# Table of Contents

Background .................................................................................................................................................................. 3  
Summary Findings and Recommendations ................................................................................................................ 6  
Taxpayer Relationship to Tax Obligations ................................................................................................................. 11  
Factors Influencing Taxpayer Compliance ............................................................................................................. 21  
Sources of Tax Information and Advice .................................................................................................................. 25  
IRS Services Provided to Taxpayers ......................................................................................................................... 32
Background
Study Objectives

The objectives of the CTAS research study are to:

- Provide greater insights into tax compliance attitudes, service channel preferences, and behaviors and the changes over time that are of strategic importance to tax administration.

- Continuously assess the benefits of online vs RDD phone methodologies in terms of cost, time, response rate and mode effects.

- Improve study insights by identifying potential questionnaire improvements.
Methodology

Pacific Consulting Group (PCG) fielded the 2019 Comprehensive Taxpayer Attitude Survey (CTAS) from August 17 – September 9, 2019, collecting a total of 2,027 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. (500 interviews) and to cell phone numbers (501 interviews). The interviewing methodology used was Computer Assisted Telephone Interviewing (CATI).
  - A total of 1,026 online survey responses were collected. PCG subcontracted with Ipsos 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.
- The response rate (total # completed interviews/total # contacts) was 2.6% for phone survey and 61.2% for online survey. The average interview length was 21 minutes for phone and 13 minutes for online survey.
- Survey data from each data collection mode were 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.

* Margin of error: +/- 2.2% at 95% confidence level
Summary Findings and Recommendations
Overall taxpayer attitudes display a compliance-oriented mindset

- The majority of American taxpayers continue to say that it is ‘not at all’ acceptable to cheat on taxes (87%), that it is every American’s civic duty to pay their fair share of taxes (95% agree), and that everyone who cheats on their taxes should be held accountable (91% agree).

- Taxpayer trust in the IRS to fairly enforce the tax laws and to help taxpayers understand their tax obligations has grown since 2014. Yet, there are about 30% of taxpayers that do not trust the IRS. Trust is especially lower among the more educated and high-income taxpayers.

- Most taxpayers are satisfied (80%) with their personal interactions with the IRS, whether it’s just filing tax returns or actually speaking with an IRS representative. Satisfaction is lower among the more educated taxpayers.
While taxpayers report and pay taxes honestly due to personal integrity, they believe more IRS help will promote more accurate returns

- Personal integrity is ‘a great deal’ or ‘somewhat’ of an influence to report and pay taxes honestly for 93% of taxpayers, followed by third party reporting (66%) and fear of an audit (62%).

- For millennials, fear of an audit and belief that friends, associates, and neighbors are reporting and paying honestly is more of an influence than for older taxpayers.

- Taxpayers agree that the more information and guidance the IRS provides, the more likely people are to correctly file their tax returns (89% agree).

- 37% of taxpayers agree that the IRS devotes too much of its resources to enforcement activities and not enough to its customer service programs, while 46% agree that the IRS maintains a proper balance. Only 10% of taxpayers agree that the IRS devotes too much of its resources to customer service.

- The proportion of taxpayers agreeing that the IRS should receive extra funding so it can assist more taxpayers over phone and in person has increased since 2013 (from 59% to 73% for phone respondents).

- The most important IRS services for taxpayers are the IRS website for information (92%), the toll-free number (89%) and office locations (85%) where IRS representatives can answer questions.
Taxpayers value the tax advice and information they receive from paid tax professionals, along with the IRS website and IRS representatives

• The most valuable sources of getting tax advice and information are the IRS website (89%), representatives (88%), and printed publications (82%), along with paid tax professionals (89%). Fewer taxpayers find reference materials from sources other than the IRS (73%), IRS applications on mobile devices (67%) or social media (46%), and family or friends (59%) valuable.

• The IRS website and the toll-free number were the most used methods of initiating contact with the IRS in the last one year, excluding the filing of tax returns (19% and 12% respectively).

• As expected, a higher proportion of millennials consider IRS applications on mobile devices and social media valuable as compared to older taxpayers. Millennials also consider family or friends and reference materials from sources other than the IRS more valuable sources of tax advice or information.

