



2015 IRS-TPC Research Conference

Session 3: Understanding Taxpayer Behavior

Moderator:

Rahul Tikekar

IRS, RAS, Office of Research

**Short-Term Impacts from a Randomised
Experiment in Guatemala**

Marco Hernandez

World Bank

**Designing Digital Communication Products
to Reduce Phone and Mail Inventory**

Mackenzie Wiley

IRS, Wage & Investment

**Addressing Taxpayer Expectations for ACA
Automated Information**

Ariel Wooten

IRS, Wage & Investment

Discussant:

Elaine Maag

The Urban Institute

Joining or Resisting the Status Quo: Social Norms and Deliberate Choice to Encourage Tax Compliance

**Stewart
Kettle**

*University of
Bristol*

**Marco
Hernandez**

World Bank

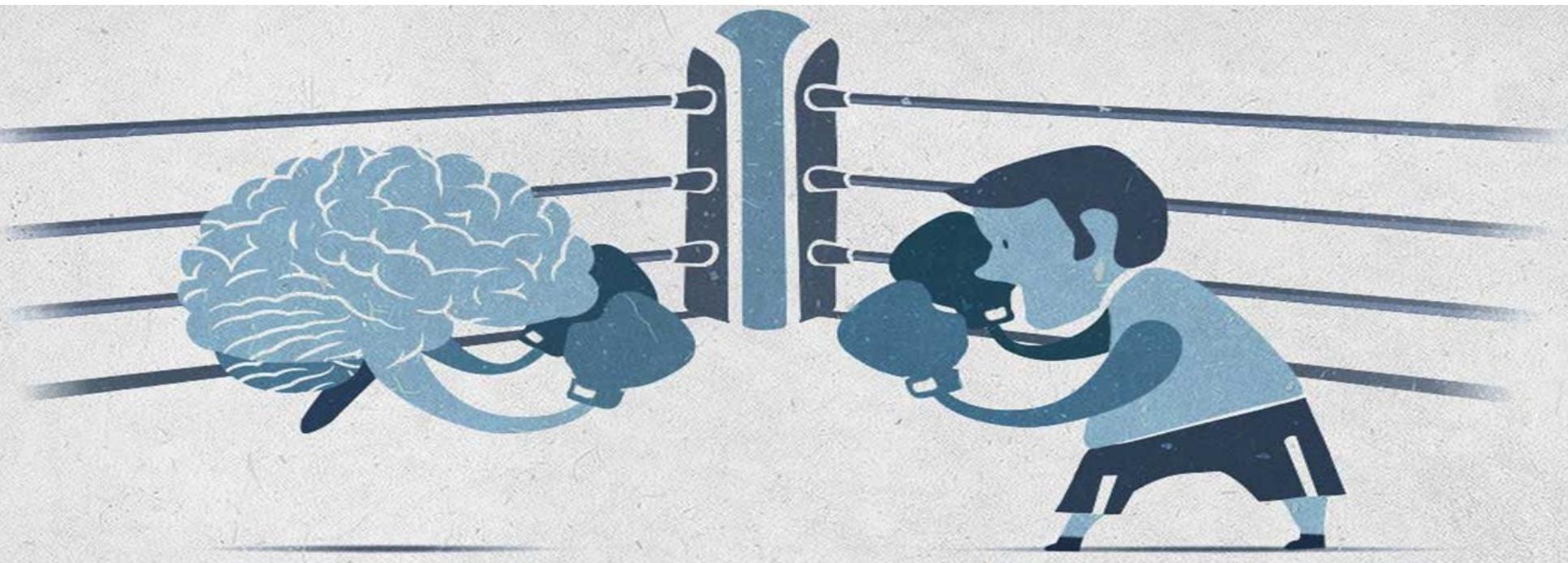
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**IRS-TPC Research Conference
June 18, 2015**



Guatemala



WORLD BANK GROUP

THE
BEHAVIOURAL
INSIGHTS TEAM

The Guatemalan State

Public Revenues and Spending (2011 – 2013, % GDP)



Revenues

Ranking
186/186



Spending

Ranking
186/186

Source: Guatemala Economic DNA (World Bank, 2014).

**How might we
increase tax compliance
at a **low cost**,
and **without new legislation**?**





ALERTA SAT

Guatemala, 23 de mayo de 2014

Chimaltenango, Chimaltenango

Por este medio me permito informarle que de conformidad con los registros con que cuenta para el efecto la Administración Tributaria, usted omitió la presentación de la declaración siguiente:

PERÍODO	IMPUESTO	FORMULARIO
2013	ISR ANUAL	SAT-1411

Por lo antes indicado, se le requiere revisar sus registros y presentar la declaración omitida, haciendo uso de los medios que la SAT ha puesto a disposición de los contribuyentes.



ALERTA SAT

Chimaltenango, Chimaltenango

Guatemala, 26 de mayo de 2014

Por favor presente su declaración del impuesto sobre la renta

Estimado contribuyente:

Según nuestros registros, 64.5% de los guatemaltecos declararon a tiempo su Impuesto sobre la Renta correspondiente al año 2013. Usted es parte de una minoría de guatemaltecos que no ha presentado su declaración de este impuesto.

Social Norm:

“According to our records, 64.5% of Guatemalans declared their income tax for the year 2013 on time. You a part of the minority of Guatemalans who are yet to declare for this tax.”

Behavioral Insights:

“If you do not declare, you may be audited and could face the procedure established by law.”

Deliberate Choice:

“Previously we have considered your failure to declare an oversight. However, if you don't declare now we will consider it an active choice and you may therefore be audited and could face the procedure established by law.”

National Pride:

“You are a Guatemalan citizen and Guatemala needs you. Be a good citizen and submit the 2013 annual return of your Income Tax...Are you going to support your country?”



