



# Comprehensive Taxpayer Attitude Survey (CTAS) 2017

## Executive Report

**INTERNAL REVENUE SERVICE (IRS)  
RESEARCH, APPLIED ANALYTICS & STATISTICS (RAAS)  
STATISTICAL SERVICES BRANCH, STATISTICS OF INCOME (SOI)**

# Table of Contents

Background.....	2
Findings and Recommendations.....	5
Attitudes Towards Cheating and Paying Their Fair Share of Taxes.....	9
Enforcement of Tax Laws by the IRS.....	15
Factors Influencing Taxpayer Compliance.....	19
Balance Between Enforcement and Customer Service.....	24
IRS Services Provided to Taxpayers.....	29
Tax Information Sources.....	37
Interaction with the IRS.....	41
Protection of Tax Records.....	47

# Background

# Study Objectives

The objectives of the CTAS research study were three-fold:

- To conduct an RDD phone survey to capture updated time series data on taxpayers' tax compliance attitudes, service channel preferences, and behaviors which can be compared to findings from previous surveys, providing insights into any changes in taxpayer views over time.
- To conduct a concurrent survey utilizing an online, representative, nationwide panel-based sampling methodology, allowing RAAS to continue to assess the benefits of using this methodology in future survey efforts.
- To provide RAAS with market research expertise to develop potential new survey questions that provide greater insight into taxpayer attitudes, preferences, and behaviors that are of strategic importance to tax administration and in keeping with the responsibilities of RAAS.

# Methodology

- Pacific Consulting Group (PCG) conducted the 2017 Comprehensive Taxpayer Attitude Survey (CTAS) from August 1 – September 5, 2017, collecting a total of 2,013 surveys from the general public.\*
- PCG employed a multi-mode data collection methodology, comprised of telephone and online random sampling to ensure a representative sample of U.S. adults, aged 18 or over.
  - A total of 1,001 telephone survey responses were collected via random digit dialing (RDD) to households with landlines in the continental U.S. (501 interviews) and to cell phone numbers (500 interviews). The interviewing methodology used was Computer Assisted Telephone Interviewing (CATI).
  - A total of 1,012 online survey responses were collected. PCG subcontracted with GfK to provide the online sample from their probability based online panel, KnowledgePanel®. This panel uses an Address-Based Sampling (ABS) methodology which randomly recruits members by mail.
- Survey data from each data collection mode was weighted separately to allow for analysis of each sample separately and comparatively. The phone and online samples were also combined by generating an additional 'blended' weight variable.
- This survey has been sponsored by the IRS Oversight Board since 1999. This year, 2017, is the first year the survey is being sponsored by the RAAS Division.

\* Margin of error: +/- 2.18% at 95% confidence level.

# Findings and Recommendations

## Major Findings, 1 of 2

The majority of Americans (88%) say it is not at all acceptable to cheat on taxes; this ethical attitude is not changing over time.

However, the feeling that it is a personal responsibility to report people who are cheating on their taxes is declining over time.

A sense of civic duty to pay a fair share of taxes increases as education level and age increase.

Trust in the IRS to enforce tax laws has grown since 2014.

Over 80% of taxpayers say it is very important that the IRS ensures that corporations and high income taxpayers are being honest about taxes.

Personal integrity is the main factor that influences tax compliance; however, this influence is declining over time.

The influence of honest reporting and paying behavior among friends and associates is stronger among taxpayers younger than 35 years old.

## Major Findings, 2 of 2

Agreement that the IRS is properly balancing enforcement and customer service is decreasing over time, while agreement that the IRS should devote more resources to customer service is growing.

Electronic filing of income taxes is important to American taxpayers; with importance increasing as education and income levels rise.

Currently the website, the toll-free telephone number, and direct e-mail are the three IRS services most likely to be used – but the IRS should prepare for greater demand for tax applications on mobile devices as more of those currently younger than 25 years old move into the workforce.

Office locations remain a top service need for those with income below \$30K.

Taxpayers place the most value on the tax advice and information they receive from the IRS website, paid tax professionals, and IRS representatives.

The use of a paid tax professional increases as taxpayer age increases.



# Recommendations

- ✓ Continue to invest in the IRS website as a true customer service and problem solving platform.
  - ✓ Use Customer Experience (CX) and User Experience (UX) best practices to increase the level of real assistance provided by the site, using the “one stop resolution” model, so that the first channel used is the last channel used.
  - ✓ Consider the different “jobs” and “knowledge levels” of the different types of website visitors.
- ✓ Fulfill the public’s trust in the knowledge and value of IRS representatives by increasing access.
  - ✓ Consider supplementing toll free access with email access, guiding taxpayers on which channel is best for the assistance they need.
  - ✓ Examine ways to increase IRS-endorsed or IRS-trained tax aides within communities (VITA volunteers).
- ✓ Ensure the public knows about the number of initiatives the IRS is taking to invest in customer service while communicating the IRS’ intent to enforce tax law among all constituencies, including corporations and high income earners which is essential to maintaining trust in the IRS.

# Attitudes Towards Cheating and Paying Their Fair Share of Taxes

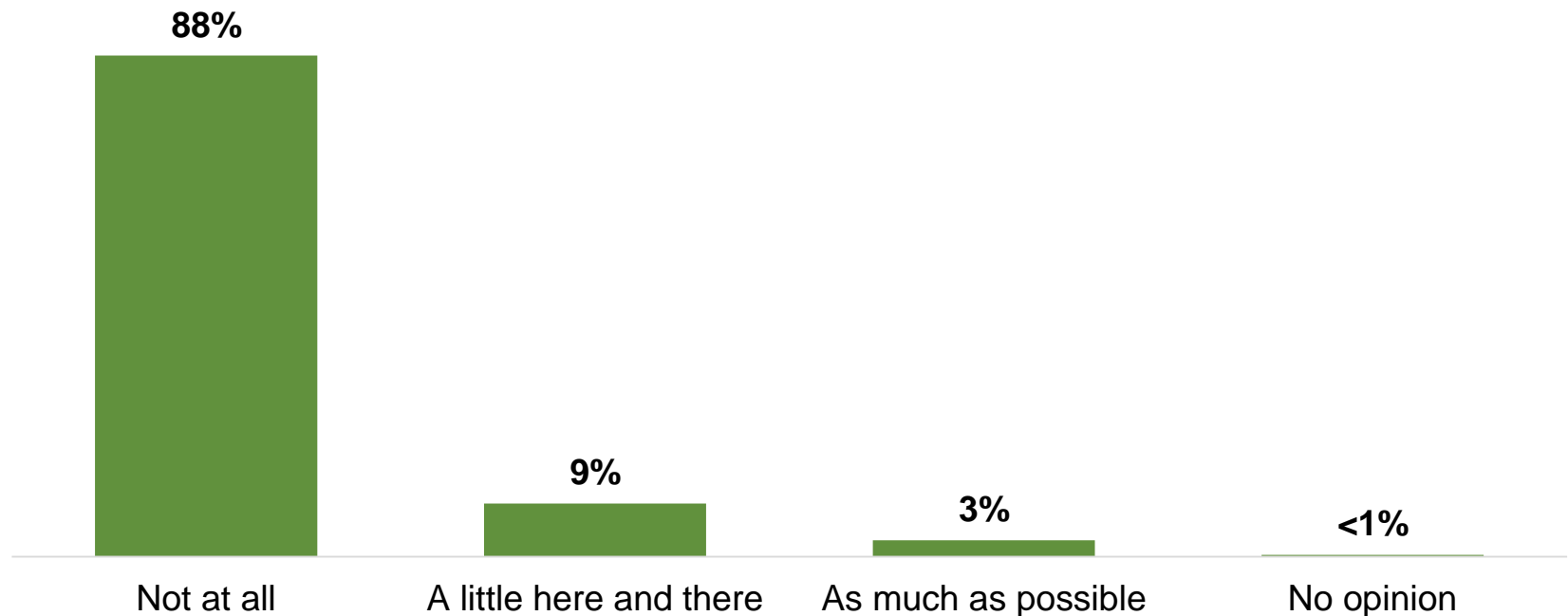
Excel data tables for the following  
graphs can be found at

<https://irs.gov/pub/irs-soi/17ctas01.xls>

# The American public continues to have an ethical attitude about cheating on their income taxes

In 2017, a majority of taxpayers (88%) say that it is *not at all acceptable* to cheat on income taxes. There has been very little change in this attitude over the past six years.

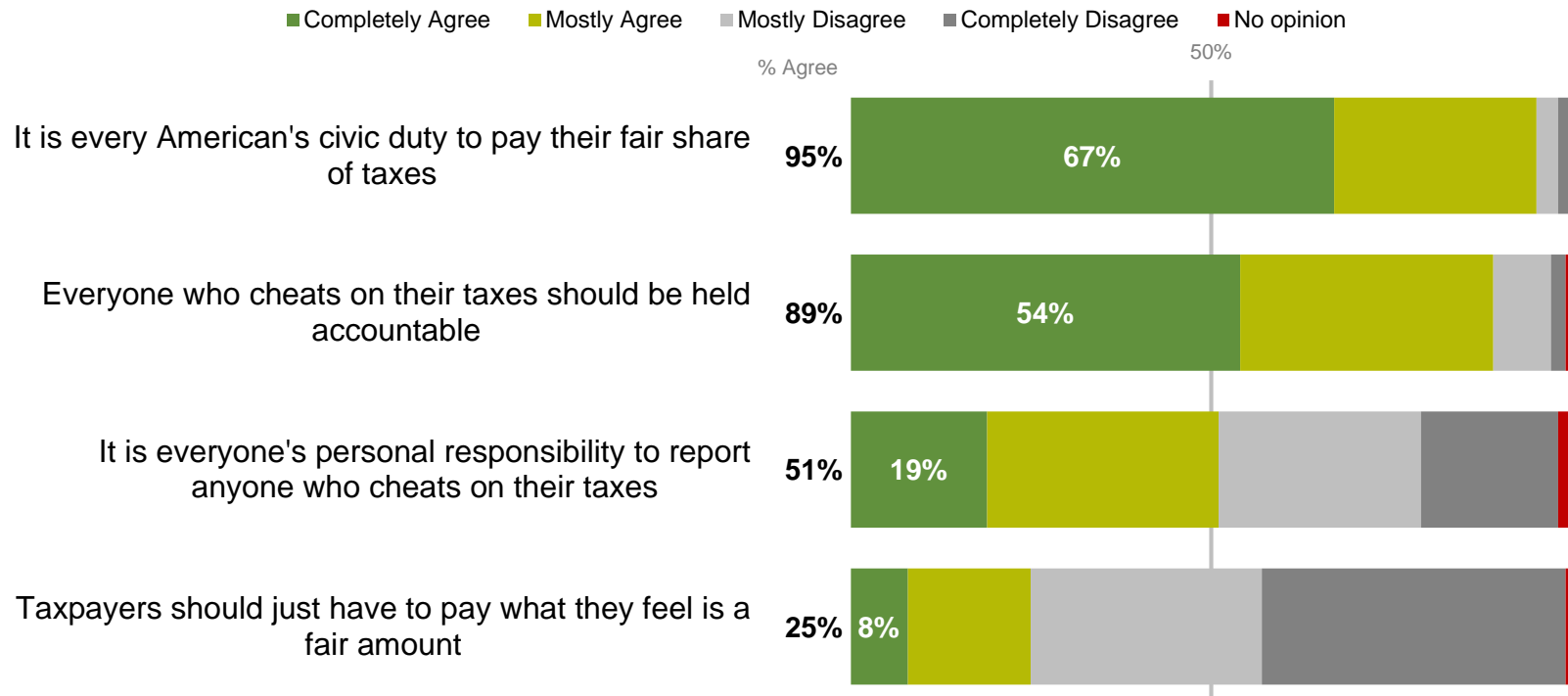
## What Is an Acceptable Amount to Cheat on Income Taxes?



# In 2017, a majority of taxpayers agree that it is a civic duty to pay a fair share and that everyone who cheats should be held accountable

Taxpayers are evenly split as to whether they agree that it is everyone's personal responsibility to report anyone who cheats on their taxes.

## Attitudes about Cheating and Payment of Fair Share of Taxes



Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree.

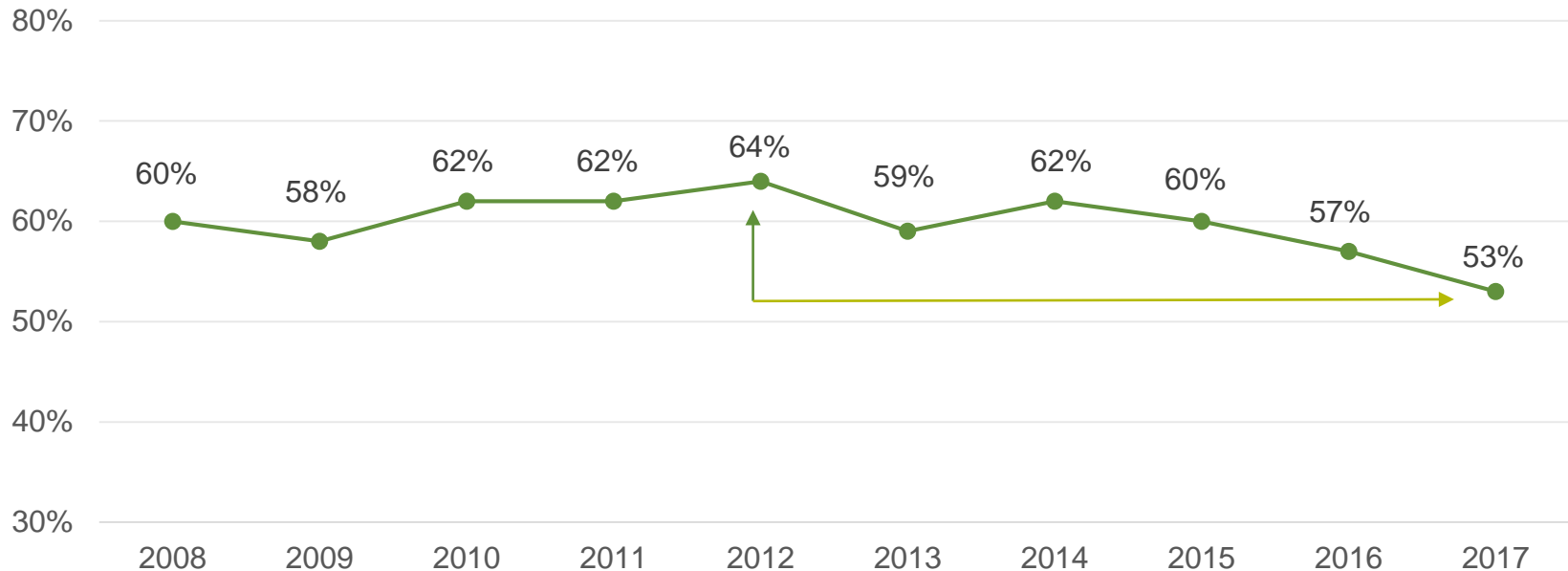
n=2,013 blended online and phone respondents. Note: Each stacked bar may not add up to 100% due to rounding.



