | 6 | 7 | 2 |
| TIN Matching Tutorial | 3 | 9 | 4 | 1 |
| PTIN Application Tutorial | 2 | 2 | 6 | - |
| Q11C—Awareness Of Other Info/Training Via... | | | | |
| Total Users | (1401) | (501) | (500) | (400) |
| | % | % | % | % |
| IRS Nationwide Tax Forums | 57 | 55 | 54 | 61 |
| Nat'l/Local Practitioner Ph Forums, Webinars | 47 | 46 | 49 | 46 |
| Small Business Tax Workshop | 44 | 42 | 41 | 48 |
| Tax Practitioner Institute Seminars | 35 | 36 | 32 | 38 |
| Practitioner Liaison Meetings | 34 | 33 | 33 | 35 |
| Practitioner Video & Audio Presentations | 30 | 30 | 29 | 30 |
| Q11D—Other Types/Forms Of Training Suggested | | | | |
| Total Suggested Any Other Training | 28 | 29 | 26 | 30 |
| More Webinars | 5 | 2 | 4 | 6 |
| More Online Tutorials | 4 | 5 | 3 | 6 |
| More Local Events (Seminars, etc.) | 4 | 4 | 4 | 5 |

Q16—Probe For Other e-Services Wanted

| | Total Users | Heavy | Medium | Light |
|--|-------------|-------|--------|-------|
| Less Than Very Satisfied With Avail. Of Services | (596) | (184) | (208) | (204) |
| | % | % | % | % |
| Ability to check on payment history | 4 | 2 | 6 | 3 |
| Ability to access prior-year information | 3 | 5 | 1 | 3 |
| Greater access to client info/transcripts | 2 | 2 | 3 | 1 |
| Access to client wage/income info | 2 | 4 | 2 | 0 |
| Need live person/live chat at Help Desk | 2 | 2 | 0 | 1 |
| Ability to access info w/o a PoA | 1 | 0 | 2 | 1 |
| More current/update information | 1 | 1 | 2 | 0 |
| Expand EAR | 1 | 2 | 1 | 0 |
| Better resolution Of Problems/Issues | 1 | 1 | 1 | 1 |

Q17—Probe For How IRS Can Stimulate Usage Of Disclosure Authorization

| | Total Users | Heavy | Medium | Light |
|-------------------------------------|-------------|-------|--------|-------|
| Total Not Using DA Frequently/Ever | (889) | (177) | (351) | (361) |
| | % | % | % | % |
| Lack Of Need (Create Demand) | | | | |
| Depends if client wants/need it | 21 | 20 | 28 | 16 |
| No need for it | 14 | 10 | 14 | 15 |
| Need More Info About It | | | | |
| Don't know enough about it | 8 | 8 | 5 | 11 |
| Need education/info on use | 2 | 3 | 1 | 3 |
| Make It Easier To Use | | | | |
| Make it easier/less cumbersome | 6 | 6 | 5 | 6 |

Profile Data From Survey And From List Appends

Demographics And Membership In Professional Organizations

| | TOTAL USERS (1401) % | Heavy Users (501) % | Med. Users (500) % | Light Users (400) % | NON- USERS (501) % |
|----------------------------------|-------------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Total Users | | | | | |
| Demographics: | | | | | |
| % Male | 50 | 64 | 42 | 54 | 71 |
| % Female | 50 | 36 | 58 | 47 | 29 |
| Average Age | 50.2 | 51.1 | 47.9 | 52.3 | 57.4 |
| Professional Memberships: | | | | | |
| AICPA | 46 | 44 | 51 | 42 | 27 |
| NAEA | 16 | 19 | 15 | 16 | 6 |
| NATP | 8 | 9 | 6 | 11 | 10 |
| NSA | 4 | 5 | 3 | 4 | 3 |
| NSTP | 2 | 1 | 1 | 3 | 3 |
| AACPA | 1 | 3 | 1 | 1 | 0 |
| All Other Mentions = 1% or Less | | | | | |

Summary Of Data From Classification Questions

Professional Characteristics

| | TOTAL USERS (1401) % | Heavy Users (501) % | Med. Users (500) % | Light Users (400) % | NON- USERS (501) % |
|--|-------------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Total Users | | | | | |
| Professional Characteristics: | | | | | |
| Acct/CPA, Tax Prep Just A Service | 57 | 52 | 62 | 53 | 51 |
| Enrolled Agent | 26 | 24 | 24 | 28 | 15 |
| Professional Tax Preparer | 7 | 7 | 5 | 10 | 22 |
| Business Taxpayer | 7 | 10 | 6 | 7 | 8 |
| Tax Attorney | 2 | 4 | 1 | 1 | 2 |
| Among Non-Big 2 Tax Professionals: | | | | | |
| % Full-Time Tax Professionals | 82 | 87 | 84 | 78 | 67 |
| Avg. # Years Involved In Tax Preparation | 22 | 24 | 21 | 23 | 26 |
| % Independent Tax Professionals | 29 | 33 | 12 | 46 | 72 |
| Among All Tax Pros (Big 2 Included): | | | | | |
| Avg. # Active Preparers In Firm | 48 | 37 | 37 | 63 | 3 |
| Avg. # Total Returns Prep'd. By Firm | 5817 | 6344 | 4409 | 7164 | 916 |
| Avg. % Of Returns For Business | 33 | 32 | 37 | 30 | 22 |
| Avg. % Of Business Returns e-filed | 50 | 52 | 52 | 47 | 57 |
| Among All Firms – Tax Prep & Otherwise: | | | | | |
| Avg. % Of Returns For Individuals | 67 | 68 | 64 | 70 | 79 |
| Avg. % Of Individual Returns e-filed | 79 | 80 | 78 | 80 | 86 |
| Among All Firms – Tax Prep & Otherwise: | | | | | |
| Avg. # Total Employees In Firm | 98 | 70 | 70 | 136 | 15 |