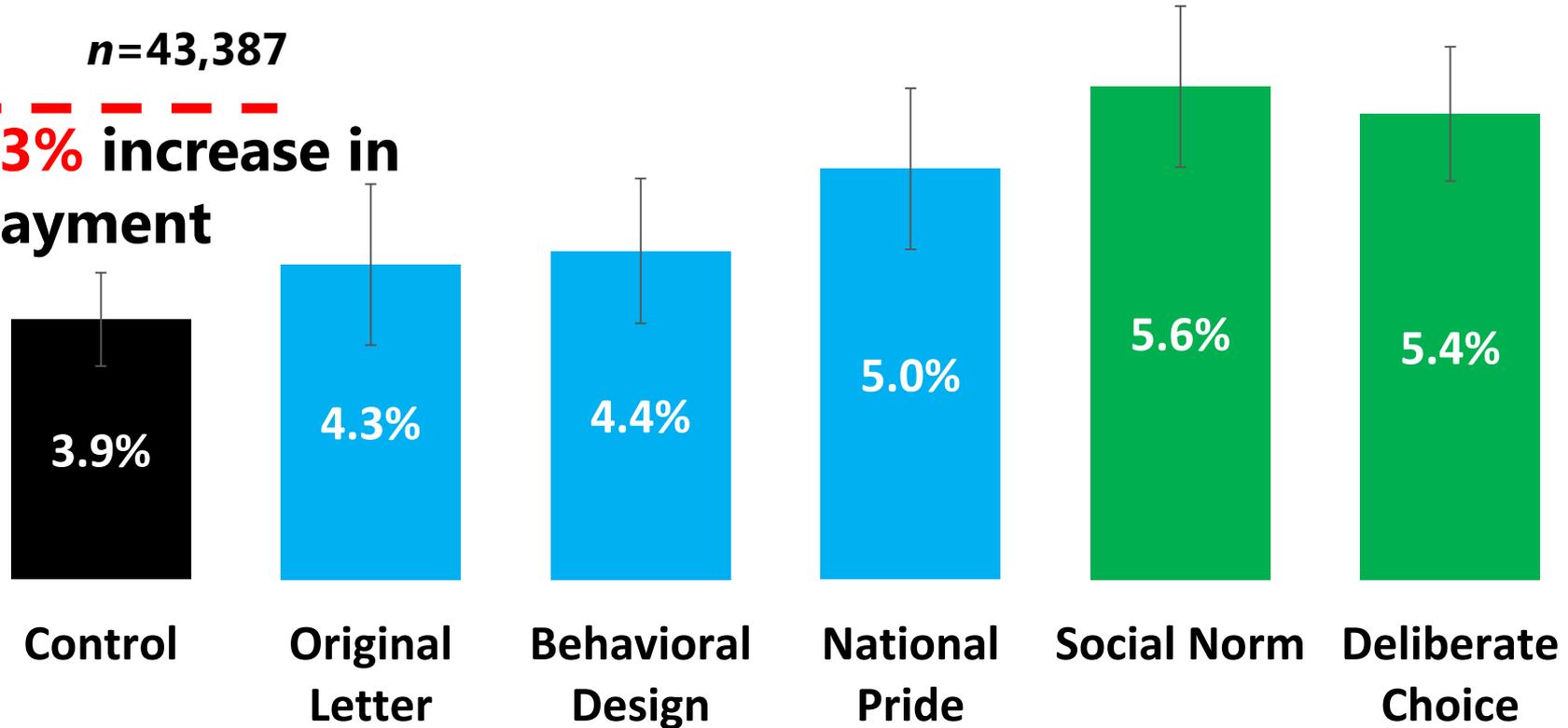
Descriptive statistics

Condition	Number of observations	Number of letters delivered	% Central region	% Businesses	2012 Average payment in local currency
Full Sample	43,387	21,781	67.4	25.9	469.39
No Letter	12,397	0	67.0	25.6	460.62
Original	6,198	4,382	67.6	25.8	503.55
Behavioural Letter	6,197	4,316	67.9	25.7	460.95
Behavioural + Social Norms	6,198	4,332	67.2	25.9	424.74
Behavioural + Deliberate Choice	6,198	4,337	67.5	26.3	523.36
Behavioural + National Pride	6,199	4,414	67.2	26.0	452.73

Percentage of taxpayers that paid their Income Tax (after 11 weeks)

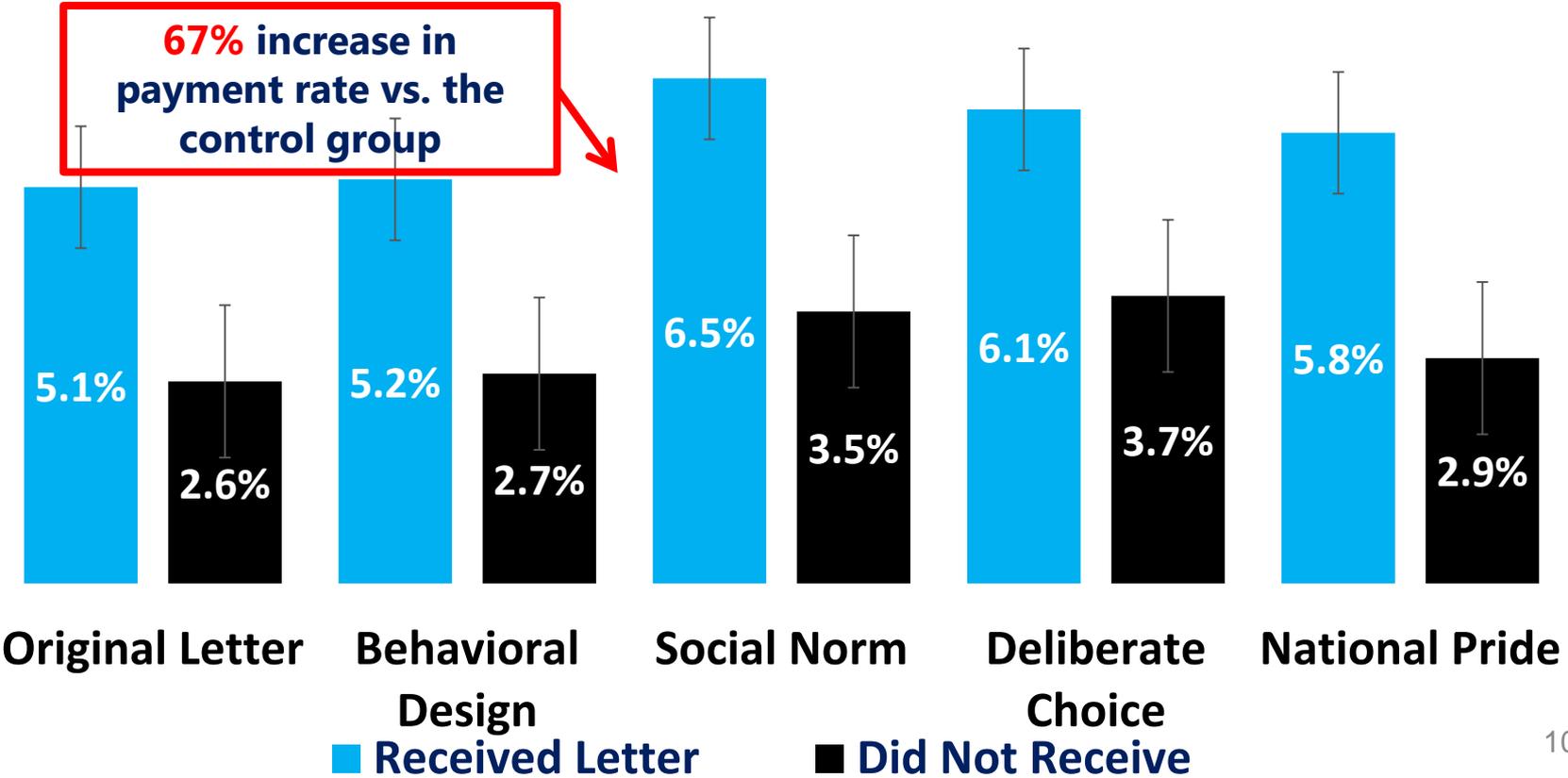
n=43,387

43% increase in payment

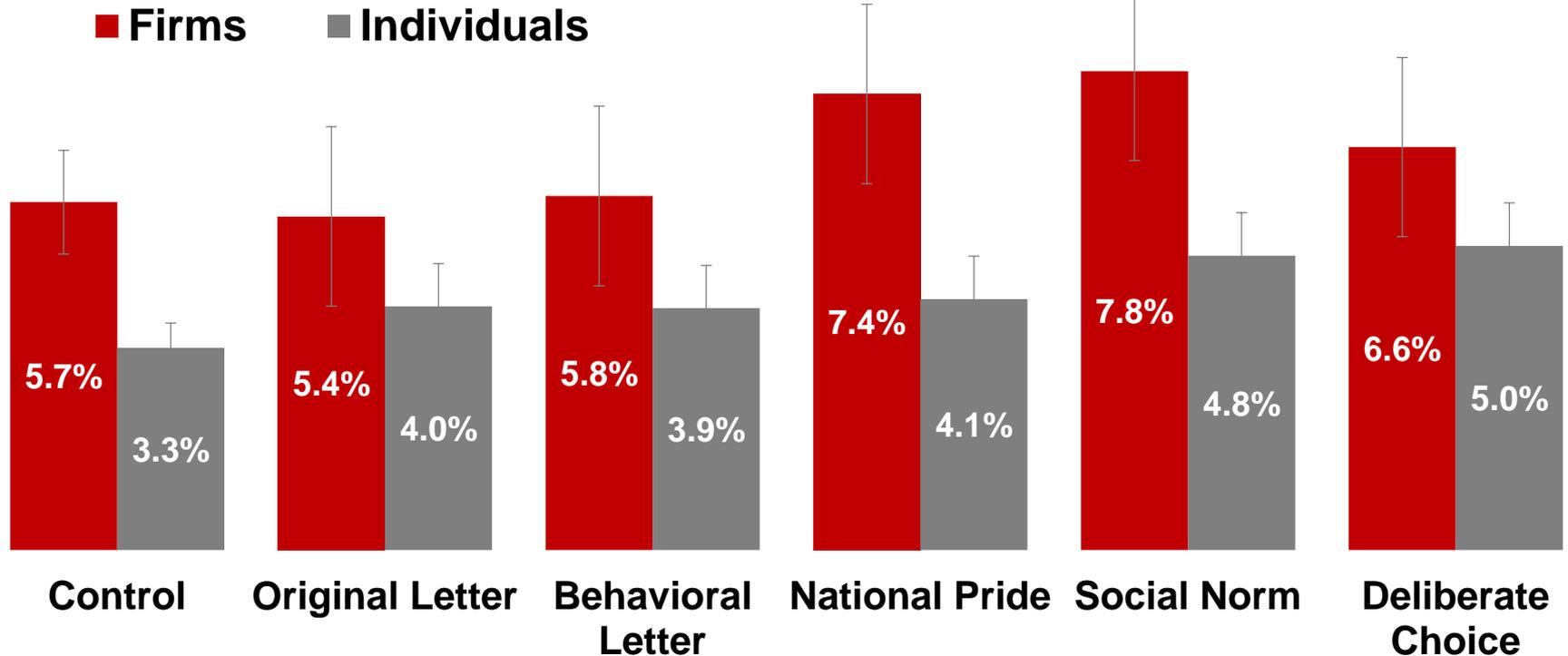


Note: Green bars denote point estimates significantly different from the original Tax Authority letter at 1% level of significance.