• 52% of taxpayers used a paid tax professional. Use of paid tax professionals is the lowest among millennials.
Recommendations: Actions to Improve Taxpayer Compliance and Experience

- Promote compliance by providing better service to taxpayers.
  - Continue to invest in the IRS website as a true customer service and problem-solving platform.
  - Use industry best practices to achieve “one stop resolution” and increase the level of real assistance provided by the website.
  - Ensure the IRS website is designed for knowledge levels of the different types of website visitors, especially those with lower income and education levels.
  - Offer more mobile app-based help and guidance to appeal to the younger generation.
- Design compliance treatments that are tailored for different segments.
  - Consider “social networking effects” for millennials as they are more influenced by fear of audit and peers reporting and paying honestly.
  - Identify ways to improve trust among taxpayers, especially those with higher education and income levels.
Taxpayer Relationship to Tax Obligations
Overall attitudes about the IRS promote compliance

Attitudes about Cheating and Payment of Fair Share of Taxes

- **It is every American's civic duty to pay their fair share of taxes**
  - **Completely Disagree**: 2%
  - **Mostly Disagree**: 3%
  - **Mostly Agree**: 27%
  - **Completely Agree**: 68%

- **Everyone who cheats on their taxes should be held accountable**
  - **Completely Disagree**: 2%
  - **Mostly Disagree**: 6%
  - **Mostly Agree**: 34%
  - **Completely Agree**: 57%

- **It is everyone's personal responsibility to report anyone who cheats on their taxes**
  - **Completely Disagree**: 16%
  - **Mostly Disagree**: 30%
  - **Mostly Agree**: 31%
  - **Completely Agree**: 21%

- **Taxpayers should just have to pay what they feel is a fair amount**
  - **Completely Disagree**: 42%
  - **Mostly Disagree**: 33%
  - **Mostly Agree**: 16%
  - **Completely Agree**: 8%

Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Margin of error is +/- 2.2% for blended online/phone respondents. Note: Each stacked bar may not add up to 100% due to “don’t know,” “not applicable,” or “no response.”
Taxpayers continue to have an ethical attitude about not cheating on their income taxes

Q1: How much, if any, do you think is an acceptable amount to cheat on your income taxes? Would you say…?
Margin of error is +/- 2.2% for blended online/phone respondents and +/- 3.1% for phone respondents only.
Taxpayers generally trust the IRS to protect tax records, enforce tax laws, and help understand tax obligations; yet, there is opportunity to improve trust for about 30% of taxpayers.

Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Margin of error is +/- 2.2% for blended online/phone respondents. Note: Each stacked bar may not add up to 100% due to “don’t know,” “not applicable,” or “no response.”
The percentage agreeing that they trust the IRS to fairly enforce tax laws has trended up since 2014

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. Margin of error is +/- 2.2% for blended online/phone respondents and +/- 3.1% for phone respondents only.
The percentage agreeing that they trust the IRS to help understand their tax obligations has trended upward.

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. Margin of error is +/- 2.2% for blended online/phone respondents and +/- 3.1% for phone respondents only.

Trend in % Agreeing ‘I trust the IRS to help me understand my tax obligations’

- Blended Online/Phone
- Phone Respondents Only

<table>
<thead>
<tr>
<th>Year</th>
<th>Blended Online/Phone</th>
<th>Phone Respondents Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>2015</td>
<td>61%</td>
<td>61%</td>
</tr>
<tr>
<td>2016</td>
<td>66%</td>
<td>66%</td>
</tr>
<tr>
<td>2017</td>
<td>68%</td>
<td>66%</td>
</tr>
<tr>
<td>2018</td>
<td>70%</td>
<td>66%</td>
</tr>
<tr>
<td>2019</td>
<td>70%</td>
<td>69%</td>
</tr>
</tbody>
</table>
Trust that the IRS will help them understand their tax obligations is lower among the more educated taxpayers

% Agreement with ‘I trust the IRS to help me understand my tax obligations’ by Education

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.
Margin of error is +/- 2.2% for blended online/phone respondents.
Trust is also lower among taxpayers with higher income levels

% Agreement with ‘I trust the IRS to help me understand my tax obligations’ by Income

- Total: 69%
- <30K: 77%
- 30K-49.9K: 71%
- 50K-74.9K: 68%
- 75K-99.9K: 68%
- 100K-149.9K: 65%
- 150K+: 64%

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.
Margin of error is +/- 2.2% for blended online/phone respondents.
Taxpayers are largely satisfied with their personal interactions with the IRS

Satisfaction with Personal Interactions with the IRS

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? Margin of error is +/- 2.2% for blended online/phone respondents.
Satisfaction is lower among the more educated taxpayers

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' plus 'somewhat satisfied' is shown. Margin of error is +/- 2.2% for blended online/phone respondents.
Factors Influencing Taxpayer Compliance
Taxpayers report and pay honestly due to personal integrity; third party reporting and fear of audit are also important drivers of compliance