# Since 2012, there has been a noticeable downward trend in the attitude that it is everyone's responsibility to report people who are cheating on their taxes

## Trend in % Agreeing: 'It is everyone's personal responsibility to report anyone who cheats on their taxes'

—●— Phone Respondents Only

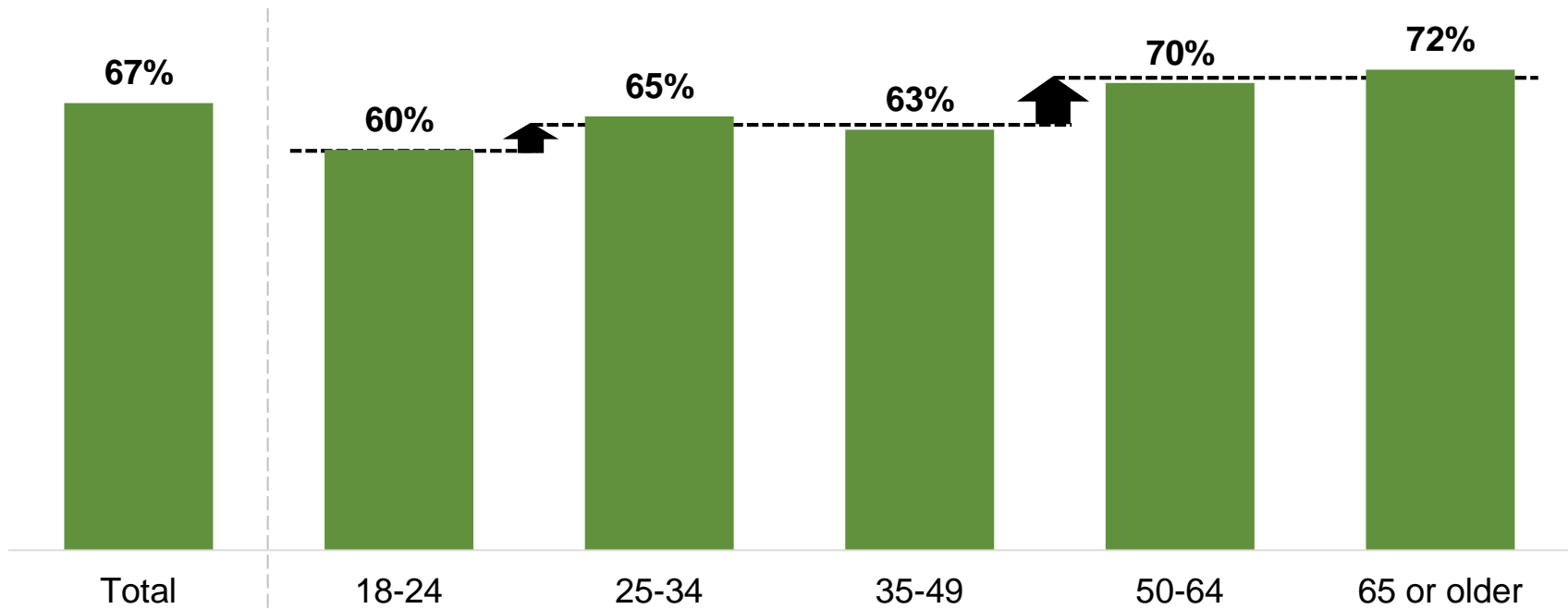


Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Percentage 'completely agree' plus 'mostly agree' is shown. Phone respondents only.  
n=1,001 phone respondents in 2017



# Attitudes around whether it is a civic duty to pay a fair share of taxes differs between Millennials/Generation X and Baby Boomers

**% Completely Agreeing that 'It is every American's civic duty to pay their fair share of taxes' by Age**

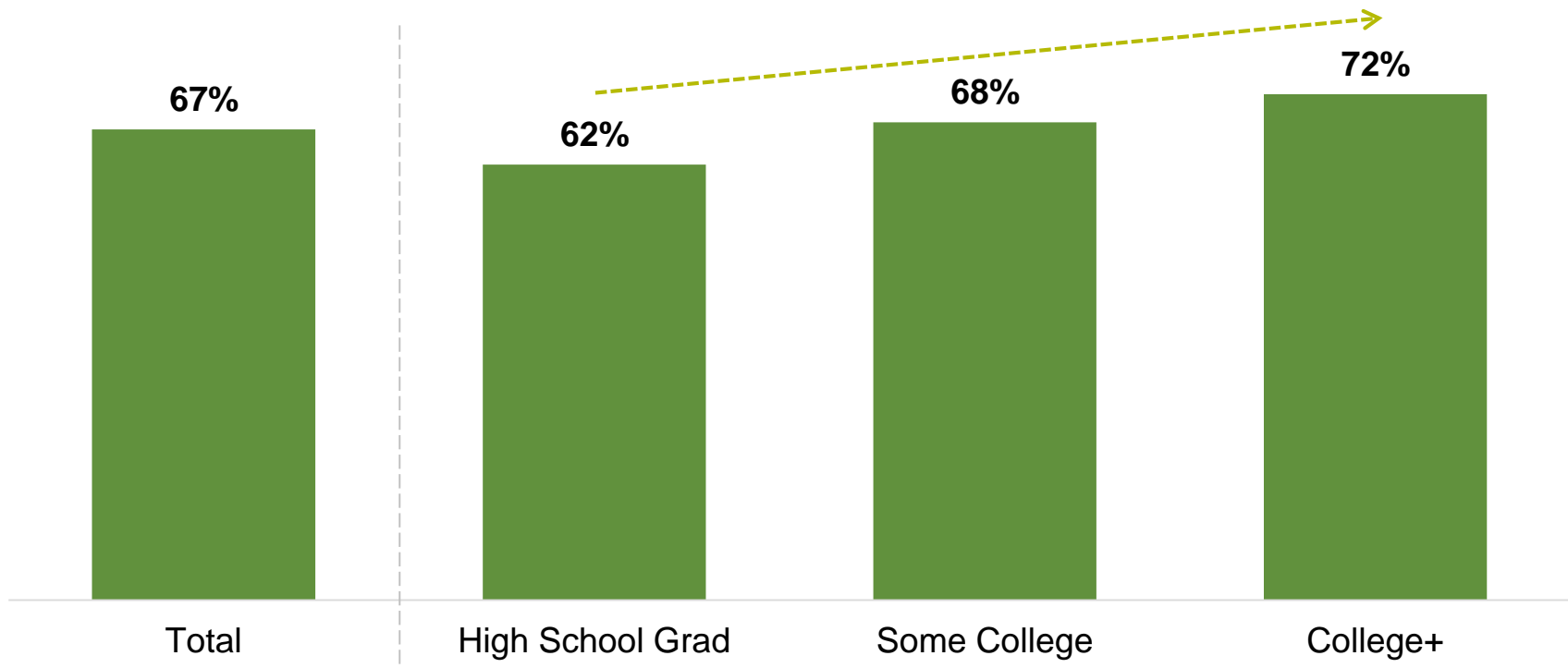


Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Percentage 'completely agree' is shown.  
n=2,013 blended online and phone respondents.



# Sense of civic duty to pay your fair share of taxes increases as education level increases

**% Completely Agreeing that 'It is every American's civic duty to pay their fair share of taxes' by Education Level**



Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Percentage 'completely agree' is shown.  
n=2,013 blended online and phone respondents.



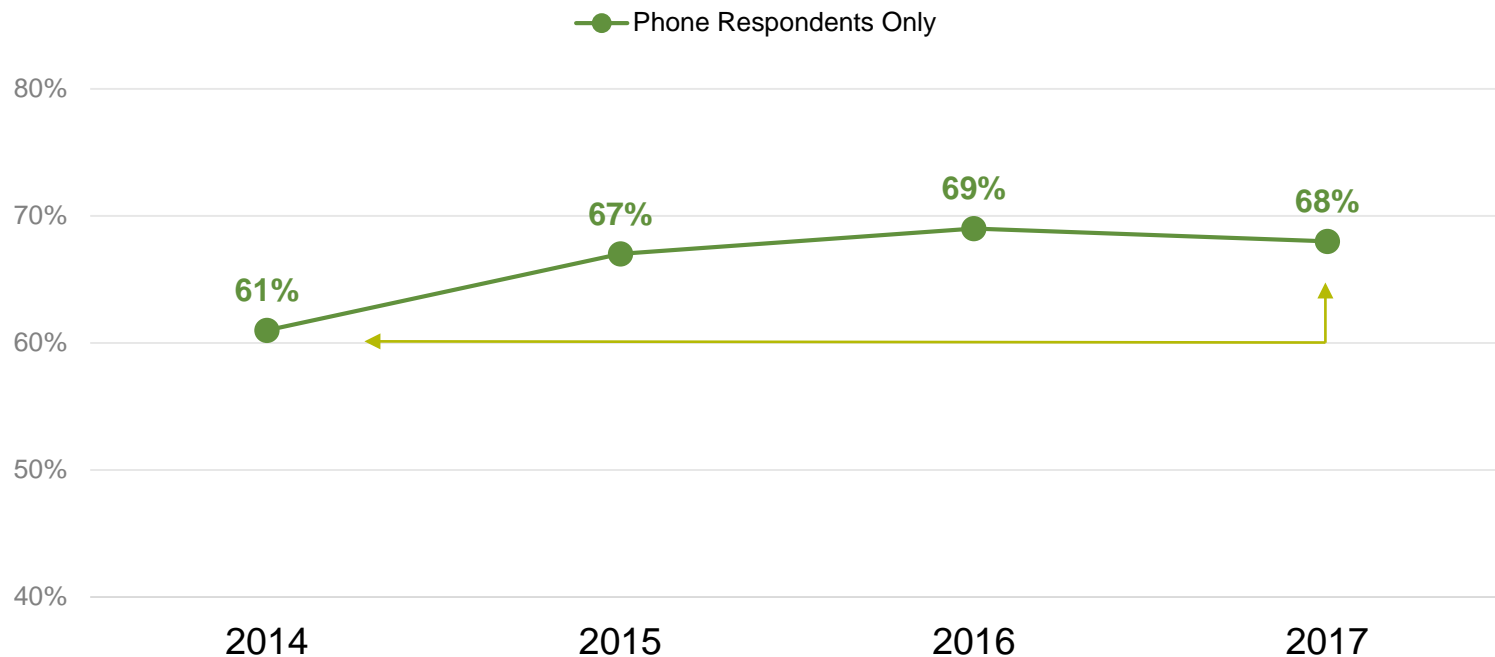
# Enforcement of Tax Laws by the IRS



# Trust in the IRS to enforce tax laws is growing

The share of taxpayers agreeing that they trust the IRS to enforce tax laws has trended upward compared to 2014, but has been more consistent in the past two years.

## Trend in % Agreeing: 'I trust the IRS to fairly enforce the tax laws as enacted by Congress and the President'

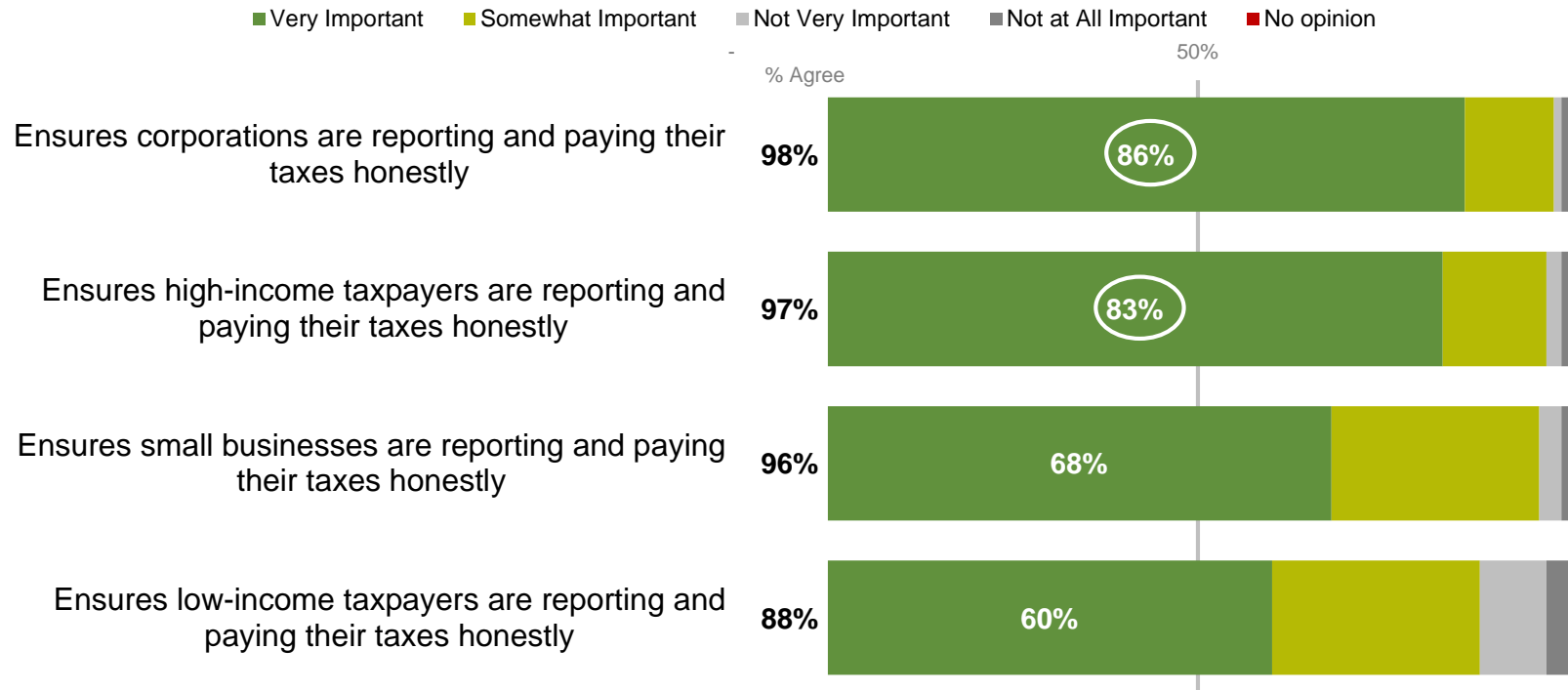


Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Percentage 'completely agree' plus 'mostly agree' is shown. Phone respondents only.  
n=1,001 phone respondents in 2017



# In 2017, over 80% of taxpayers say it is very important that the IRS ensures corporations and high income taxpayers report and pay their taxes honestly

## Importance of the IRS Ensuring Taxpayers Report and Pay Honestly



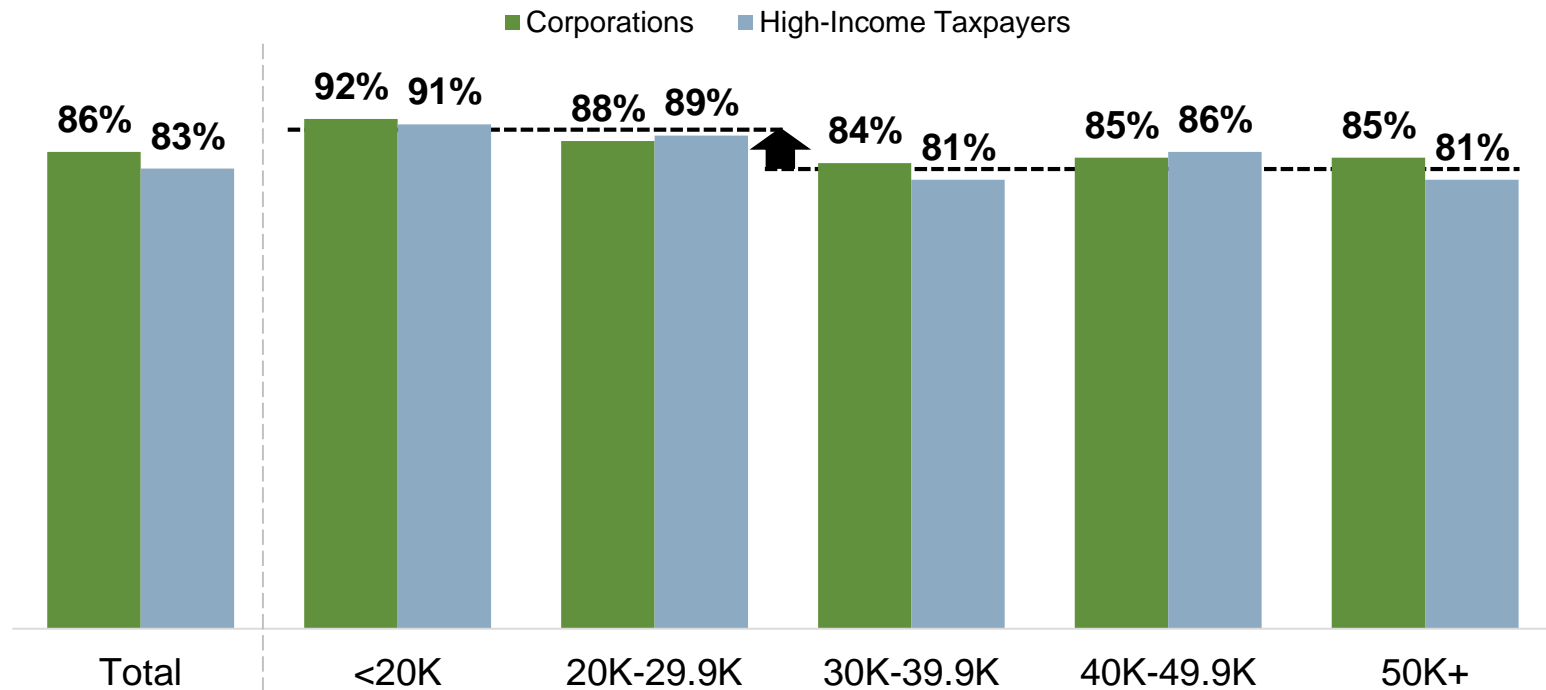
Q3: How important is it to you, as a taxpayer, that the IRS, the Internal Revenue Service, does each of the following to ensure that all taxpayers honestly pay what they owe? Would you say it is very important, somewhat important, not very important, or not at all important?

n=2,013 blended online and phone respondents. Note: Each stacked bar may not add up to 100% due to rounding.