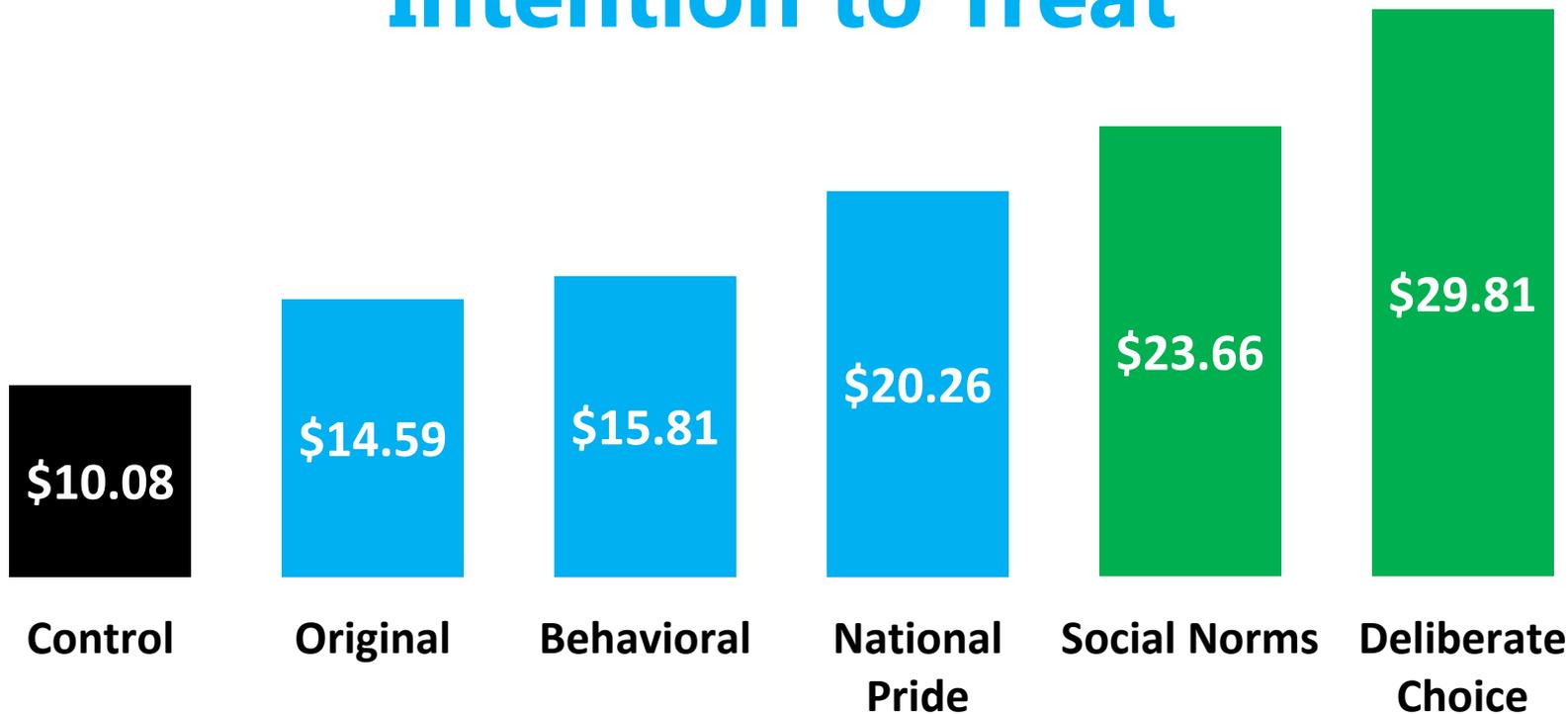
Percentage of taxpayers that paid depending on whether they received a letter



Percentage of taxpayers that paid: *Firms vs. Individuals (LATE)*

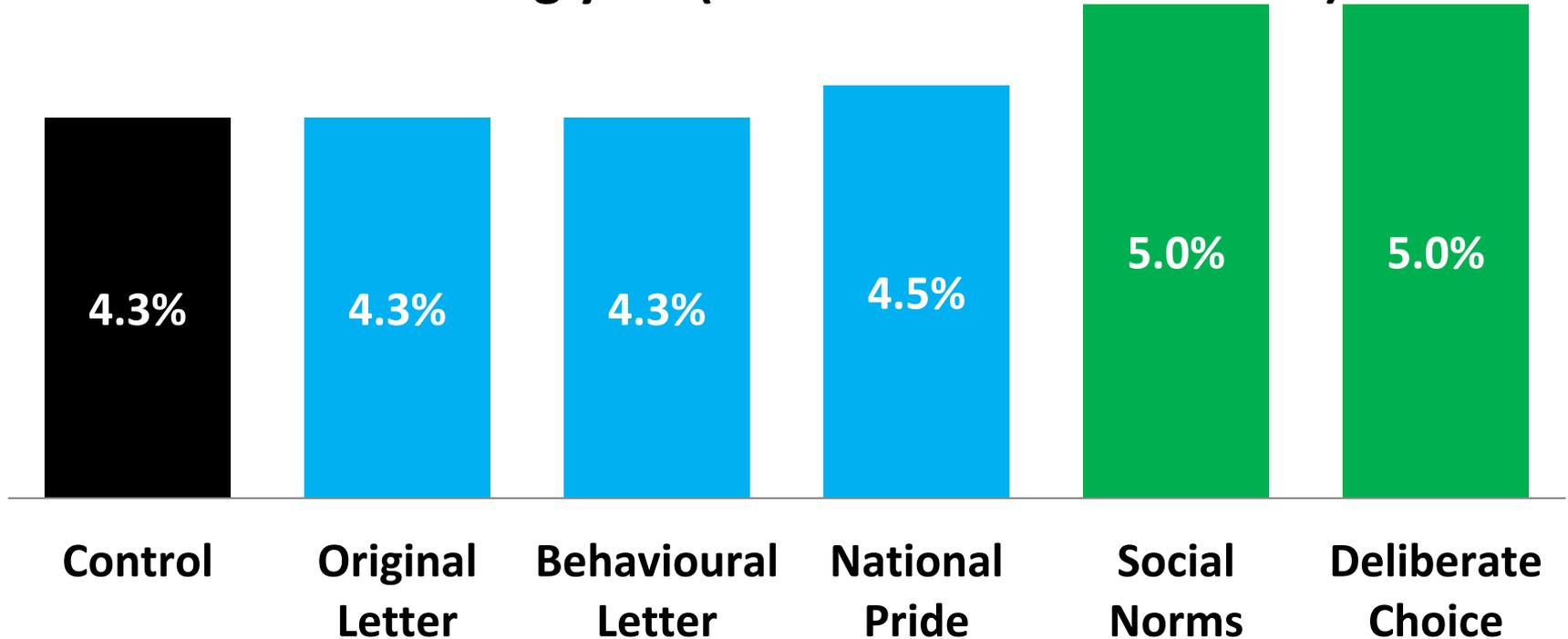


Amount of tax received by letter sent (after 12 months) Intention to Treat



Long-Term Impact

% of taxpayers that went on to make a payment the following year (with no further reminder)



CAPTCHA Experiment

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[Contact Us](#)
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1. VAT			
GENERAL VAT	Monthly	SAT-2237	Value Added Tax. General Regime. Taxpayers engaged in local and export operations. Affidavit and monthly payment. Valid for tax periods september - 2013 onwards.
ANNEX TO SAT-2157 OF 2237	---	---	Annex to SAT-2157 or Form 2237 detail the special invoices issued.
VAT SMALL CONTRIBUTOR	Monthly	SAT-2046	Value Added Tax. Small taxpayers regime. Simplified affidavit and monthly payment. Valid for tax periods september - 2013 onwards.
VAT DIRECT PAYMENT CONTRACTS	---	SAT-2799	Value Added Tax. Contracts documented in deed. Payment made directly by the parties. Form of payment.
SPECIAL VAT INVOICES	---	SAT-2085	Value Added Tax. Deductions to issue special invoices. Receipt of payment. Valid for tax periods september - 2013 onwards.
TWO. ISR			
OPTIONAL ISR MONTHLY	Monthly	SAT-1311	Income Tax. Optional simplified regime lucrative income activities. Affidavit and monthly payment.
ISR CAPITAL MONTHLY	Monthly	SAT-1321	Income Tax. From real estate, furniture, capital gains and losses. Affidavit and monthly payment.
ISR QUARTERLY	Quarterly	SAT-1361	Income Tax. Utilities Regime on Nonprofit Activities Quarterly Tax Return and Payment.
ISR DRAW	Monthly	SAT-1341	Income Tax. For lotteries, raffles, lotteries, bingo or similar events. Affidavit and monthly payment.
ISR DEDUCTIONS	Monthly	SAT-1321	Income Tax. Deductions from residents and non-residents with a permanent establishment. Affidavit and monthly payment.