Influence of Factors In Reporting and Paying Taxes Honestly

- **Your personal integrity**: 4% Is not at all an Influence, 3% Very Little Influence, 16% Somewhat of an Influence, 77% A Great Deal of Influence
- **Third parties reporting your income to the IRS**: 18% Is not at all an Influence, 14% Very Little Influence, 29% Somewhat of an Influence, 37% A Great Deal of Influence
- **Fear of an audit**: 20% Is not at all an Influence, 17% Very Little Influence, 30% Somewhat of an Influence, 31% A Great Deal of Influence
- **Belief your friends and associates are reporting and paying honestly**: 31% Is not at all an Influence, 20% Very Little Influence, 26% Somewhat of an Influence, 22% A Great Deal of Influence
- **Belief that your neighbors are reporting and paying honestly**: 35% Is not at all an Influence, 23% Very Little Influence, 23% Somewhat of an Influence, 18% A Great Deal of Influence

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? Margin of error is +/- 2.2% for blended online/phone respondents. Note: Each stacked bar may not add up to 100% due to “don’t know,” “not applicable,” or “no response.”
Millennials are more influenced by the fear of an audit

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. Margin of error is +/- 2.2% for blended online/phone respondents.
Millennials are also more influenced by their peers reporting and paying 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? Percentage ‘a great deal of influence’ plus ‘somewhat of an influence’ is shown. Margin of error is +/- 2.2% for blended online/phone respondents.
Sources of Tax Information and Advice
Tax professionals continue to be the most valuable source of tax advice along with the IRS website, representatives and publications.

### Value of Sources of Getting Tax Advice or Information

<table>
<thead>
<tr>
<th>Source</th>
<th>Not at all Valuable</th>
<th>Not Very Valuable</th>
<th>Somewhat Valuable</th>
<th>Very Valuable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid tax professional</td>
<td>4%</td>
<td>6%</td>
<td>33%</td>
<td>56%</td>
</tr>
<tr>
<td>IRS website</td>
<td>5%</td>
<td>5%</td>
<td>31%</td>
<td>58%</td>
</tr>
<tr>
<td>IRS representatives</td>
<td>4%</td>
<td>7%</td>
<td>34%</td>
<td>54%</td>
</tr>
<tr>
<td>IRS printed publications</td>
<td>7%</td>
<td>10%</td>
<td>39%</td>
<td>43%</td>
</tr>
<tr>
<td>Reference materials from sources other than the IRS</td>
<td>9%</td>
<td>17%</td>
<td>46%</td>
<td>28%</td>
</tr>
<tr>
<td>IRS applications for mobile devices</td>
<td>15%</td>
<td>17%</td>
<td>37%</td>
<td>30%</td>
</tr>
<tr>
<td>Family or friends</td>
<td>15%</td>
<td>25%</td>
<td>40%</td>
<td>19%</td>
</tr>
<tr>
<td>IRS applications on social media</td>
<td>26%</td>
<td>27%</td>
<td>32%</td>
<td>13%</td>
</tr>
</tbody>
</table>

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? Margin of error is +/- 2.2% for blended online/phone respondents. Note: Each stacked bar may not add up to 100% due to “don’t know,” “not applicable,” or “no response.”
IRS applications on mobile devices and social media are considered more valuable by millennials

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? Percentage ‘very valuable’ plus ‘somewhat valuable’ is shown. Margin of error is +/- 2.2% for blended online/phone respondents.
Family or friends and reference materials from sources other than the IRS are considered more valuable by millennials

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? Percentage ‘very valuable’ plus ‘somewhat valuable’ is shown. Margin of error is +/- 2.2% for blended online/phone respondents.
Of the IRS services considered most valuable, the IRS website is the most used, followed by the toll-free number; usage of tax applications on mobile devices and social media is much lower.

<table>
<thead>
<tr>
<th>Method of contacting the IRS over the Past Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>You visited the IRS website, other than to file taxes</td>
<td>19%</td>
</tr>
<tr>
<td>You called the IRS on the telephone</td>
<td>12%</td>
</tr>
<tr>
<td>You accessed an IRS-sponsored tax application on a mobile device such as a smartphone or tablet</td>
<td>6%</td>
</tr>
<tr>
<td>You sent the IRS a letter in the mail, other than to file taxes</td>
<td>4%</td>
</tr>
<tr>
<td>You visited an IRS office for in-person help</td>
<td>4%</td>
</tr>
<tr>
<td>You sent an e-mail to the IRS</td>
<td>3%</td>
</tr>
<tr>
<td>You accessed IRS-sponsored information through social media such as a social networking site or blog</td>
<td>2%</td>
</tr>
</tbody>
</table>

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? Margin of error is +/- 2.2% for blended online/phone respondents.
Website usage increases as education levels increase; the biggest opportunity is to encourage website usage among high school graduates.