# Taxpayers with annual income of less than \$30K are more likely than taxpayers with higher income levels to support tax enforcement of corporations and high income taxpayers

**% Very Important: 'Ensure corporations/high-income taxpayers are reporting and paying their taxes honestly' by Income**



Q3: How important is it to you, as a taxpayer, that the IRS, the Internal Revenue Service, does each of the following to ensure that all taxpayers honestly pay what they owe? Would you say it is very important, somewhat important, not very important, or not at all important?

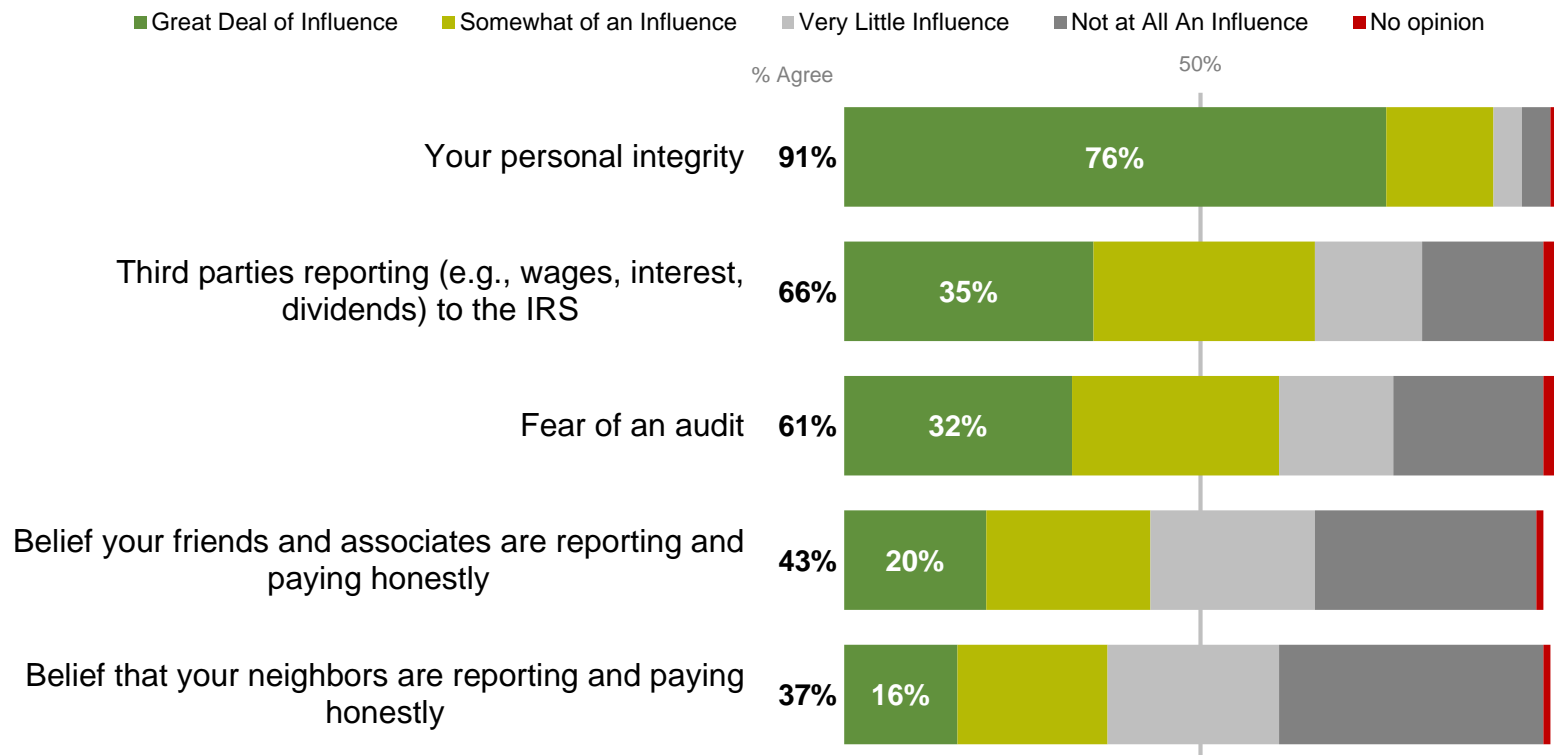
n=2,013 blended online and phone respondents



# Factors Influencing Taxpayer Compliance

# Personal integrity is the main factor that influences honest reporting and paying of taxes

## Influence of Factors in Reporting and Paying Taxes Honestly

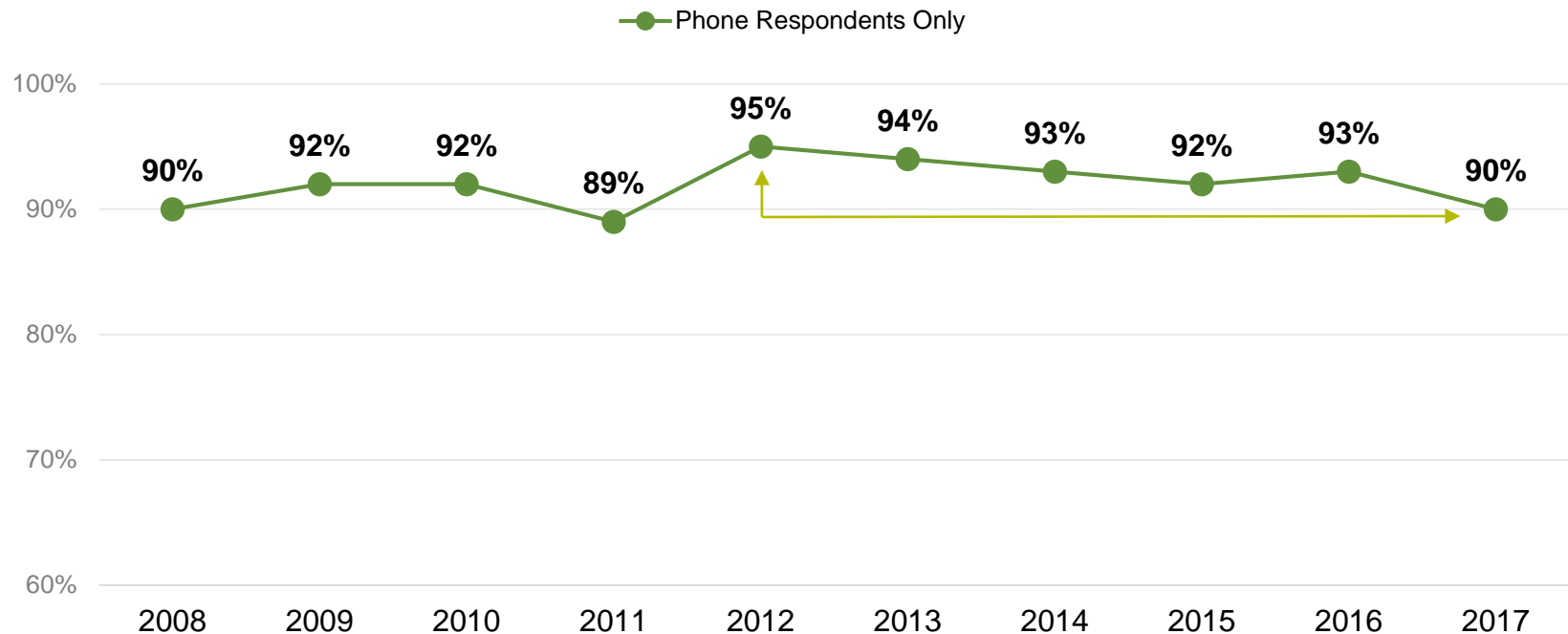


Q4: How much influence does each of the following factors have on whether you report and pay your taxes honestly? Would you say it has a great deal of influence, somewhat of an influence, very little influence, or is not at all an influence? n=2,013 blended online and phone respondents. Note: Each stacked bar may not add up to 100% due to rounding.



# Since 2012, there has been a decrease in the share of taxpayers who are at least somewhat influenced by their own personal integrity to report their taxes honestly

## Trend in % Influenced to Report and Pay Taxes Honestly by Their Own Personal Integrity

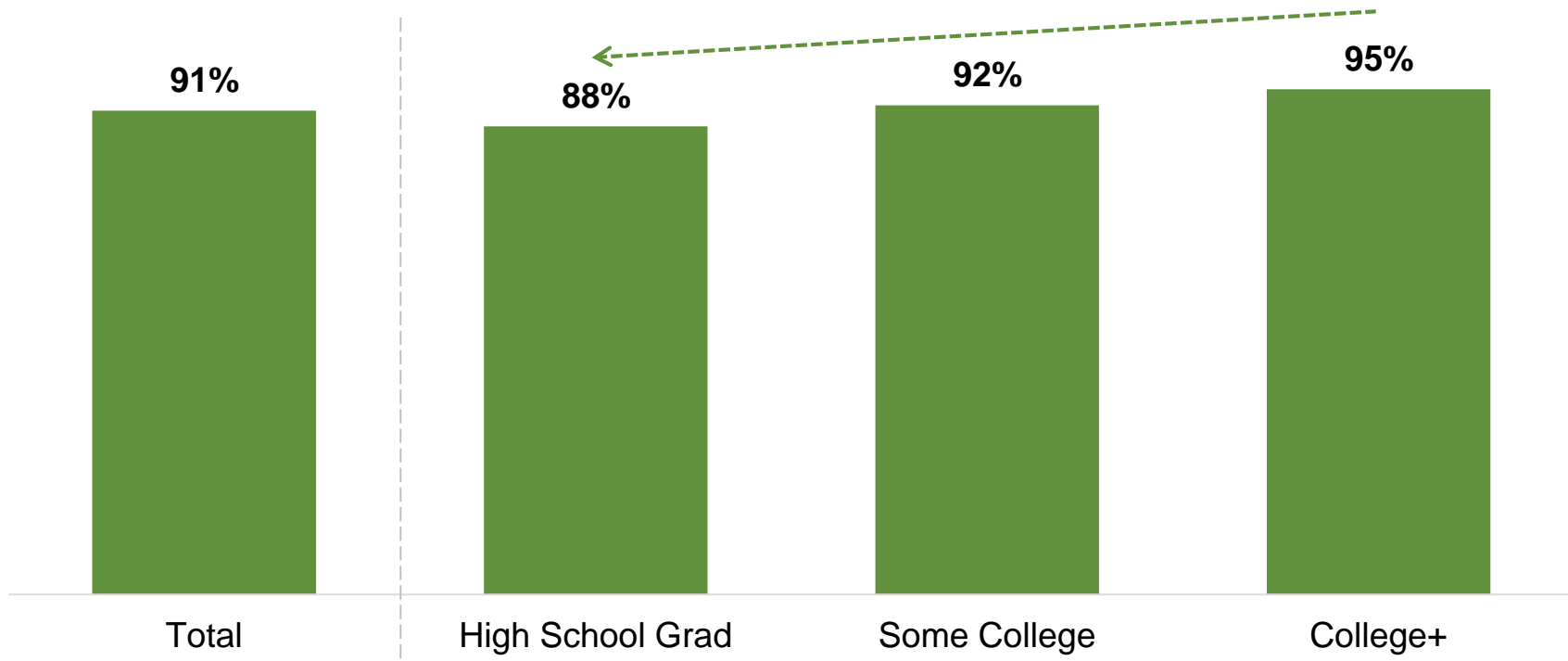


Q4: How much influence does each of the following factors have on whether you report and pay your taxes honestly?  
Would you say it has a great deal of influence, somewhat of an influence, very little influence, or is not at all an influence?  
Percentage 'a great deal of influence' plus 'somewhat of an influence' is shown. Phone respondents only.  
n=1,001 phone respondents in 2017



# Personal integrity has less of an influence on tax compliance among less educated taxpayer segments

**% Influenced to Report and Pay Taxes Honestly by Their Own Personal Integrity by Education Level**

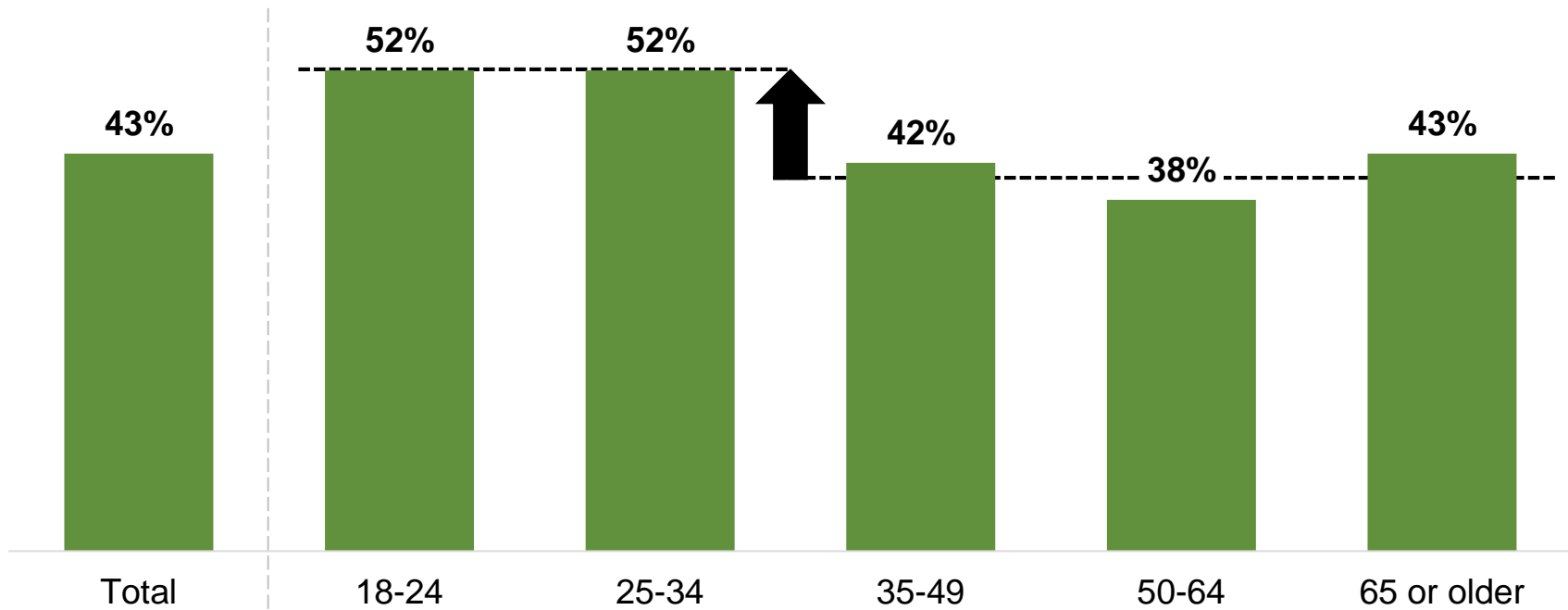


Q4: How much influence does each of the following factors have on whether you report and pay your taxes honestly?  
Would you say it has a great deal of influence, somewhat of an influence, very little influence, or is not at all an influence?  
Percentage 'a great deal of influence' plus 'somewhat of an influence' is shown.  
n=2,013 blended online and phone respondents.