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ISR not domiciled	Monthly	SAT-1096	Income Tax. Deductions to persons not domiciled in the country. Affidavit and monthly payment. Valid for tax periods from January-2001 until December-2012.
ISR EMPLOYEES	Annual	SAT-1179	Income Tax. Individuals who work as employees. Affidavit and annual payment. Valid for tax periods from 2004 to 2012.
ISR IPF DEDUCTIONS	Monthly		Income tax on investment income. Deductions made. Affidavit and monthly payment. Valid for tax periods from January-1999 until December-2012.
ISR asset revaluation	Monthly		Revaluation of assets. Receipt of monthly payment. Valid for tax periods 1999 until December-2012.
ISR RESIDENTS PAY NO DEDUCTIONS	Monthly		Deductions for non-residents without a permanent establishment (made as SAT). Affidavit and monthly payment. Valid for tax periods since January 012 - 2013.
ISO	Quarterly		Receipt for quarterly payment. Valid for tax periods since January - number - 2013.

Please type the characters you see in the picture:



You can write uppercase or lowercase

FILL SAT-2237



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[FAQ](#)
[Contact Me](#)
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[Send data by email](#)
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SAT
Superintendency of Tax Administration

Accession Number
155 434 120

GENERAL VAT

Value Added Tax. General Regime. Taxpayers engaged in local and export operations. Affidavit and monthly payment.

April 1: In preparation

Certifications

Who can use this form?
Taxpayers registered to the General System of Value Added Tax to make local and export operations.

How is this form used for?

- Enter the NET taxpayer.
- Select the period to certify.
- To declare select export operations **if in do you performs export operations**.
- Fill in the boxes that apply.
- Validate and leave the form. The "SAT-2000 Divul" button appears, if the form does not amount payable (QGR) or without movement must also present.
- Press the "SAT-2000" and pay it into a bank.

SAT-2237
Revise 1

Form Number:
12556477420

Number of Contingency

1. NET TAXPAYER *

N. 33333333

Tax PERIOD OF TAXATION *

MES:

YEAR:

Do you perform export operations?

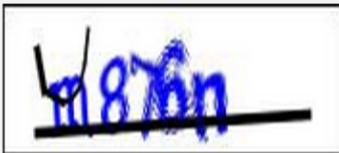
SI

Taxons # and 6 containing the boxes for export operations are enabled.

March. DEBIT BY LOCAL FISCAL OPERATIONS	BASE	DEBT
Electrical sales and services exempt	<input type="text"/>	<input type="text"/>
Sales of generic environmental drugs and alternative	<input type="text"/>	<input type="text"/>
Not affected sales to qualified taxpayers (Decrease No. 29-09 as amended)	<input type="text"/>	<input type="text"/>
Sales of forestal models of two years or more prior to the current year	<input type="text"/>	<input type="text"/>



Por favor escriba los caracteres que ve en la imagen:



Puede escribir mayúsculas o minúsculas

Declaración: Voy a llenar este formulario de forma honesta.

Por favor indique su nombre para confirmar esta declaración:

LLENAR SAT-2046

#1

Honesty Declaration



Por favor escriba los caracteres que ve en la imagen:



Puede escribir mayúsculas o minúsculas

Sus impuestos ayudan a pagar escuelas, hospitales y policías.



LLENAR SAT-2237

#2

Public Good



Por favor escriba los caracteres que ve en la imagen:



Puede escribir mayúsculas o minúsculas

5,060 contribuyentes a principios de 2014 tenían procesos judiciales por incumplimiento de sus obligaciones tributarias.



LLENAR SAT-2237

#3

Punishment

✖

Por favor escriba los caracteres que ve en la imagen:



Puede escribir mayúsculas o minúsculas

Por favor seleccione en qué quisiera ver usados sus impuestos.

- Escuelas
- Hospitales
- Policías

LLENAR SAT-2237

#4

Selection of Public Good

✖

Por favor escriba los caracteres que ve en la imagen:



Puede escribir mayúsculas o minúsculas

¿Qué sanción debería aplicarse a quienes declaran en forma deshonesta?

- Imponerles una multa
- Embargarles sus bienes
- Enviarles a la cárcel

LLENAR SAT-2237

#5

Selection of Punishment

✖

Por favor escriba los caracteres que ve en la imagen:



Puede escribir mayúsculas o minúsculas

¿Con quién se identifica?

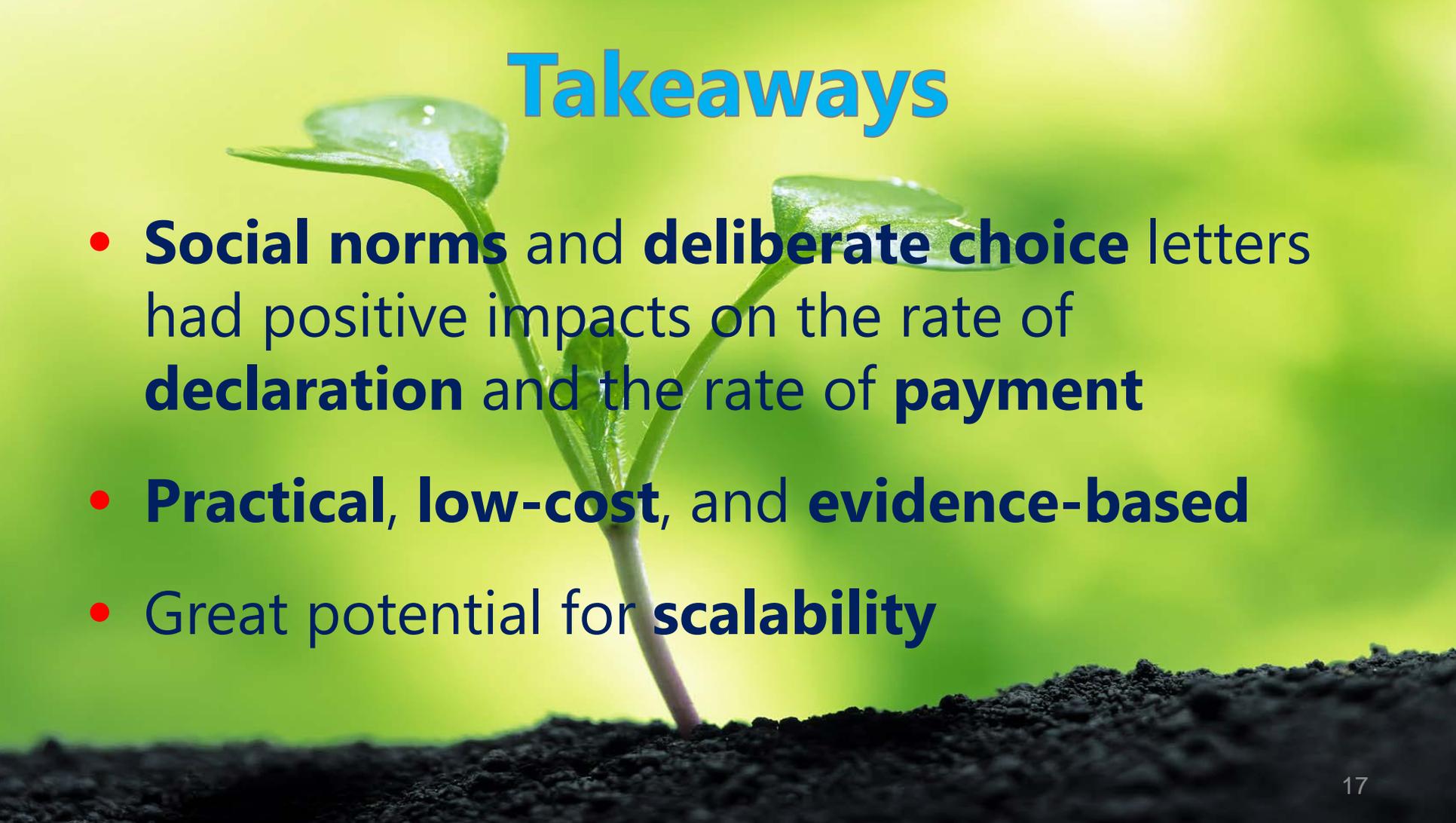
- Soy un contribuyente honesto que declara con veracidad
- Soy un contribuyente ocupado que declara con rapidez

LLENAR SAT-2237

#6

"I am Honest" Selection

Takeaways

A small green seedling with two leaves growing out of dark soil against a bright green background. The seedling is positioned in the center-left of the frame, with its stem and leaves extending upwards and to the right. The background is a soft, out-of-focus green, suggesting a natural, outdoor setting. The soil is dark and textured, contrasting with the vibrant green of the plant.