Summary Of Data From Classification Questions

How e-Services Were Described OVERALL To ALL Respondents

The IRS's e-Services program is a suite of web-based products that allows registered tax professionals and taxpayers to electronically interact with and conduct business with the IRS. The e-Services suite of services includes e-Services Registration, PTIN Application, Online e-file Application, Disclosure Authorization, Electronic Account Resolution, Transcript Delivery Service, and Taxpayer Identification Number (TIN) Matching.

- All tax professionals registered with e-Services can use the Registration, PTIN Application, and Online e-file Application services.
- And, all e-file providers who e-file 5 or more accepted returns a year can use the Disclosure Authorization, Electronic Account Resolution, and Transcript Delivery System services.
- In addition, any payer of income subject to backup withholding or their reporting agents can use the Taxpayer Identification Number or TIN Matching service.

To access e-Services, a tax practitioner or qualified taxpayer or their reporting agent must go to the e-Services site at the IRS's website, irs.gov, and register.

How e-Services Were Described IN DETAIL To NON-USERS

Earlier, we talked about the overall e-Services program. Now I'd like to read a more detailed description of each of the services available to you in the e-Services program at irs.gov, and ask you a couple of questions about each one.

1. **e-Services Registration** is a one-time, online process where you select a username, password and signature PIN. Successful registration is acknowledged onscreen and a confirmation letter is sent to your home.
2. **The PTIN Application** enables a Preparer to obtain a Preparer Tax ID Number for use on client returns instead of their SSN. A PTIN ID card can also be requested.
3. **The Online e-file Application** allows the principal or responsible official of a firm to apply for participation in IRS e-file. Approved applications can be maintained by certain users and the ability to delegate e-Services incentive product access to other employees also exists.
4. **The Disclosure Authorization** service enables you to view, modify, and submit new or existing Powers of Attorney or Tax Information Authorizations receiving immediate acknowledgement of acceptance.
5. **The Electronic Account Resolution** service enables you to submit taxpayer account inquiries and receive a written response in your secure online mailbox within 3 business days. You must have a Power of Attorney, Form 2848, on file for the particular taxpayer, form, and tax period requested.
6. **The Transcript Delivery System** service enables you to submit requests and view online, taxpayer account transcripts, wage & income documents, return transcripts, and verification of non-filing letters. You must have a Power of Attorney, Form 2848, on file for the particular taxpayer, form, and tax period requested.
7. **TIN Matching** is a pre-filing service used to validate Taxpayer ID Numbers. It is available to Payers of income subject to backup withholding who filed within the past two years, any one of six information returns: Forms 1099-B, INT, DIV, OID, PATR, or MISC. You can match up to 25 payee TIN & name combinations in an Interactive online request or you can submit a Bulk file of up to 100,000 TIN and name combinations. Interactive requests are processed immediately and bulk requests can take up to 24 hours. Responses to both types of requests are delivered online.

How Users & Non-Users Were Identified From The IRS Database In 2009

Below are the criteria to be applied to the e-services databases creating the necessary data extract in 2009. Note: Principals can also be responsible officials on the same *e-file* application and both can appear on multiple *e-file* applications. Delegates can also appear on multiple *e-file* applications. There are four user categories for the survey:

Eligible Non-Users – If ERO, Reporting Agent, or Online Provider status = Accepted (2), and 1 or more Incentive or reporting agent product authorizations are present, and Principal, Responsible Official or Delegated User...

is not a registered user, or

is registered and registration status = (I) Inactive, or

is registered, registration status = (N) New but unconfirmed, and today's date \geq reg_create_dt + 60 days, or

is registered, registration status = (C), and there is no record of TDS, EAR, or DA usage within the past year (today's date – 365).

...then, extract data fields for unique records and categorize as Eligible Non-User. 10,000 unique records needed. Also, ensure inclusion of all registration status types, as there are a significant number of inactive users that, by itself, could easily satisfy the number of records needed.

Light (Low-Level) Users – Active e-services users. Users that are registered (REG_STATUS_CD=C), are eligible for e-services incentive products or reporting agent e-services and have used TDS, EAR, or DA at least once within the past year but TDS less than 50 times, EAR less than 25 times, or DA less than 25 times. 10,000 unique records are needed.

Medium Users – Active e-service users. Users that are registered (REG_STATUS_CD=C), are eligible for e-services incentive products or reporting agent e-services and have used TDS at least 50 times but less than 500, EAR at least 25 times but less than 100, or DA at least 25 times but less than 250. 10,000 unique records are needed.

Heavy Users – Active e-service users. Users that are registered (REG_STATUS_CD=C), are eligible for e-services incentive products or reporting agent e-services and have used TDS at least 500 times, EAR at least 100 times, or DA at least 250 times. A complete list of unique records is needed.

Fields needed in extract for survey: Person Name (unique within each user group), Business Phone, Role: Delegated User, Principle, Responsible Official, Business Name, Organization Address.