# Taxpayers under the age of 35 are much more likely to be influenced to report honestly by the belief that their friends and associates are reporting and paying their taxes honestly

**% Influenced to Report and Pay Taxes Honestly by the Belief Their Friends and Associates Are Reporting and Paying Honestly, by Age**



Q4: How much influence does each of the following factors have on whether you report and pay your taxes honestly?  
Would you say it has a great deal of influence, somewhat of an influence, very little influence, or is not at all an influence?  
Percentage 'a great deal of influence' plus 'somewhat of an influence' is shown.  
n=2,013 blended online and phone respondents.



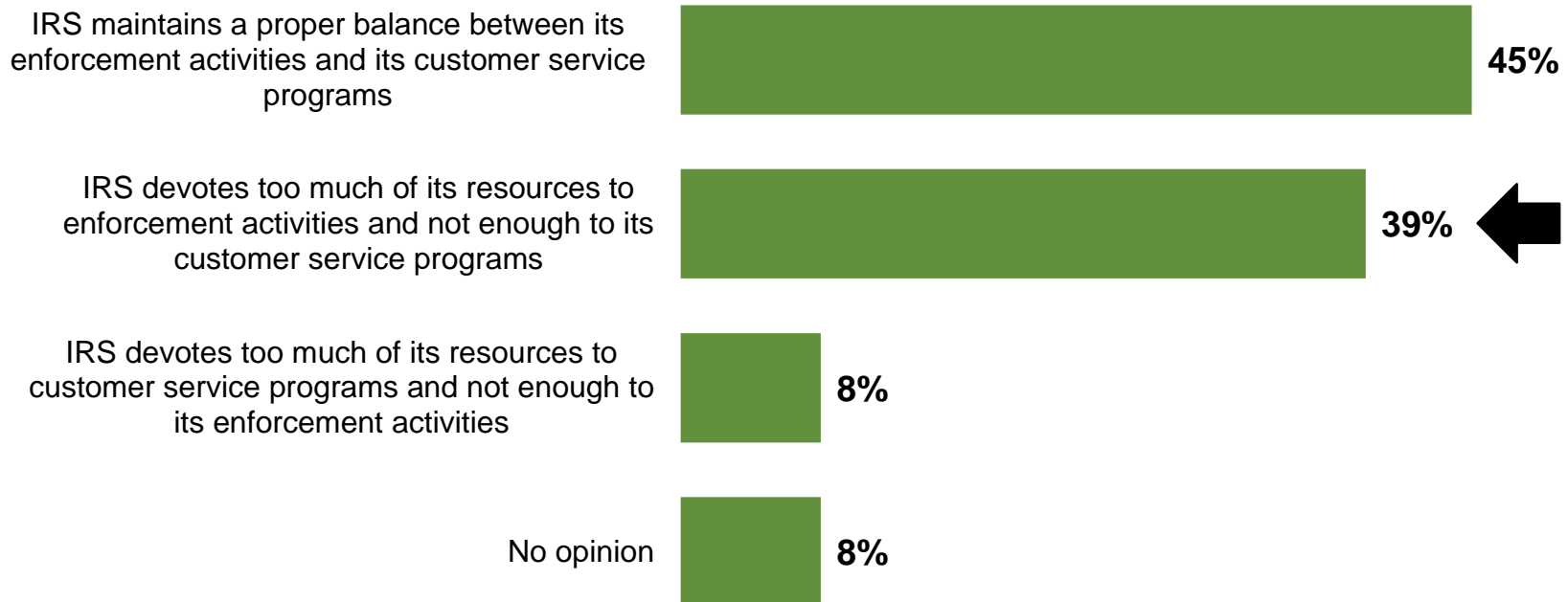


# Balance Between Enforcement and Customer Service

# 45% of taxpayers agree that the IRS maintains a proper balance between enforcement and customer service

However, 39% of taxpayers believe that the IRS devotes too much of its resources to enforcement activities, and not enough to customer service programs.

## Statement Most Agreed With About the Use of IRS Resources

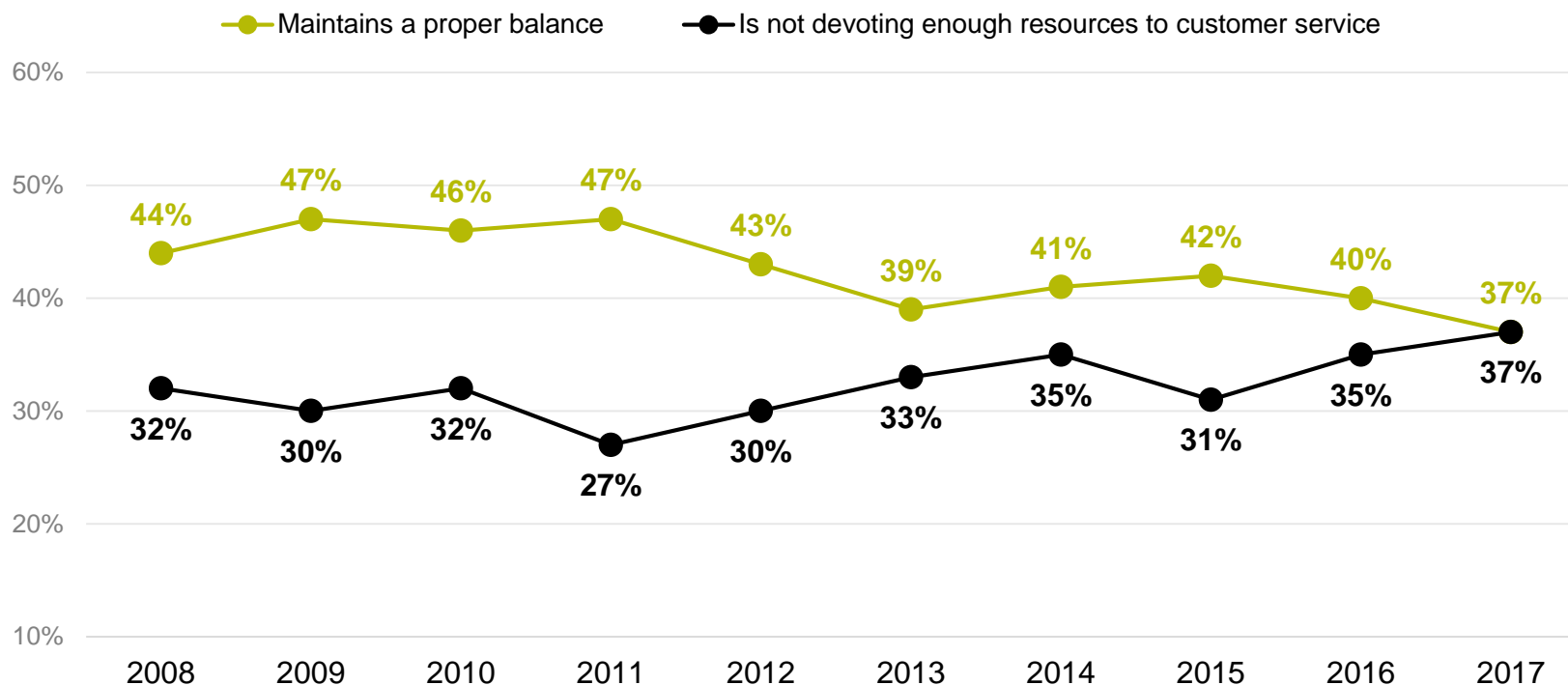


Q10a: Considering the resources the IRS receives to do its job, which of the following statements do you most agree with?  
Do you feel that the...?  
n=2,013 blended online and phone respondents



## Agreement that the IRS is striking a proper balance between enforcement and customer service is decreasing over time, while the need for more resources for customer service is growing

**Trend in % Most Agreeing that the IRS Maintains a Proper Balance vs. the IRS is Not Devoting Enough to Customer Service**

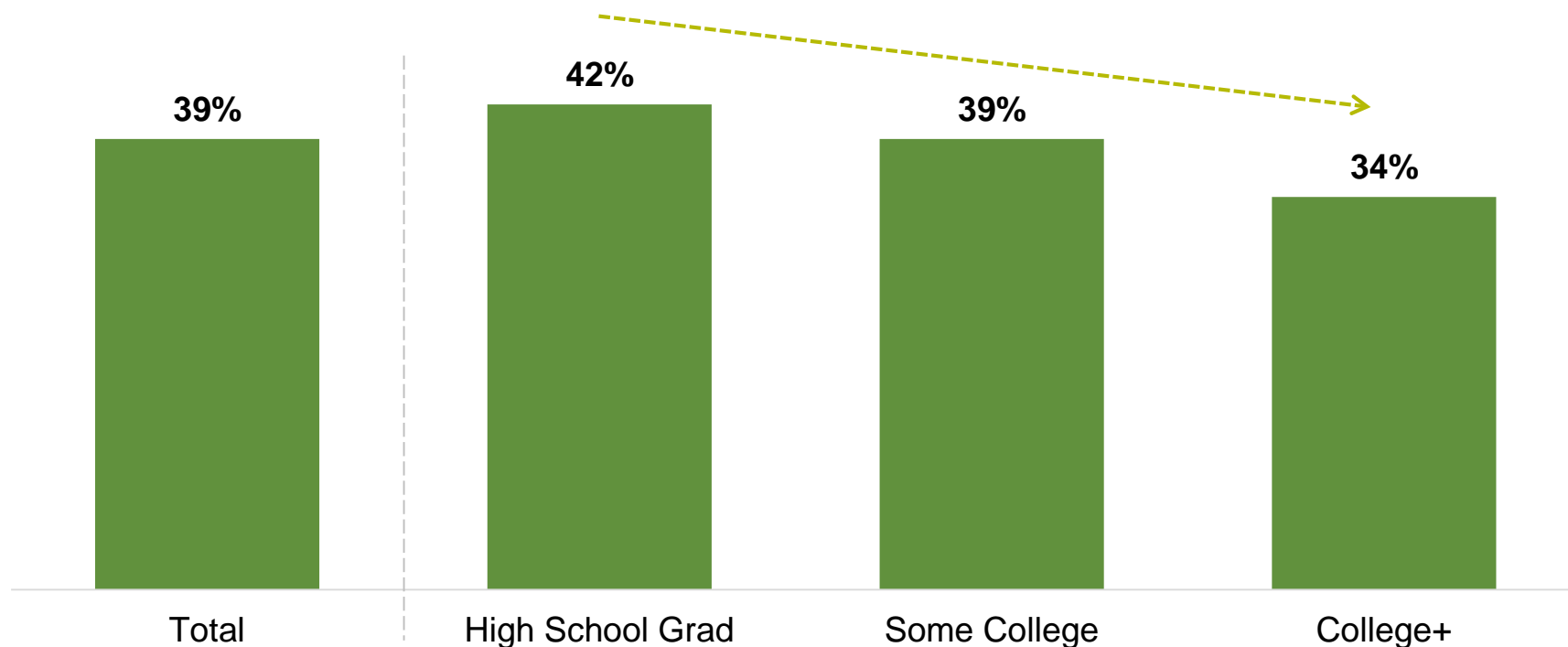


Q10a: Considering the resources the IRS receives to do its job, which of the following statements do you most agree with?  
Do you feel that the...? Phone respondents only.  
n=1,001 phone respondents in 2017



# There is a negative correlation between education level and agreement that IRS resource allocation overemphasizes enforcement and underemphasizes service

**% Agreement: 'IRS devotes too much of its resources to enforcement activities and not enough to its customer service programs' by Education**



Q10a: Considering the resources the IRS receives to do its job, which of the following statements do you most agree with?  
Do you feel that the...?  
n=2,013 blended online and phone respondents.

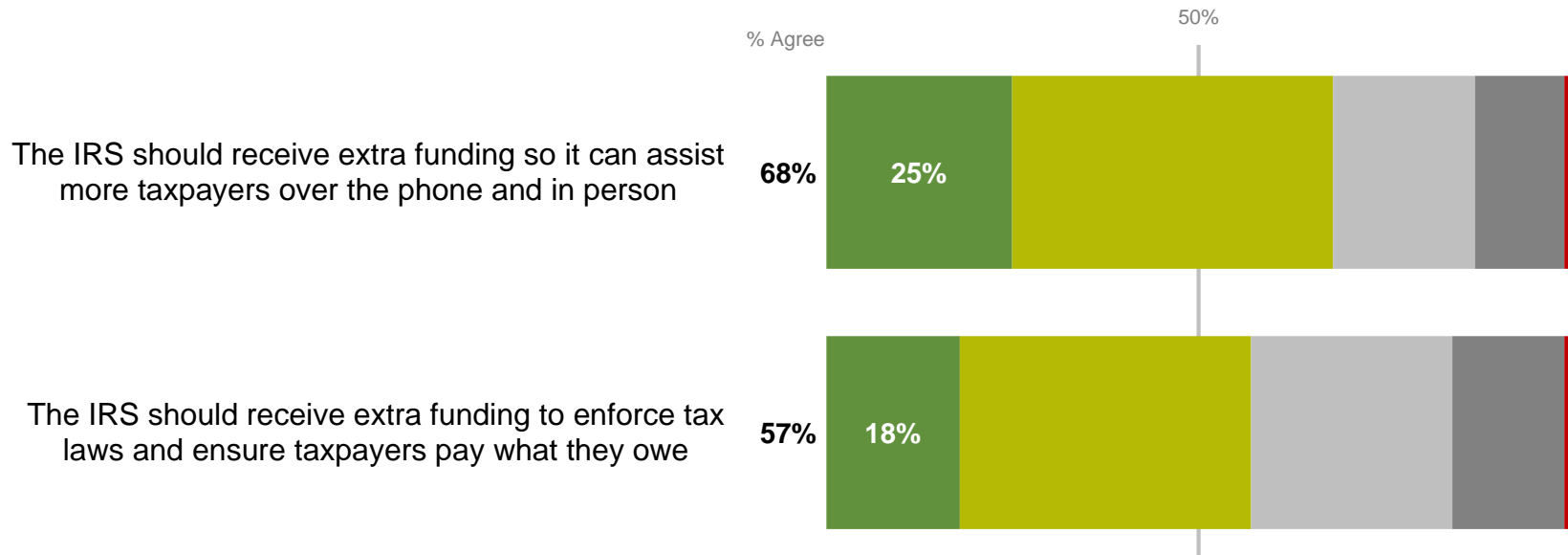


# 68% of taxpayers agree that the IRS should receive extra funding to assist more taxpayers by phone and in person

Fewer, but still a majority (57%), agree that the IRS should receive extra funding to enforce tax laws.