- **Social norms** and **deliberate choice** letters had positive impacts on the rate of **declaration** and the rate of **payment**
- **Practical, low-cost**, and **evidence-based**
- Great potential for **scalability**

Thank You

Marco Hernandez

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Wage & Investment

2014 Taxpayer Choice Model

Designing Digital Communication Products to Reduce Phone and Mail Inventory

Courtney Rasey and Mackenzie Wiley
Internal Revenue Service
W&I Research and Analysis
June 2015



Presentation Overview

Introduction

Purpose of Research

Brief Methodology

Findings

Conclusions



Introduction

2011

W&I Research conducted a conjoint survey and created the Taxpayer Choice Model (TCM) to identify taxpayers' qualified preference among IRS service channel options for eight generic service needs.

- Follow-up to 2007 conjoint project for the Taxpayer Assistance Blueprint (TAB) report

2013 & 2014

W&I Research worked with IRS's Compliance and the Taxpayer Digital Communication (TDC) team to update the 2011 TCM to prioritize and design digital communication products for tasks not included in the original model.



Purpose of Research

- Understand taxpayers' service channel preferences
- Identify ways to best migrate taxpayers to less expensive service channels
- Compare how taxpayer segments value different service delivery configurations
- Predict impact of proposed service changes
- Facilitate IRS decisions to prioritize digital communication products



Brief Methodology

W&I Research used a choice-based conjoint survey for this study

- During a conjoint survey, respondents are not directly asked about the importance of service channel features or their preference
- Instead, respondents are asked to choose a service channel based on the service channel features

Cross-functional workgroup led by Compliance and W&I Research worked together to develop the survey

- Service channels for each service need were chosen based on current offerings and service channels Compliance and Online Services (OLS) are considering for future development



Configuration

Service Needs	Service Channels	Service Channel Attributes
Submit documentation	Toll-Free Phone, Live Assistor	Time Required
Status of a case/transaction	Toll-Free Phone, Automated	Confirmation of Receipt
Sign a document	Fax	Identification Proofing
Get information about a notice you received/Discuss case details	IRS Website – Interactive Tool	Account Required
Set up a payment plan	Smartphone Application	Account Update Time
Request an extension	Regular Mail	
	Secure Message	
	Secure Online Chat	
	Automatic Email Communication	
	Automatic Text Communication	
	Local IRS Office	

The service channels for each service need were chosen based on current offerings and service channels Compliance and OLS are considering for development.

Not all service channels apply to each service need.

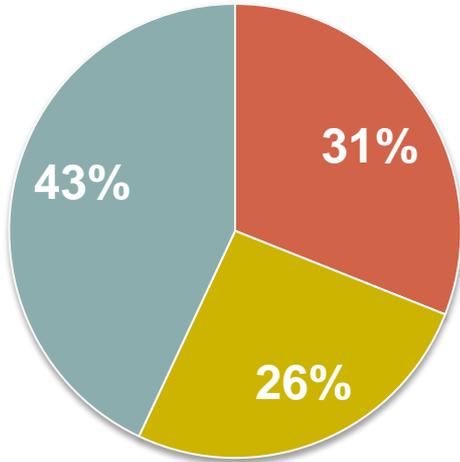


Findings

Sign a Document

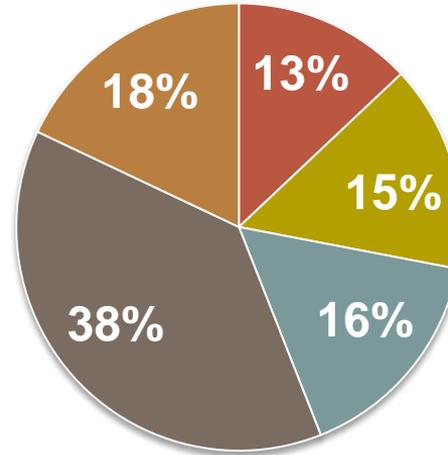
Figure 1. Current and Future State Taxpayer Preference

Current State



- 3 channels enabled for current state / base case

Future State



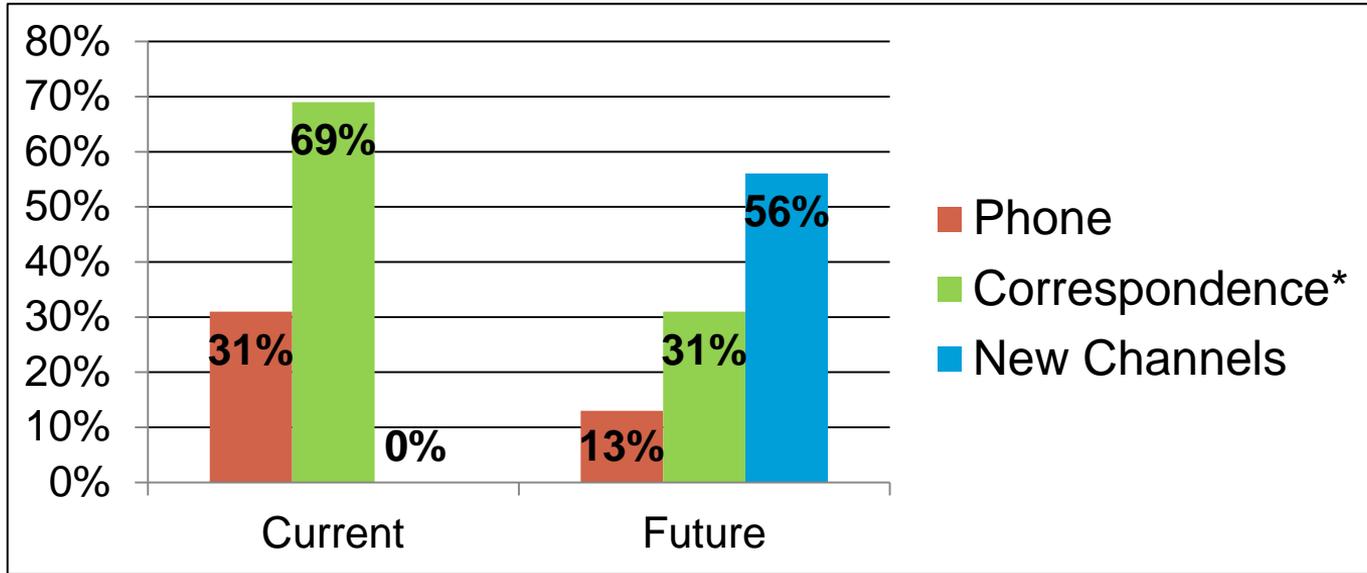
- *Secure Message & Online Tool* added for future state / test case

- Phone
- Fax
- Regular Mail
- Secure Message
- Online Tool

Findings

Sign a Document

Figure 2. Taxpayer Migration from Traditional Channels



- 56% shift away from current channels

*Fax is part of the correspondence stream

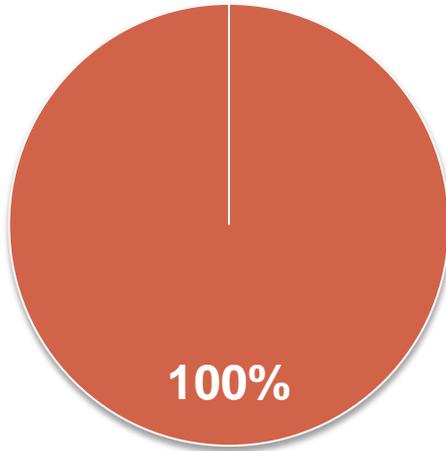


Findings

Status of a Case

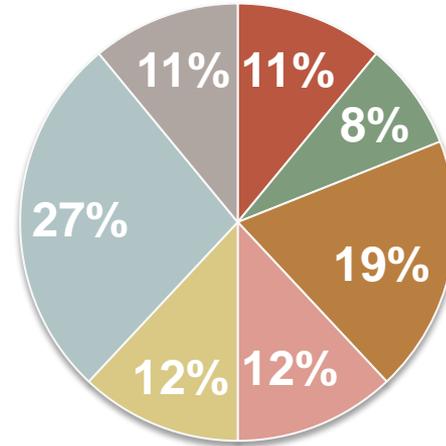
Figure 3. Future State Taxpayer Preference