% Visited the IRS website, other than to file taxes

- High School: 13% (13% of Population), 39% (39% of Visited IRS website)
- Some College: 18% (18% of Population), 28% (28% of Visited IRS website)
- College+: 27% (27% of Population), 33% (33% of Visited IRS website)

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? Margin of error is +/- 2.2% for blended online/phone respondents.
52% of taxpayers use a professional tax preparer; use of a paid tax preparer increases with age

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

- Total: 52%
- 18-24: 39%
- 25-34: 47%
- 35-49: 52%
- 50-64: 53%
- 65 or older: 58%

Q14: Did you use a paid tax return preparer to prepare your most recent Federal income tax return? Margin of error is +/- 2.2% for blended online/phone respondents.
IRS Services Provided to Taxpayers
Taxpayers agree more guidance from the IRS helps people correctly file their tax returns

Agreement with ‘The more information and guidance the IRS provides, the more likely people are to correctly file their tax returns’

- Completely Agree: 48%
- Mostly Agree: 41%
- Mostly Disagree: 7%
- Completely Disagree: 3%
- No opinion: 1%

Q2: For each of the following statements, please indicate whether you completely agree, mostly agree, mostly disagree, or completely disagree. Margin of error is +/- 2.2% for blended online/phone respondents.
More than a third of taxpayers (37%) feel that the IRS devotes too much of its resources for enforcement and not as much for customer service.

**Statement Most Agreed With About the Resources the IRS Receives**

- IRS maintains a proper balance between its enforcement activities and its customer service programs: 46%
- IRS devotes too much of its resources to enforcement activities and not enough to its customer service programs: 37%
- IRS devotes too much of its resources to customer service programs and not enough to its enforcement activities: 10%
- No opinion: 7%

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…

Margin of error is +/- 2.2% for blended online/phone respondents.
In particular, taxpayers feel it’s most important that the IRS provides opportunities to file taxes electronically, information on their website and toll-free number/office locations to answer questions.

### Importance of IRS Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Not at all Important</th>
<th>Not very Important</th>
<th>Somewhat Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities for electronic filing of tax returns</td>
<td>3%</td>
<td>4%</td>
<td>21%</td>
<td>72%</td>
</tr>
<tr>
<td>A website to provide you with information</td>
<td>3%</td>
<td>4%</td>
<td>22%</td>
<td>70%</td>
</tr>
<tr>
<td>A toll-free telephone number to answer your questions</td>
<td>4%</td>
<td>7%</td>
<td>26%</td>
<td>63%</td>
</tr>
<tr>
<td>Office locations you can visit where an IRS representative will answer your questions</td>
<td>5%</td>
<td>10%</td>
<td>31%</td>
<td>54%</td>
</tr>
<tr>
<td>The ability to email your questions directly to the IRS</td>
<td>5%</td>
<td>11%</td>
<td>32%</td>
<td>51%</td>
</tr>
<tr>
<td>Community-based tax clinics at convenient locations</td>
<td>7%</td>
<td>13%</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>Tax applications on mobile devices like smartphones or tablets that provide you information and assistance</td>
<td>12%</td>
<td>15%</td>
<td>35%</td>
<td>37%</td>
</tr>
<tr>
<td>The ability to hold live face-to-face interactions with an IRS representative using video communication</td>
<td>11%</td>
<td>20%</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>A computer terminal located in a kiosk at a library or shopping mall</td>
<td>21%</td>
<td>26%</td>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>Tax applications on social media such as social networking sites and blogs that provide you information and assistance</td>
<td>22%</td>
<td>27%</td>
<td>29%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Q5: How important is it to you, as a taxpayer, that the IRS provides each of the following services to assist taxpayers? Margin of error is +/- 2.2% for blended online/phone respondents. Note: Each stacked bar may not add up to 100% due to “don't know,” “not applicable,” or “no response.”
The share of taxpayers who agree the IRS should receive extra funding for phone and in person assistance has increased since 2013.

Trend in % Agreeing ‘The IRS should receive extra funding so it can assist more taxpayers over the phone and in person’

Q11: 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. Margin of error is +/- 2.2% for blended online/phone respondents and +/- 3.1% for phone respondents only.