## Agreement with Allocation of Extra Funding for the IRS

■ Completely Agree ■ Mostly Agree ■ Mostly Disagree ■ Completely Disagree ■ No opinion



Q11: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree.

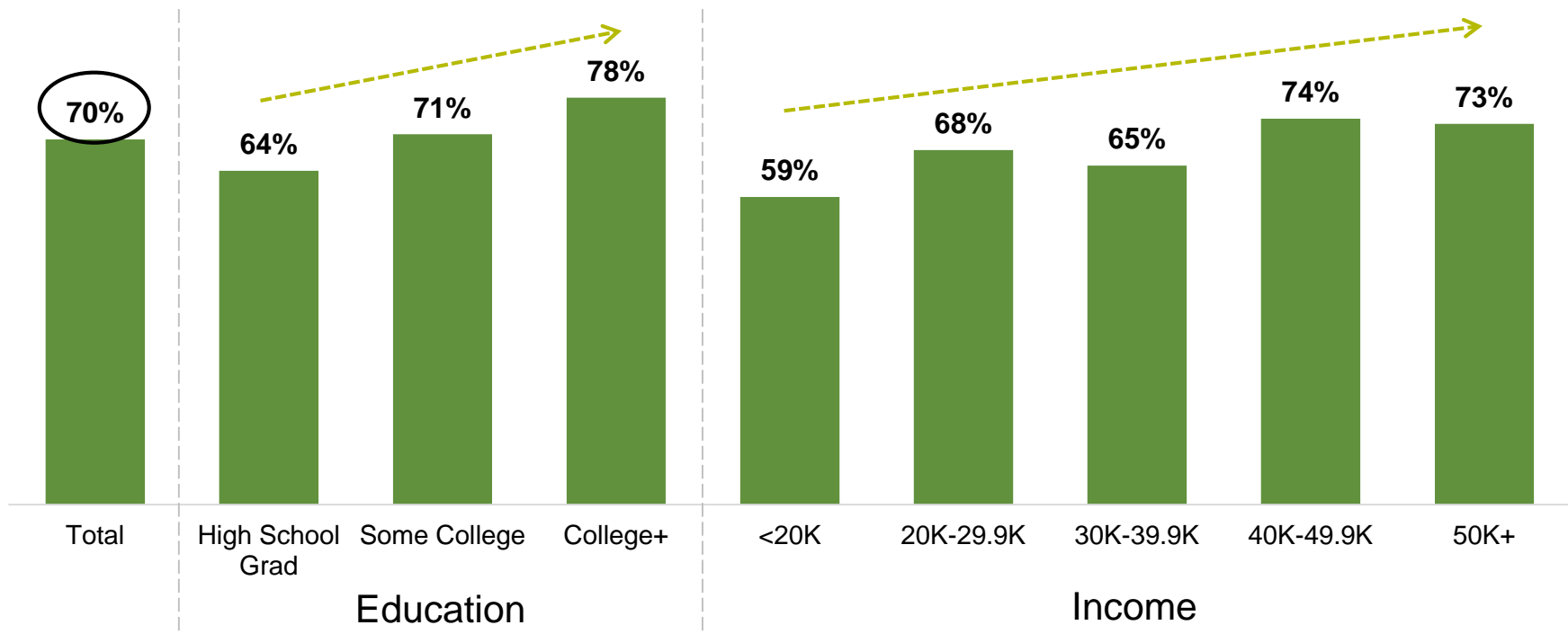
n=2,013 blended online and phone respondents. Note: Each stacked bar may not add up to 100% due to rounding.

# IRS Services Provided to Taxpayers

# A majority of taxpayers (70%) say that the opportunity to file their taxes electronically is very important to them

Electronic filing becomes increasingly important to taxpayers as education and income levels increase.

**% Very Important that the IRS Provides Opportunities for Electronic Filing, by Education and Income**



Q5: How important is it to you, as a taxpayer, that the IRS provides each of the following services to assist taxpayers. Would you say it is very important, somewhat important, not very important, or not at all important? Percentage 'very important' is shown.  
n=2,013 blended online and phone respondents.

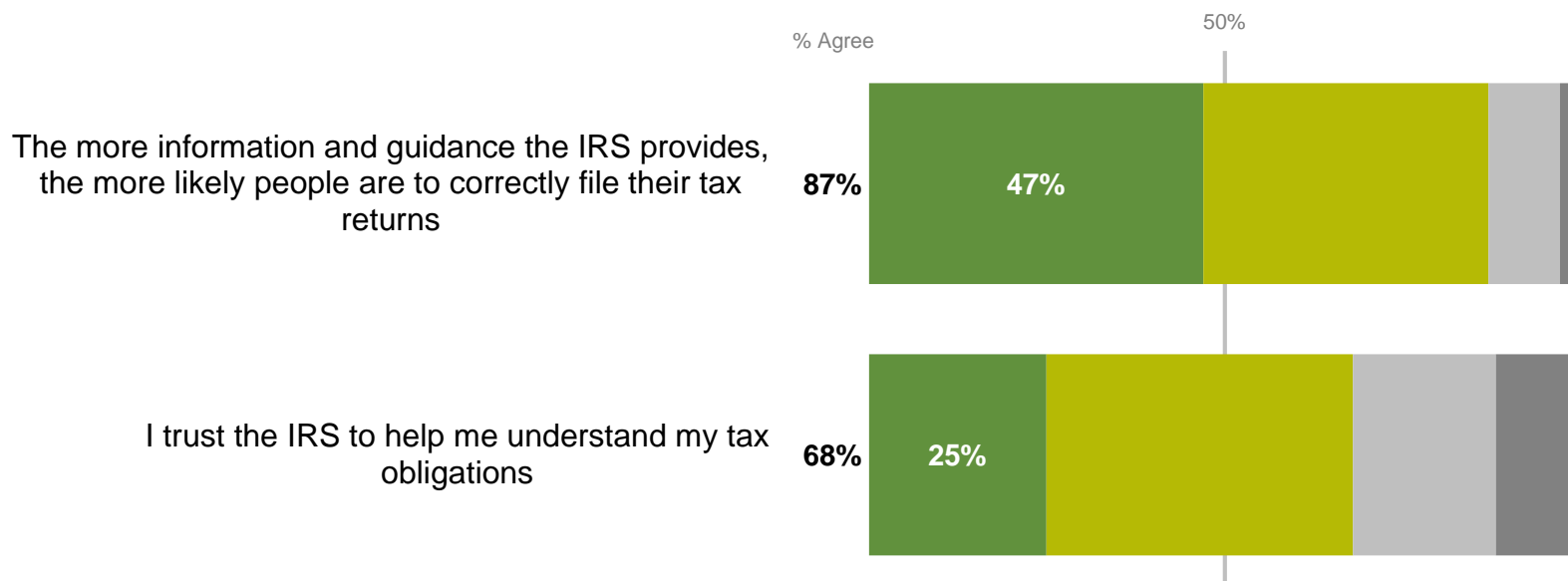


# 87% of taxpayers agree that the more information and guidance the IRS provides, the more likely people are to correctly file their tax returns

And 68% agree that they trust the IRS to help them understand their tax obligations.

## Agreement with Statements about Guidance and Help from the IRS

■ Completely Agree ■ Mostly Agree ■ Mostly Disagree ■ Completely Disagree ■ No opinion



Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree.

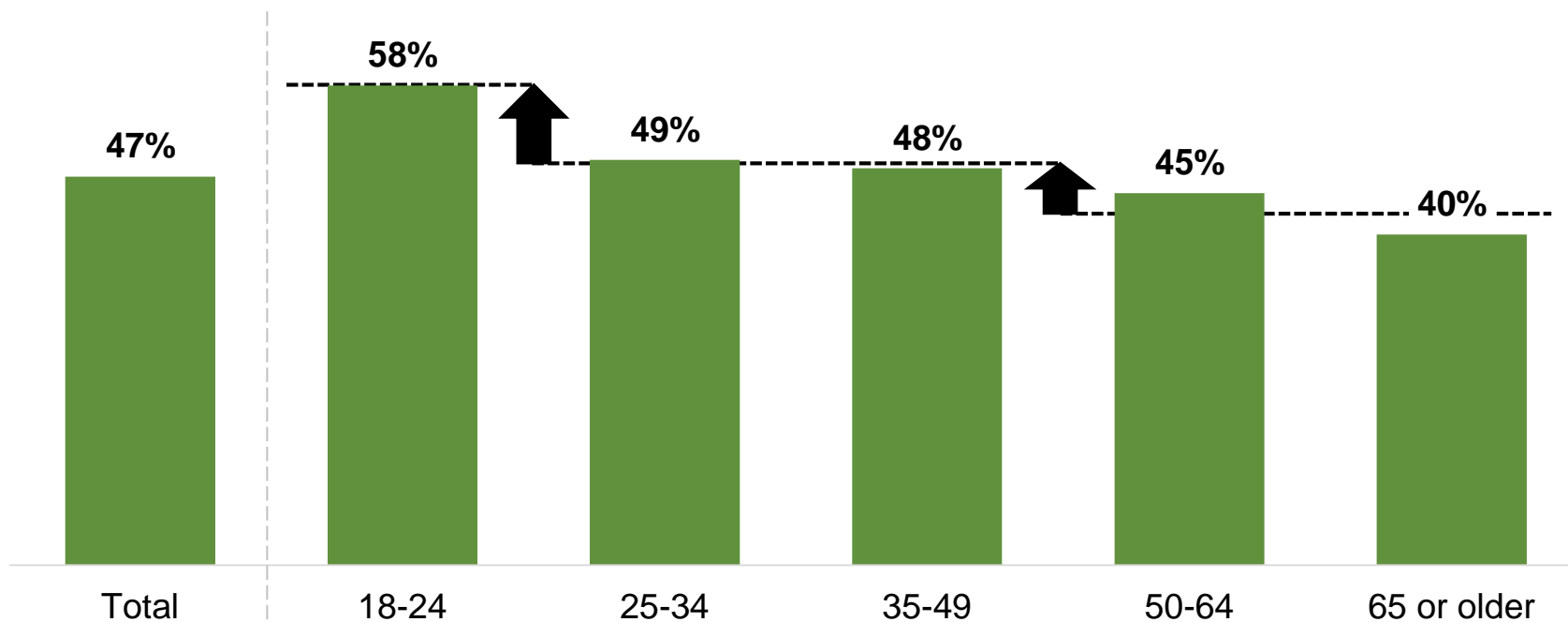
n=2,013 blended online and phone respondents. Note: Each stacked bar may not add up to 100% due to rounding.





## Agreement that more information and guidance from the IRS will improve compliance increases with each new generation, with the largest increase occurring between ages 25-34 and 18-24

**% Completely Agreeing: 'The more information and guidance the IRS provides, the more likely people are to correctly file their tax returns' by Age**



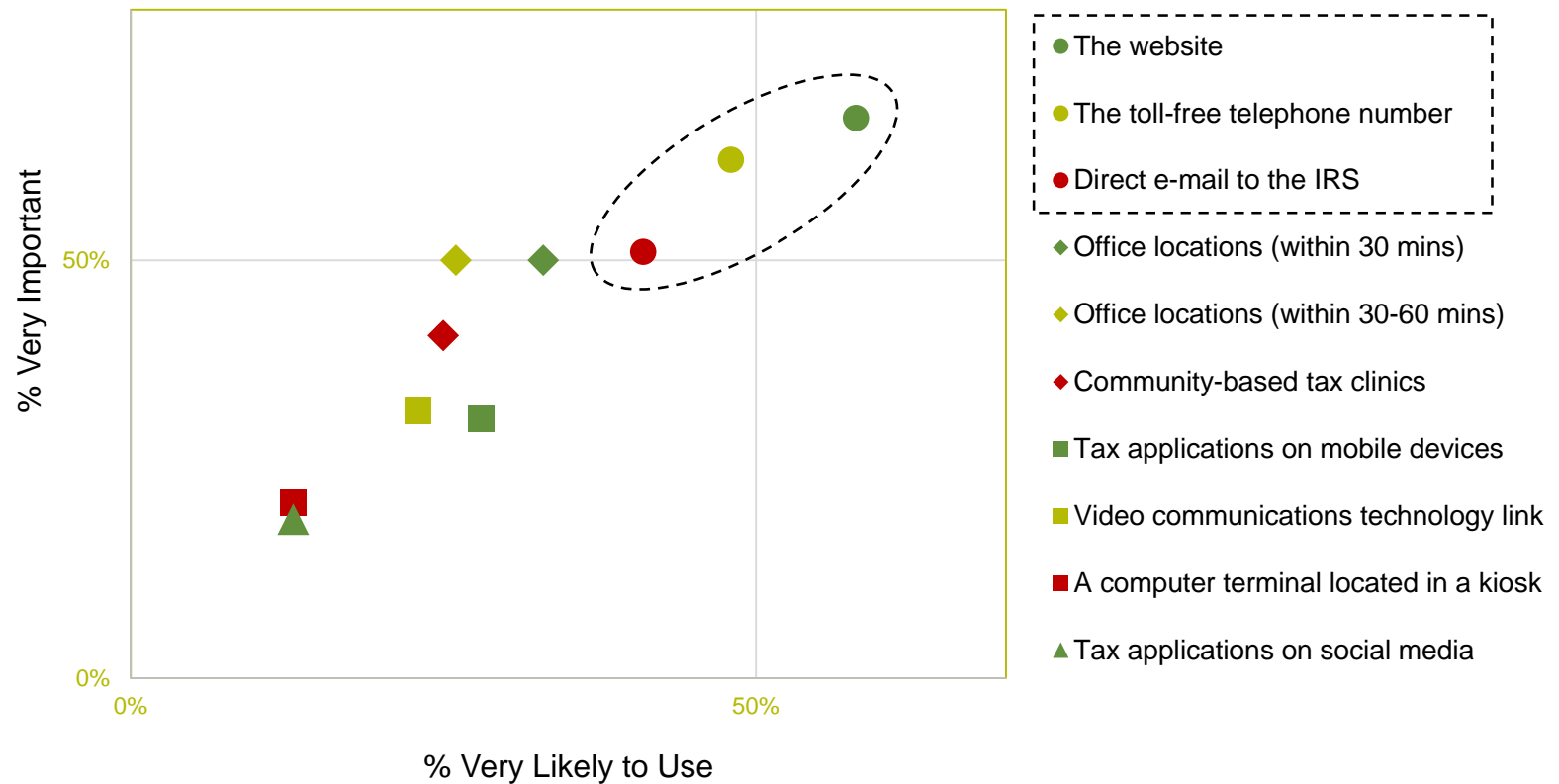
Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Percentage 'completely agree' is shown.  
n=2,013 blended online and phone respondents.



# Taxpayers say the website and the toll-free telephone number are the most important services for the IRS to provide

When they're seeking help, the website is most likely to be used, followed by phone and direct e-mail.

## IRS Services: Importance versus Likelihood to Use



Q5: How important is it to you, as a taxpayer, that the IRS provides each of the following services to assist taxpayers?