Current State



- Current State only has Phone enabled (100%)

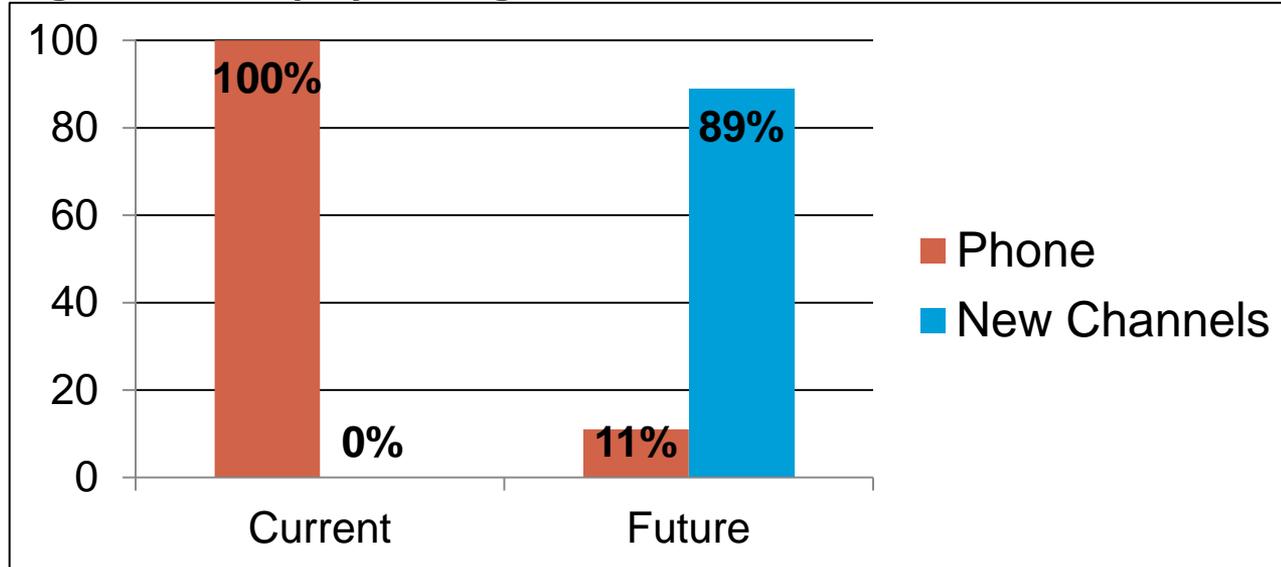
Future State



- Six channels added for future state / test case

- Phone
- Secure Online Chat
- Online Tool
- Smartphone App
- Automatic Email Notification
- Automatic Text Notification
- Phone (Auto)

Figure 4. Taxpayer Migration from Traditional Channels



- 89% shift away from current channel



Findings

Stand-alone Channel Ranking

The top 6 stand-alone services with the highest preference shift are all for getting the status of a case.

Table 1: Top 10 Stand-Alone Services Based on Preference Shift

Stand-Alone Service <i>(service channel by task)</i>	Preference Shift to Service <i>(as stand-alone addition)</i>
Automatic Text Notification* <i>for Status of Case</i>	62%
TF Auto <i>for Status of Case</i>	59%
Smartphone App <i>for Status of Case</i>	58%
Online Chat <i>for Status of Case</i>	50%
Online Tool <i>for Status of Case</i>	48%
Automatic Email Notification <i>for Status of Case</i>	48%
Secure Message* <i>for Sign a Document</i>	43%
Secure Message* <i>for Discuss Case Details</i>	39%
Online Tool* <i>for Request Extension</i>	36%
Online Tool <i>for Sign a Document</i>	33%

* denotes highest preference shift as a stand-alone service channel addition for that task/service need



Findings

Stand-alone Channel Ranking for *Secure Message*

Secure Message has the highest preference shift for every service need for which it is being considered

Table 2. Sign a Document

Service Channel <i>for Sign a Document</i>	Preference Shift to Channel <i>(as stand-alone addition)</i>
<i>Secure Message</i>	43%
<i>Online Tool</i>	33%

Table 3. Discuss Case Details

Service Channel <i>for Discuss Case Details</i>	Preference Shift to Channel <i>(as stand-alone addition)</i>
<i>Secure Message</i>	39%
<i>Secure Online Chat</i>	30%

Table 4. Submit Documentation

Service Channel <i>for Submit Documentation</i>	Preference Shift to Channel <i>(as stand-alone addition)</i>
<i>Secure Message</i>	31%
<i>Secure Online Chat</i>	25%



Findings

Overall Demographic Analysis

Demographic analysis included:

- Age
- Return preparation method
- Previous channel use
- Previous post-filing contact

In general, taxpayers who have used digital communication products through other companies are more likely to use those channels via the IRS for all service needs

Analysis did not show significant differences between other demographic segments for the following service needs:

- *Discuss Case Details*
- *Request an Extension*



Findings

Demographic Analysis for *Submit Documentation*

Table 5. Demographic segments with higher preference shift from traditional channels (compared to general population)

Demographic Segments with at least 40% shift from traditional channels
36-45 years old
Self prep using tax software/Free File
Used secure message system previously
Used online chat previously

Table 6. Demographic segments with higher preference shift to *Secure Message* (compared to general population)

Demographic Segments with at least 25% shift to <i>Secure Message</i>
18- 24 years old
Self prep using tax software/Free File
Used secure message system previously
Used online chat previously



Findings

Demographic Analysis for *Status of a Case*

Overall preference shift away from *Phone* is similar for all demographic groups

- 89% for all taxpayers
- Demographic segment range: 81-92%

Demographic segments with higher preference shift to *Automatic Text Notification* (Top 3)

- Post-filing contact (41% preference shift)
- 18-24 years old (36% preference shift)
- 36-45 years old (34% preference shift)



Conclusions

Creating alternative service channels for getting the status of a case or transaction could potentially reduce phone contacts.

- High volume of phone contacts for this task
- Other research corroborates TCM

Secure messaging has the potential to shift preference from traditional channels.

Potential avenues for increasing awareness of new digital communication products:

- Tax software/Free File site
- Notice language/inserts (for automatic text notification of status changes)



Wage & Investment

Examining and Addressing Taxpayer Expectations for Affordable Care Act Automated Information

Ariel S. Wooten & Marisa E. McDaniels

Internal Revenue Service

Wage & Investment Research and Analysis (WIRA)

June 18, 2015



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Background

Objective:

To explore and capture taxpayer expectations for receiving Affordable Care Act (ACA) information provided through the Internal Revenue Service (IRS) automated phone line.

Benefits of the Research:

- Allow the IRS to pre-emptively plan and allocate resources based on taxpayer experience and expectations rather than relying on lessons learned during implementation.
- Assist in making informed decisions to improve level of service, facilitate voluntary compliance, and reduce taxpayer and IRS burden by incorporating taxpayers' perspective.



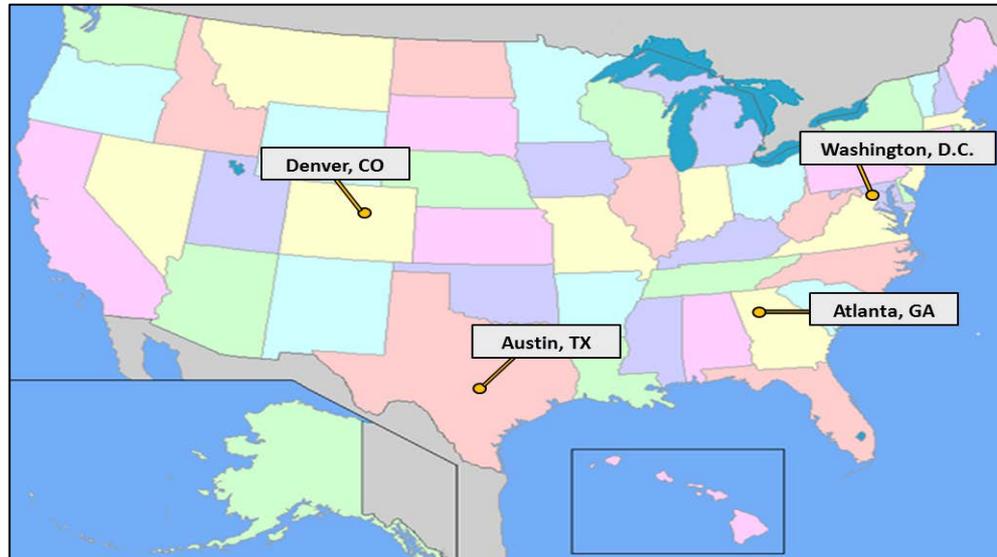
Study Participants

- Eligibility requirements:
 - 18 years of age or older
 - Taxpayers who earned wages in tax year 2013
 - Filed a tax year 2013 tax return between January 31, 2014 and April 15, 2014.
- The sampling pool was stratified based on gender, age, filing status, tax return preparation method, and adjusted gross income (AGI).
- IRS provided a contractor with a list of taxpayers who met the criteria in order to complete study recruitment.
- 119 taxpayers (80 individual participants and 39 small business participants) were recruited.



Testing Locations

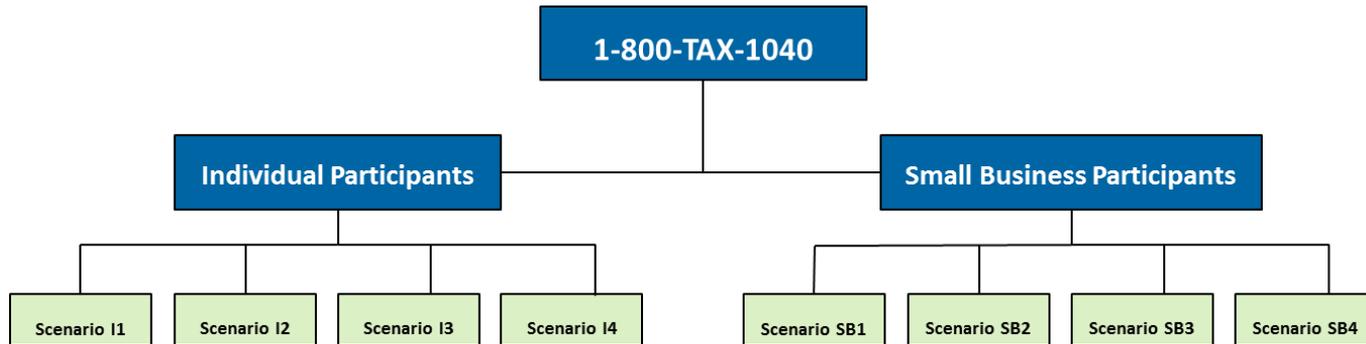
- Four geographically diverse cities were selected to host testing sessions.
- A total of 12 testing sessions (three per city) were conducted at IRS facilities in Washington, D.C.; Austin, TX; Denver, CO and Atlanta, GA.



Testing Sessions

Each 90 minute session consisted of a three-part testing sequence used to evaluate the Health Care Detail phone line and the Automated ACA Information phone line:

- **Comprehension Testing:** Participants were provided a series of fictional scenarios and asked to answer comprehension questions.
- **Toll-Free Ratings Sheet:** Participants then completed a questionnaire evaluating their experience using the toll-free automated line.
- **Focus Group:** Participants shared their overall user experience and recommendations during a focus group discussion.





Comprehension Testing

- To facilitate a realistic experience, participants were provided fictional scenarios (based on the automated content) to use while calling into the toll-free line. Participants were asked to answer comprehension questions to determine how well they understood the information.

Participant Number: _____

Scenario I2

You're an individual who does not currently have health insurance. You heard that people can purchase insurance through the Health Insurance Marketplace to avoid the penalty for not having coverage. You want to start the process today but do not know if it is too late to avoid the penalty for next spring. You decide to contact the IRS before going to the Health Insurance Marketplace. Your task today is to try to resolve your issue using the following toll-free number: 1-800-829-1040.

Participant Number: _____

Scenario SB3

You own a small lawn care business and heard on the radio that all small business owners should be aware of something called SHOP. The ad mentioned that SHOP can help business owners and something about taxes. Because you were driving, you did not hear the telephone number or website the commercial provided. You decide to try contacting the IRS for more information. Your task today is to try to resolve your issue using the following toll-free number: 1-800-829-1040.



Toll Free Ratings and Focus Groups

- As part of the testing session, participants were asked to rate their experience, overall satisfaction, and future willingness to use the ACA toll-free automated phone line using a four-point rating scale.

Toll-Free Ratings Sheet		Participant Number: _____			
1. Please rate your satisfaction with your overall phone experience.	Not at all Satisfied	Slightly Satisfied	Very Satisfied	Completely Satisfied	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
2. How easy or difficult was it for you to use the phone system to complete the tasks?	Very Difficult	Difficult	Easy	Very Easy	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
3. Please rate your experience with each of the following aspects of the phone system:	Poor	Fair	Good	Excellent	
Number of menu options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Speed of the recorded message	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Ability to understand the recorded message	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
4. How useful was the information you received from the phone system?	Not at all Useful	Not very Useful	Moderately Useful	Very Useful	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5. Rate the quality of the information you received from the phone system.	Poor	Fair	Good	Excellent	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
6. Please rate your satisfaction with the amount of time it took to complete each task.	Not at all Satisfied	Slightly Satisfied	Very Satisfied	Completely Satisfied	
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
7. Based on your experience, would you be willing to use this service in the future?					
	<input type="radio"/> Yes	<input type="radio"/> No			

- During the focus group portion of the testing session, participants were asked to share feedback on their experience and provide recommendations for improvement.



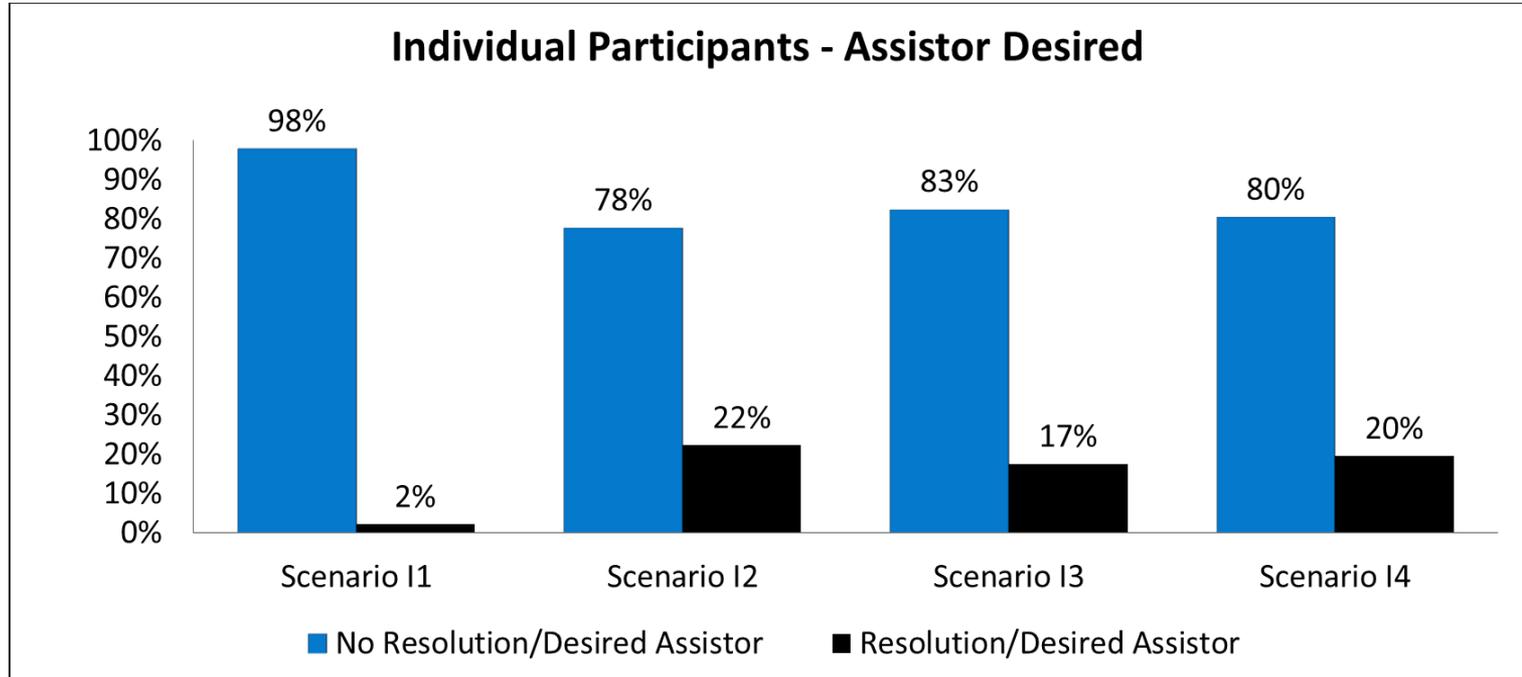
Comprehension Testing Findings

- Overall, both individual and small business participants experienced difficulty navigating the toll-free line and often were not able to reach the intended information.
- Across all scenarios, **80% to 100%** of individual participants correctly identified either IRS.gov or Healthcare.gov as sources for additional information compared to **45% to 75%** of small business participants.
- Nearly half (**46%**) of all responses from small business participants and over three quarters (**76%**) of all responses from individual participants reveal that participants self-reported being unable to successfully resolve their issue in the allotted time.
- Approximately **65%** of responses from individual participants and **42%** of responses from small business participants indicated a desire to speak to an assistor while working through the scenarios.