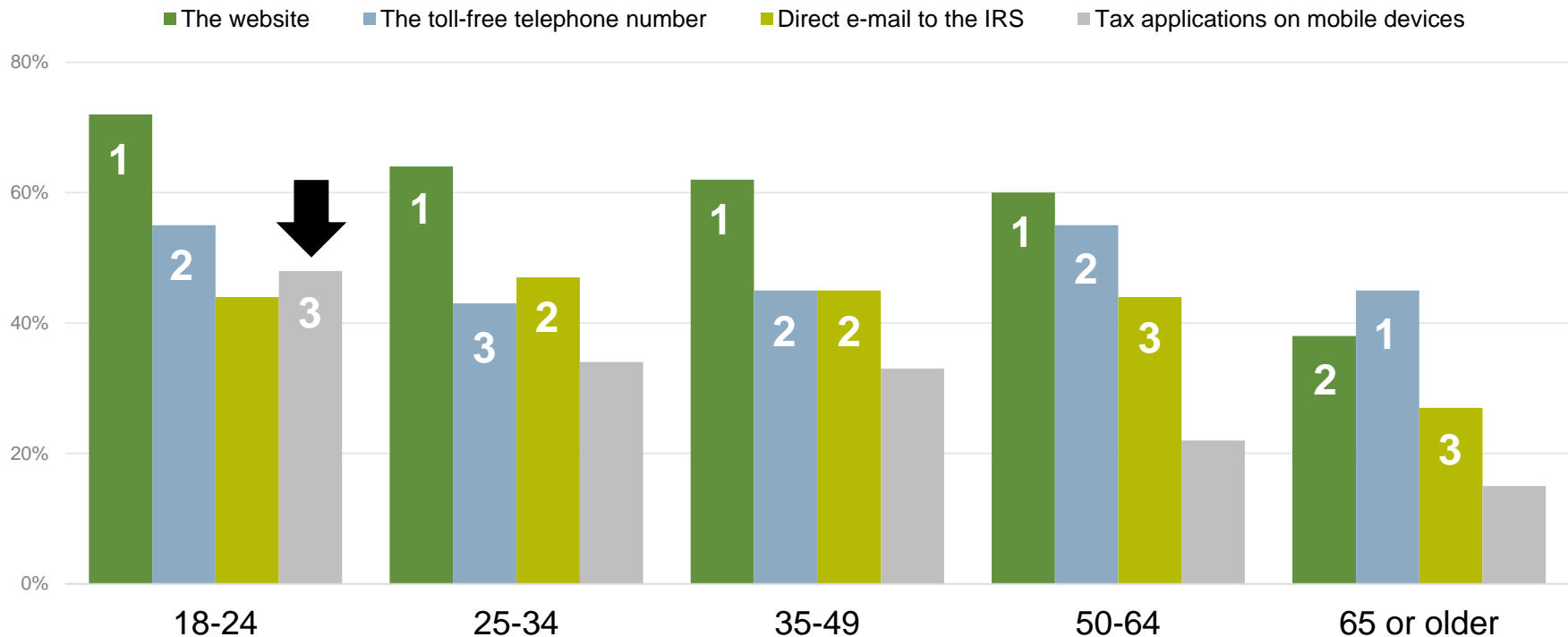
Would you say it is very important, somewhat important, not very important, or not at all important?

Q6: How likely would you be to use each of the following services for help with a tax issue? Would you be very likely, somewhat likely, not very likely, or not at all likely? n=2,013 blended online and phone respondents.

# The top 3 IRS services likely to be used for help with a tax issue vary by age

For the youngest taxpayers, aged 18-24, tax applications on mobile devices emerge as the third service most likely to be used, with 48% of these taxpayers indicating they are very likely to use them.

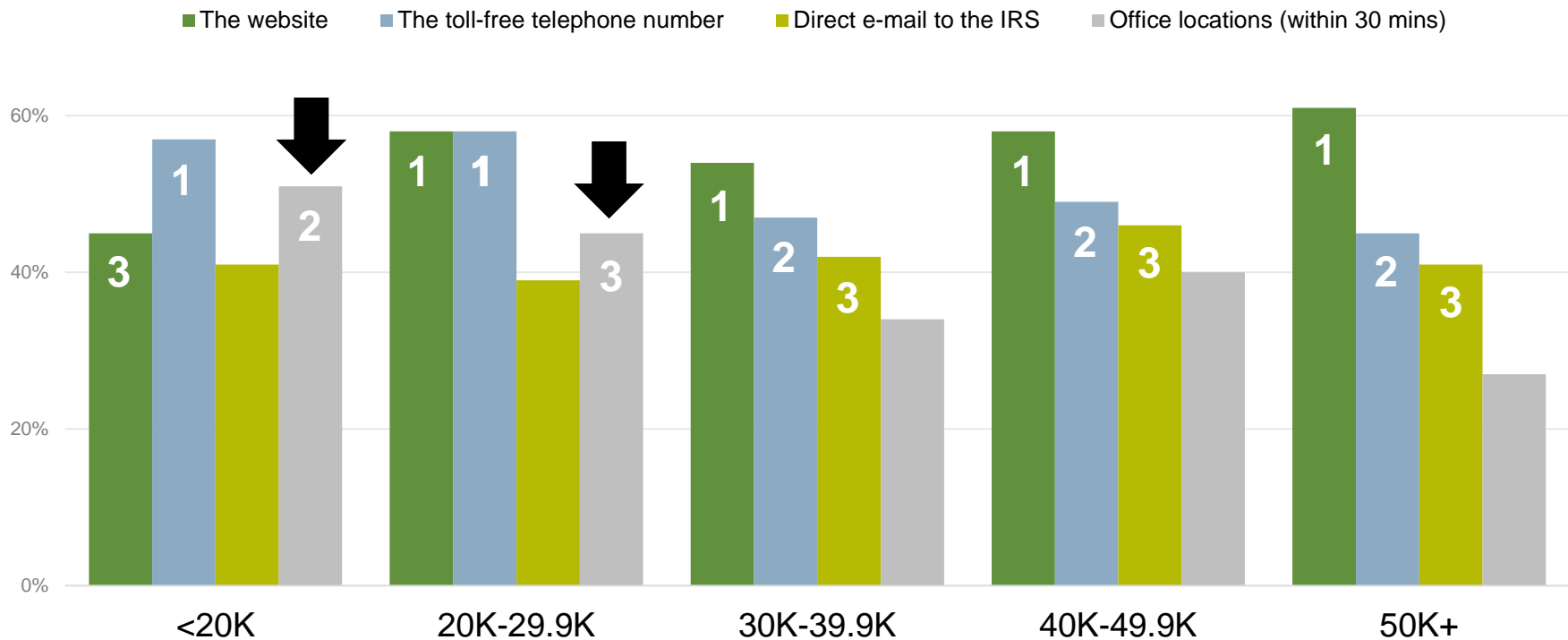
**Top IRS Services 'Very Likely' to Use, by Age**



Q6: How likely would you be to use each of the following services for help with a tax issue? Would you be very likely, somewhat likely, not very likely, or not at all likely? Percentage 'very likely' is shown.  
n=2,013 blended online and phone respondents.

# Office locations (within 30 minutes) are among the top 3 IRS services very likely to be used by taxpayers with income under \$30K

## Top IRS Services 'Very Likely' To Use, by Income



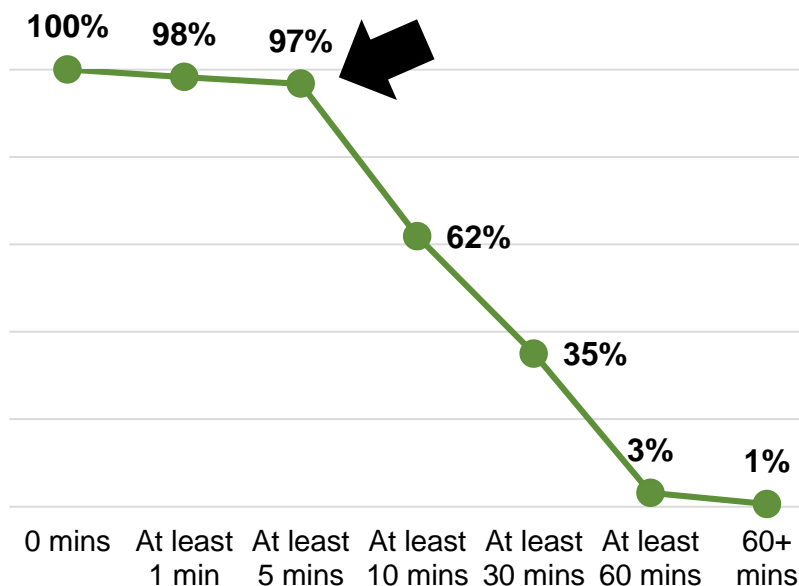
Q6: How likely would you be to use each of the following services for help with a tax issue? Would you be very likely, somewhat likely, not very likely, or not at all likely? Percentage 'very likely' is shown.  
n=2,013 blended online and phone respondents.

# The optimal time to serve taxpayers is within 5 minutes on the phone and at the walk-in assistance center

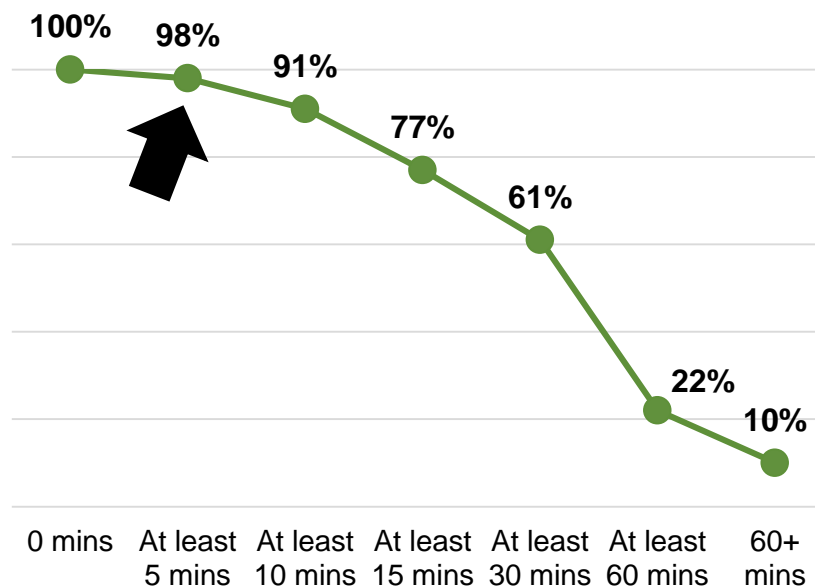
This is especially true for phone service, where fewer taxpayers are willing to wait for up to 10 minutes (62% compared to 91% at the office location).

## Time Willing to Wait to Speak to a Customer Representative

On the IRS toll-free telephone number



In an IRS walk-in assistance center without an appointment



How long are you willing to wait to speak to a customer representative... (Data totaled cumulatively and might not add to 100% due to rounding)

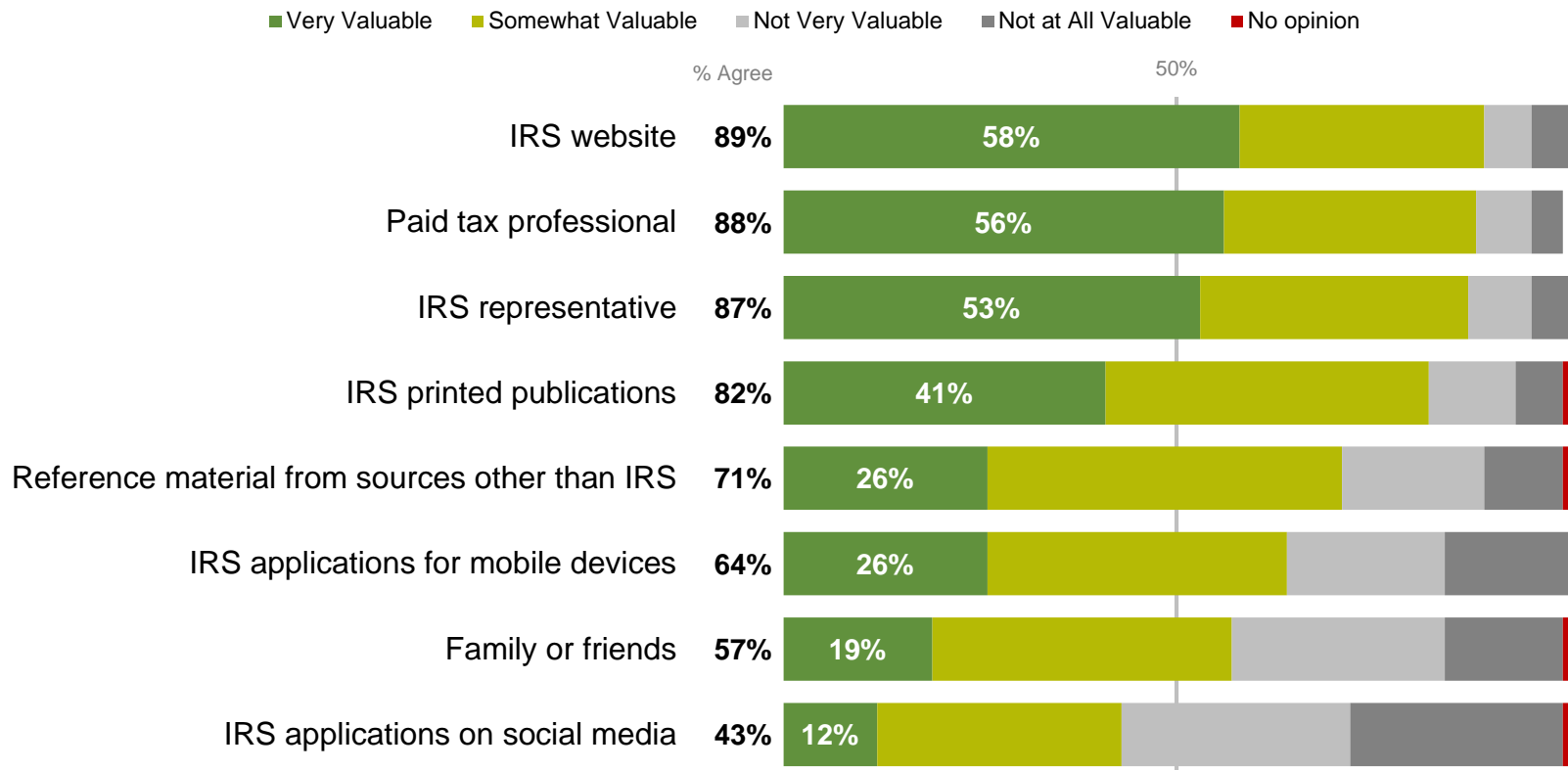
Q7. When calling an IRS toll-free telephone number? Base: those likely to use a toll free number, n=1,616

Q8a: If you visited an IRS walk-in assistance center without an appointment? Base: those likely to use office location, n=1,403

# Tax Information Sources

# More than half of taxpayers identify the IRS website, paid tax professionals, and IRS representatives as ‘very valuable’ sources of tax advice and information

## The Value of Tax Advice and Information Sources



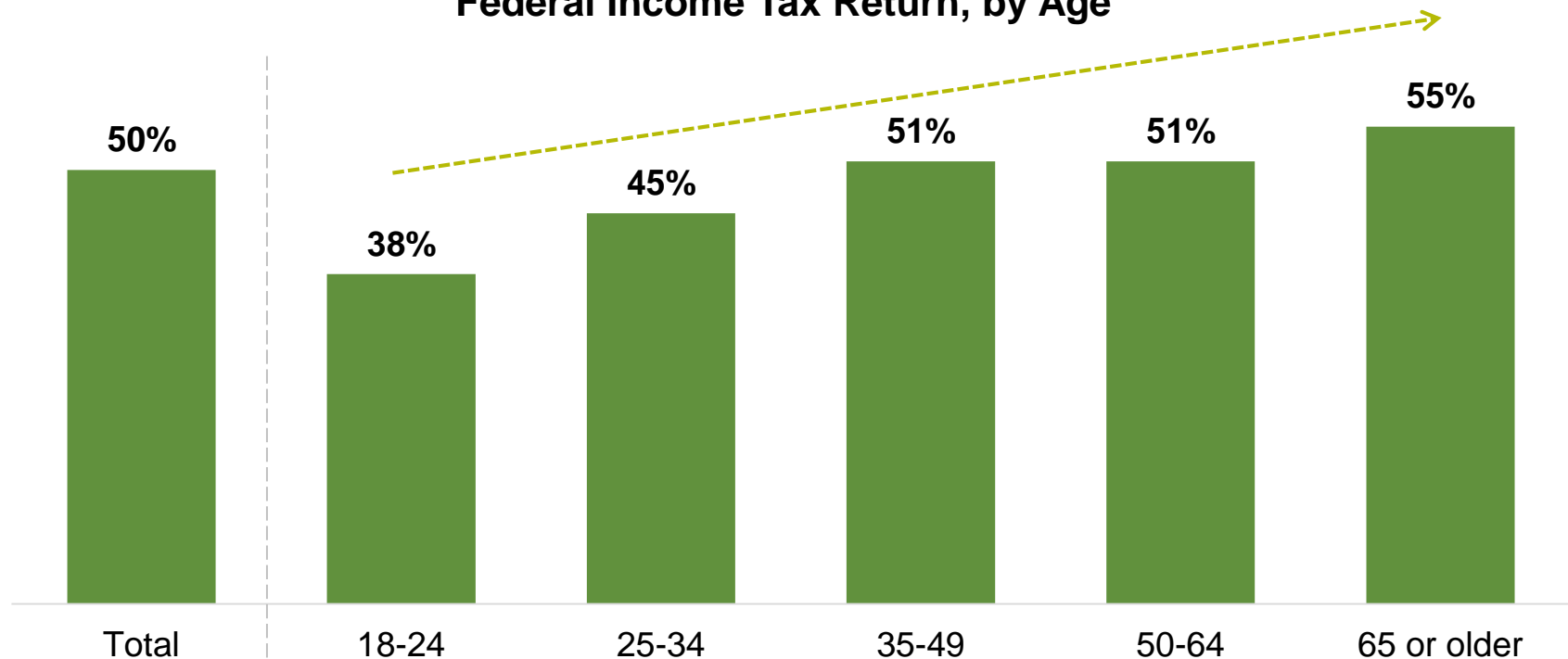
Q9: How valuable would you say each of these sources is for getting tax advice or information? Would you say it is very valuable, somewhat valuable, not very valuable, or not at all valuable?

n=2,013 blended online and phone respondents. Note: Each stacked bar may not add up to 100% due to rounding.

# Half of all taxpayers used a paid tax preparer for their most recent income tax return

There is a positive correlation between the use of a paid tax preparer and taxpayer age.

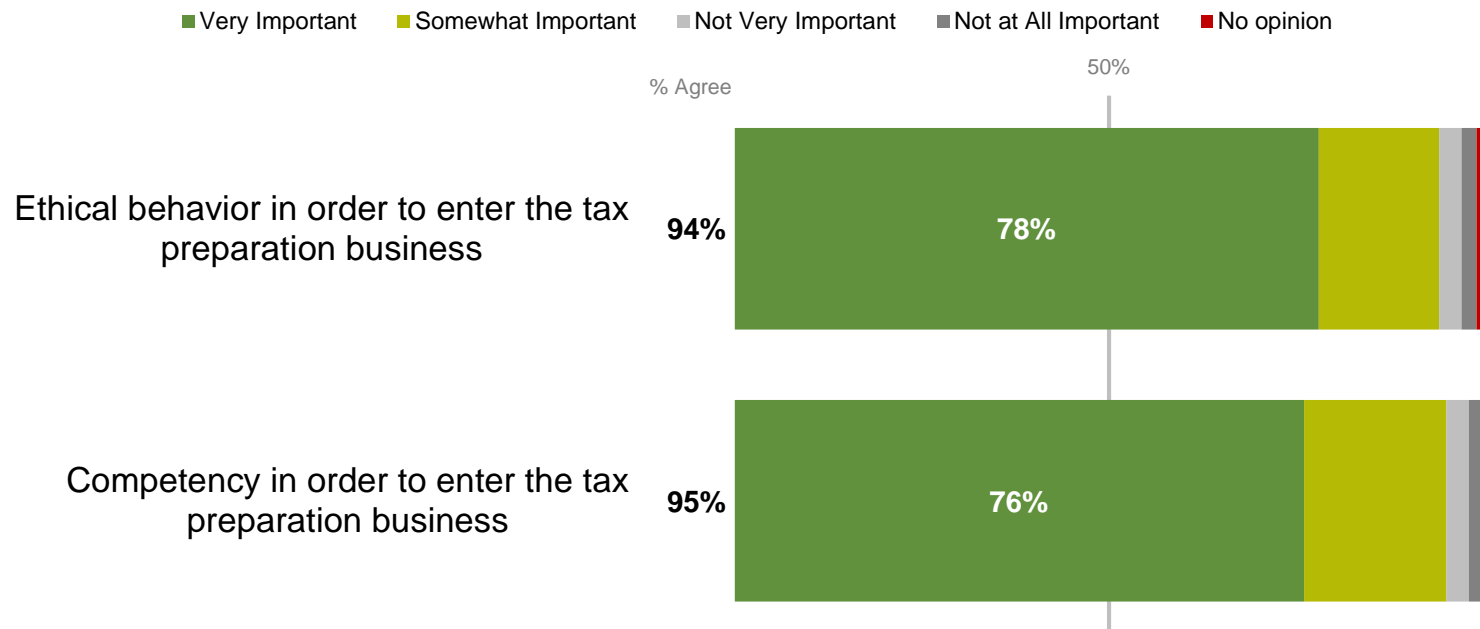
**Use of a Paid Tax Return Preparer for Most Recent Federal Income Tax Return, by Age**





# An overwhelming majority of taxpayers say it is important that tax preparers meet standards of ethical behavior and competency in order to enter the tax preparation business

## Importance of Tax Preparer Requirements



Q13: Would you say it is very important, somewhat important, not very important, or not at all important that tax preparers who charge a fee for preparing federal tax returns be required to meet standards of....?

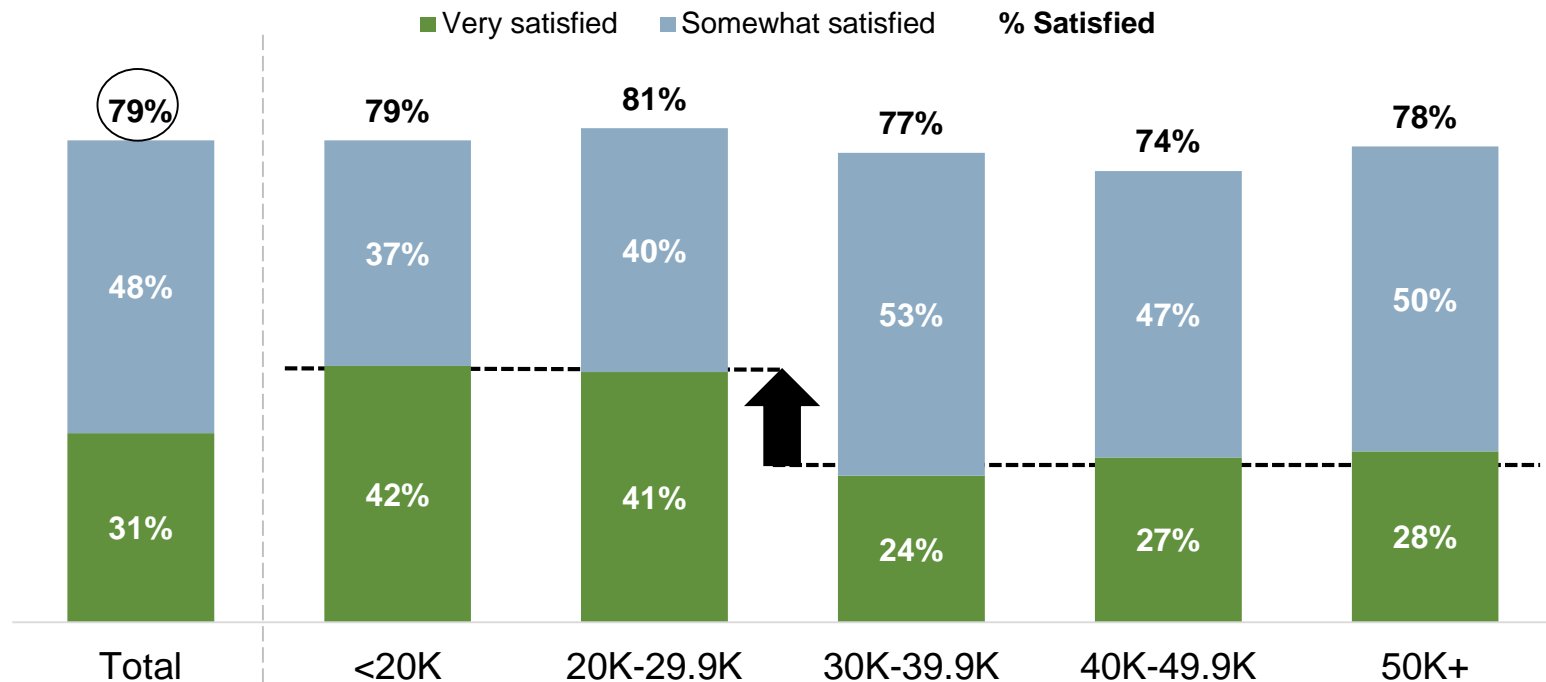
n=2,013 blended online and phone respondents. Note: Each stacked bar may not add up to 100% due to rounding.

# Interaction with the IRS

# Eight out of ten taxpayers (79%) are satisfied with the interactions they have with the IRS

Taxpayers with income of less than \$30K are more likely than taxpayers with income of \$30K or more, to say that they are 'very' satisfied.

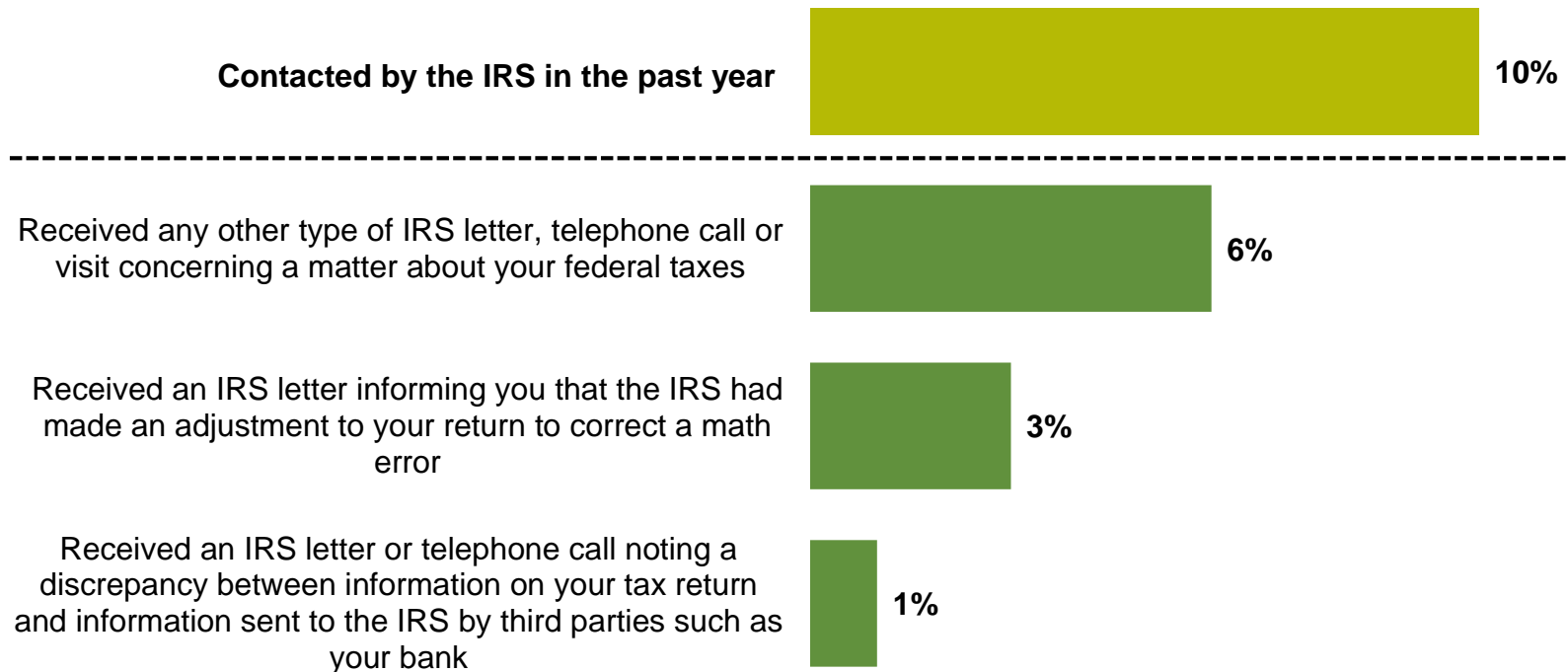
**% Satisfied with Their Interactions with the IRS, by Income**



Q10: How satisfied would you say you have been with your personal interaction with the IRS?  
Would you say very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied?  
Percentage 'very satisfied' and 'somewhat satisfied' is shown.  
n=2,013 blended online and phone respondents.

# Only one in ten taxpayers (10%) recall being contacted by the IRS, most commonly concerning a matter about their federal taxes

## Contacted by the IRS over the Past Year

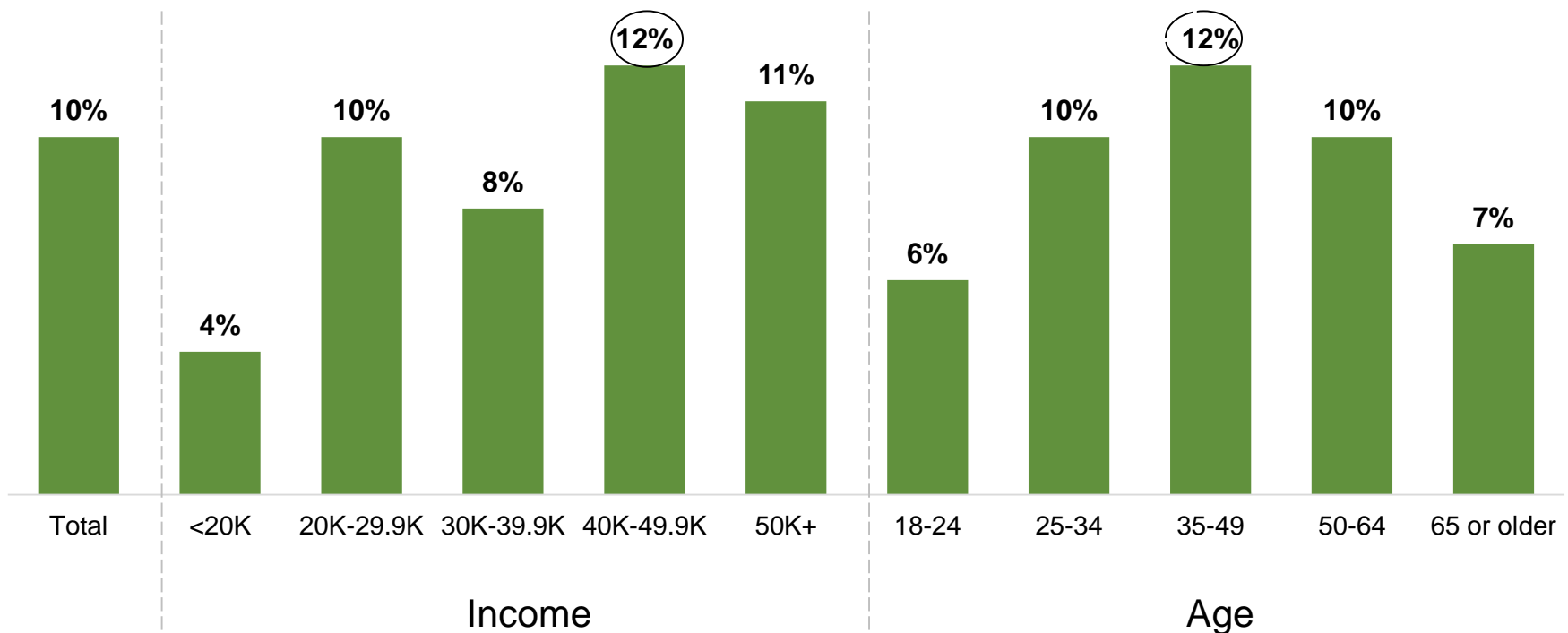


Q16a: Again, thinking back over the past year, and excluding the filing of a tax return, were you contacted by the IRS?  
Q16b: Under which of the following circumstances did the IRS contact you?  
n=2,013 blended online and phone respondents.