Comprehension Testing Findings

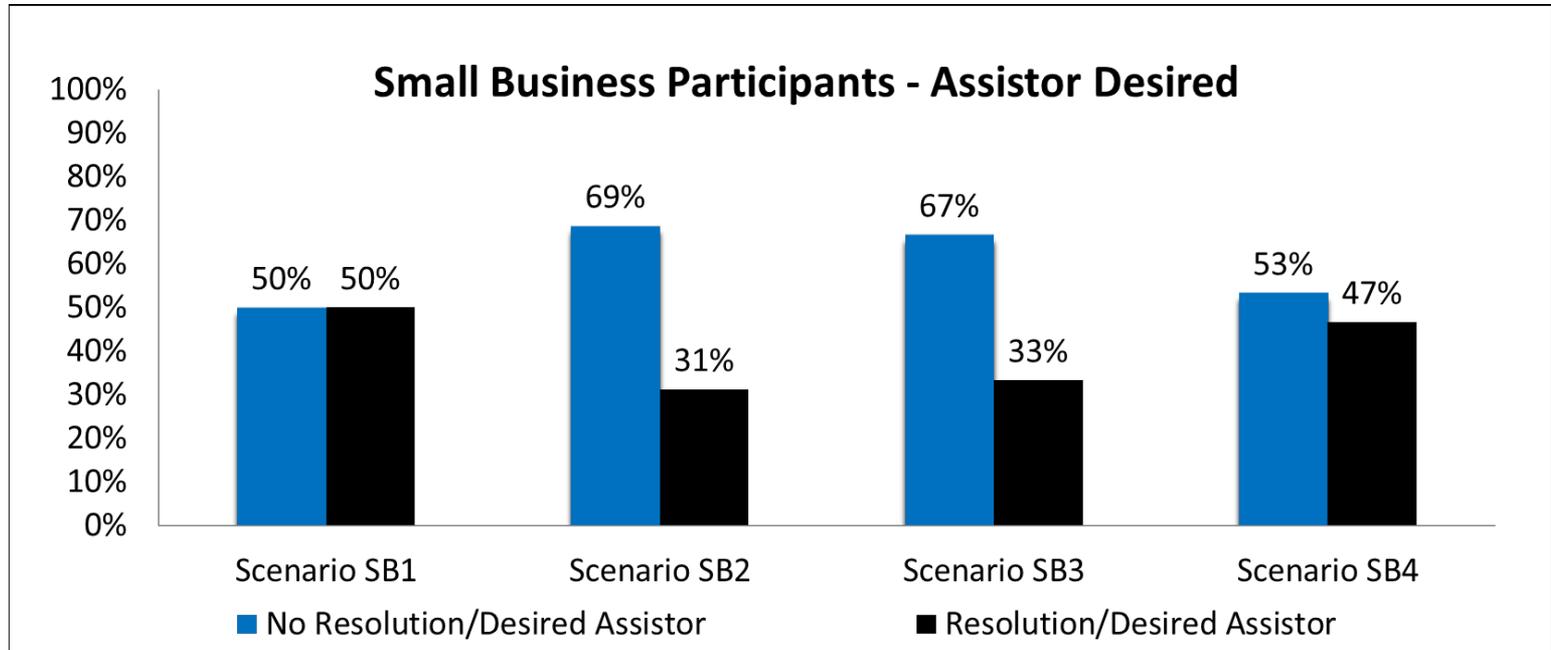
- Across all scenarios, individual participants who reported being unable to resolve their issue were overwhelmingly more likely to desire to speak to an assistor when compared to individual participants reporting issue resolution.





Comprehension Testing Findings

- Despite variation across scenarios, overall, small business participants who reported being unable to resolve their issue were more likely to indicate a desire to speak to an assistor when compared to small business participants who reported issue resolution.





Toll-Free Ratings Results

- Individual participants reported not being satisfied (**57%** not at all satisfied) and experienced varying levels of difficulty while completing the tasks (**27%** very difficult, **33%** difficult).
- Small business participants were more satisfied (**56%** slightly satisfied) and reported that the tasks were easy to complete (**61%** easy).
- Overall, **67%** of participants reported being unwilling to use the automated phone service in the future.

Participant Overall Satisfaction			
Overall Satisfaction	Please rate your satisfaction with your overall phone experience.		
	Individual Participants	Small Business Participants	All Participants
Not at all Satisfied	57%	15%	44%
Slightly Satisfied	43%	56%	47%
Very Satisfied	0%	26%	8%
Completely Satisfied	0%	3%	1%



Focus Group Themes

The qualitative testing session data was collected by WIRA through focus groups to better understand the taxpayer experience using the ACA toll-free line and obtain common themes.

- **Participants do not understand the IRS's role in implementing ACA in comparison to other agencies.**
 - "I think if they could, it would be better if they separated. If you wanted to find out about healthcare that you wouldn't be working, doing anything, with the IRS at all unless you had a specific question about your taxes, having to do with healthcare."¹
- **When calling the toll-free line, participants would prefer to resolve their issue within that service channel.**
 - "If I'm calling the phone number, it's because I want information from the phone number. If I was going to go to the website, I would've started with the website."²
- **Participants' expectations impact satisfaction.**
 - "I expected that I could push buttons and get a recorded answer to the question. That didn't happen. Then I thought I'd probably be able to find a person. That didn't happen, and then I thought, 'Am I doing this right?'"³

¹Austin, TX Focus Group, 08/20/2014, 11:00AM

²Denver, CO Focus Group, 08/22/2014, 11:00AM

³Austin, TX Focus Group, 08/20/2014, 11:00AM



Focus Group Themes

- **The participants have a genuine desire to be compliant, but require more detailed information.**
 - “You're calling to gain information. Some of what she was telling you, could answer your question. But if it doesn't answer your question, you kind of zone out, trying to get to-- how do I get my question answered?”⁴
- **Making other information channels available would be appreciated.**
 - “I think maybe even better than this approach would be a live chat. You know how you do that, when you've got computer problems, and you can type in something? You usually get a response a lot quicker.”⁵
 - “Call back, that's a good idea. Automatically call you back when they're ready.”⁶
- **Changes to certain logistical elements of the phone tool will create a smoother user experience.**
 - “I found the computer voice distracting, as opposed to a real recorded person's voice.”⁷

⁴Washington, D.C. Focus Group, 08/14/2014, 11:00AM

⁵Denver, CO Focus Group, 08/22/2014, 2:00PM

⁶Atlanta, GA Focus Group, 08/29/2014, 9:30AM

⁷Denver, CO Focus Group, 08/21/2014, 3:00PM



Research in Action

- In November 2014, an IRS cross-functional workgroup participated in a two-day ACA Toll-Free Design Meeting.
 - The purpose of this meeting was to craft proposed ACA-related verbiage changes to the IRS automated phone line.
 - Critical components to this collaborative effort were the consideration of key findings and recommendations from this research study along with the application of subject matter expertise in drafting prompt/message changes.
- Changes to the content, organization, and delivery of information on the ACA automated line went live on 01-16-2015, helping to shape taxpayer expectations as the IRS geared up for the start of the 2015 Tax Filing Season.
- The revised scripts set taxpayer expectations upfront related to live assistance helping ease and/or avoid the frustration of taxpayers who can unnecessarily find themselves caught in an endless loop of automated messages while trying to reach a live assistor.



Conclusions

As outlined in the IRS Strategic Plan, the IRS is dedicated to “taking proactive steps to better understand issues from the taxpayer’s perspective.”

- This research provides data to assist the IRS in making decisions that will improve level of service, facilitate voluntary compliance, and reduce taxpayer burden by:
 - Shaping and informing expectations to improve overall user satisfaction
 - Ensuring operational decisions are made only after considering the views of affected taxpayers through an informed understanding of the taxpayer experience and perspective.
- Key findings from this research offer insight for improvements to automated telephone messages and associated content with the goal of striking the optimal balance of providing necessary and relevant information through automation to answer taxpayers questions and/or resolve their issues without having the need to wait in queue to speak with a live assistor.



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