## Taxpayers most likely to have been contacted by the IRS (excluding filing of tax returns) are earning between \$40K-\$49.9K, and are between 35 and 49 years old

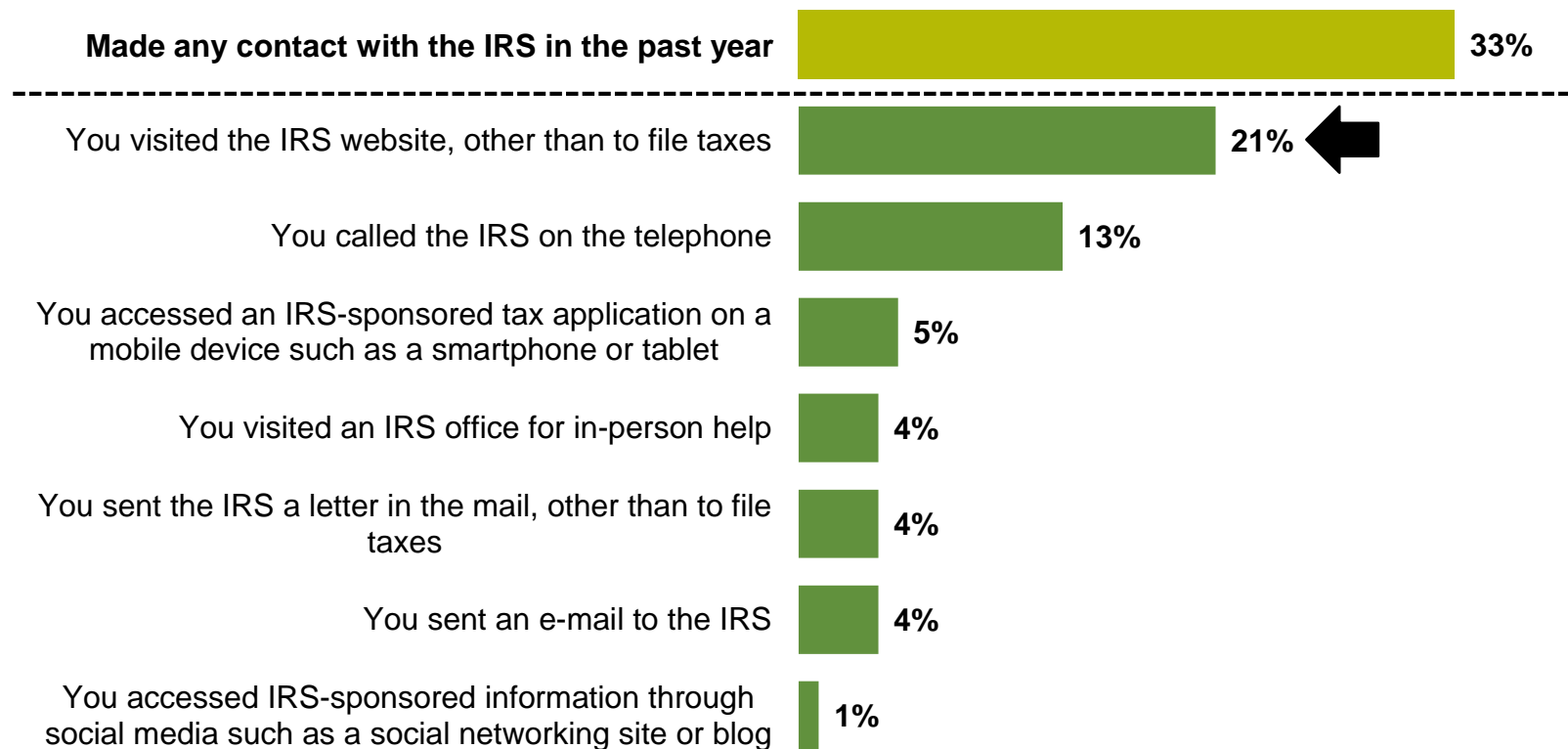
Contacted by the IRS over the Past Year, by Income and Age



Q16a: Again, thinking back over the past year, and excluding the filing of a tax return, were you contacted by the IRS?  
n=2,013 blended online and phone respondents.

# One-third of taxpayers made contact with the IRS in the past year — the majority of them visited the website

## Made Contact with the IRS over the Past Year

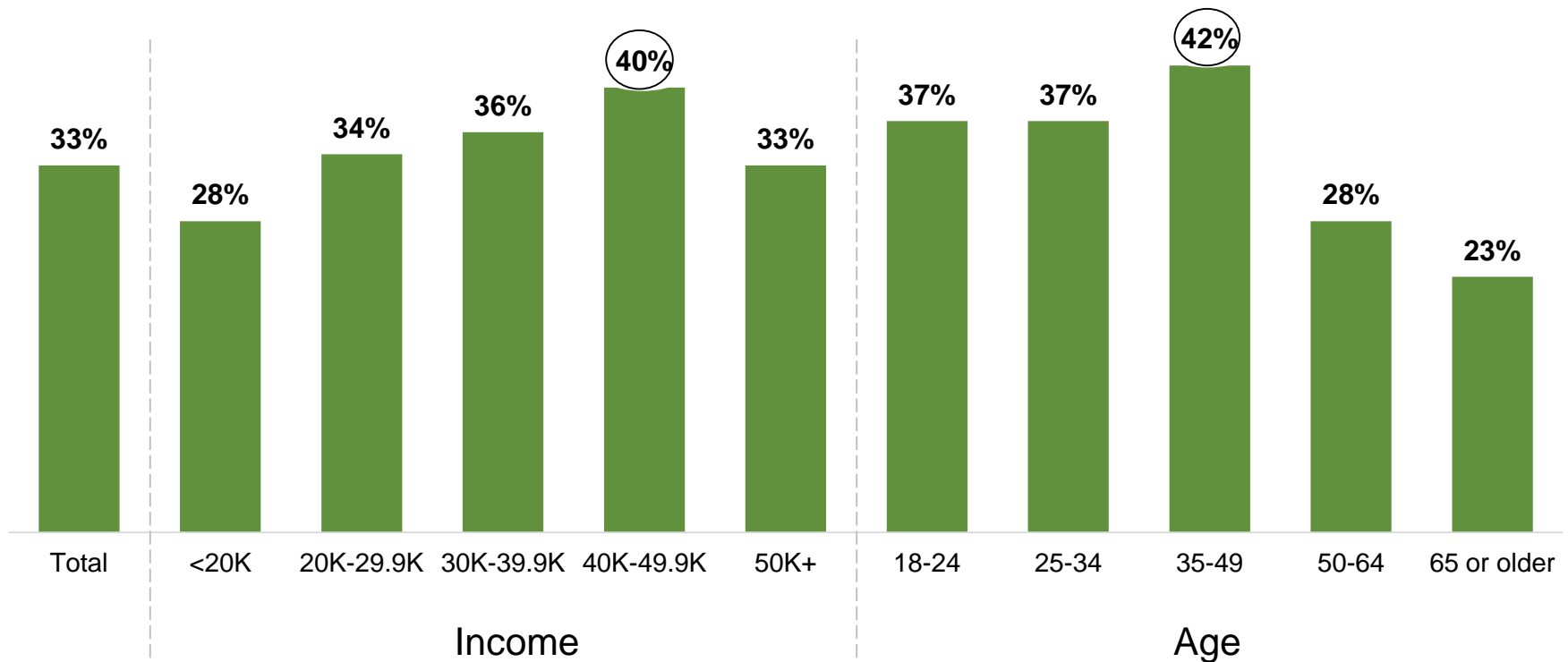


Q15: Thinking back over the past year, and excluding the filing of a tax return, did you initiate a contact with the IRS using any of the following methods?  
n=2,013 blended online and phone respondents.

## Taxpayers most likely to have made contact with the IRS tend to have incomes of \$40K-\$49.9K, and ages between 35-49 years old

These are similar demographics to the taxpayers who are most likely to have been contacted by the IRS in the past year.

**Made Contact with the IRS over the Past Year, by Income and Age**



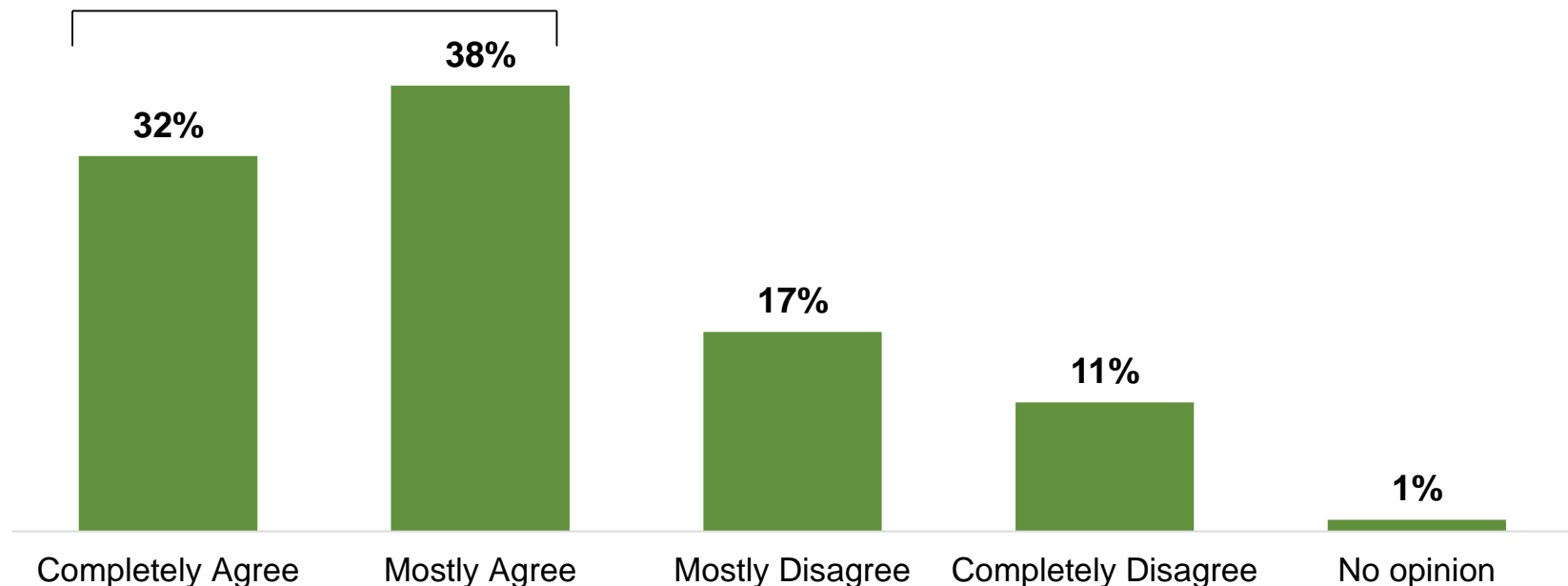
Q15: Thinking back over the past year, and excluding the filing of a tax return, did you initiate a contact with the IRS using any of the following methods?  
n=2,013 blended online and phone respondents.

# Protection of Tax Records



# Seven out of ten Americans at least mostly agree that they trust the IRS to protect their tax account records from Internet-based cyber criminals

**Agreement with: 'I trust the IRS to protect my tax account records from internet-based cyber criminals'**

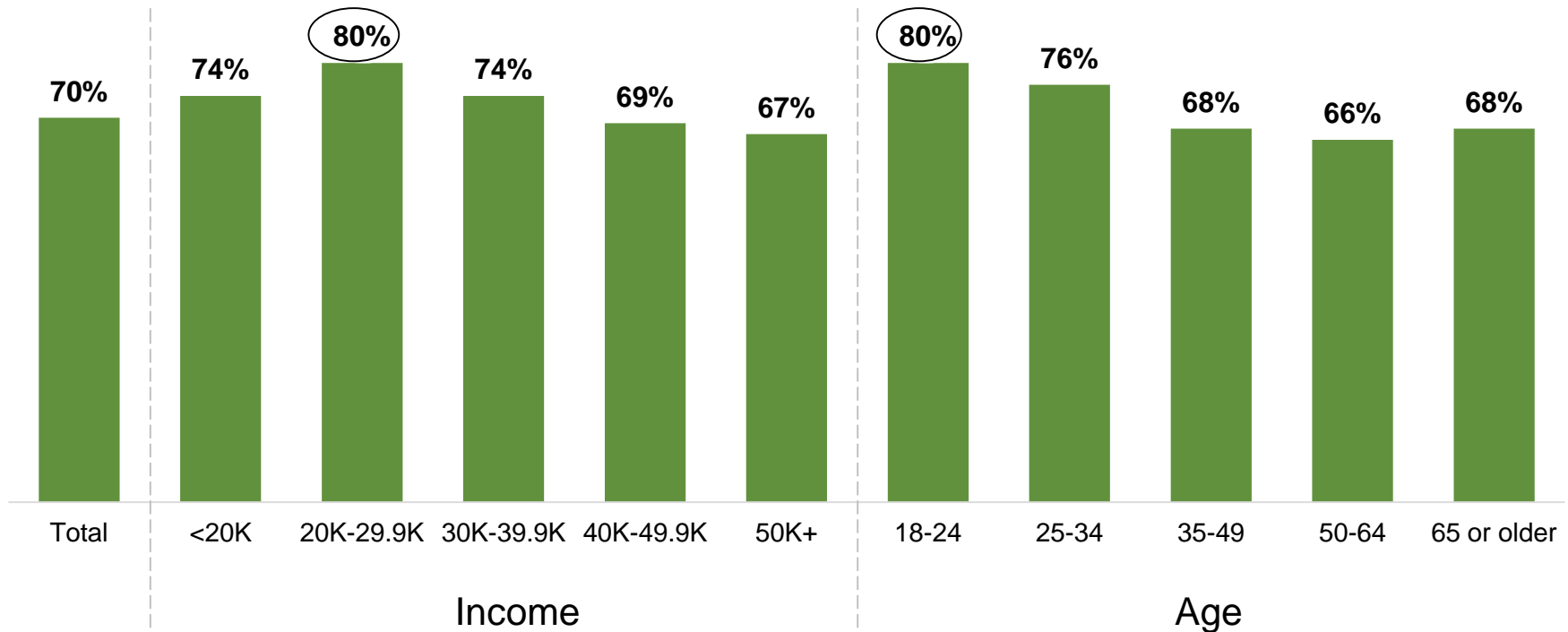


Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Percentage 'completely agree' plus 'mostly agree' is shown.  
n=2,013 blended online and phone respondents



## Trust that the IRS will protect tax account records from cyber criminals is highest among taxpayers earning between \$20K-\$29.9K and taxpayers between 18 and 24 years old

% Agreement with: 'I trust the IRS to protect my tax account records from internet-based cyber criminals,' by Income and Age



Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Percentage 'completely agree' plus 'mostly agree' is shown.  
n=2,013 blended online and phone respondents

