

# Survey PCLIA Report

Date of Approval: June 26, 2017

Survey PCLIA ID Number: **2690**

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## A. Survey Description

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1. Full name and acronym of the Survey. IRS Taxpayer Compliance Burden Surveys - Surveys on a 3-year cycle, TCBS

2. Is this a Survey, Telephone Interview or Focus Group? Survey

*NOTE: the remaining questions will be simplified to refer to the Survey but still apply to Telephone Interview or Focus Group. If Telephone Interview or Focus Group, a copy of Interview Questions or the Moderators Guide will be requested by the Privacy Analyst.*

3. Is this a new Survey? No

3.b. If no, is there a PCLIA for this Survey? Yes

3.b.1. If yes, enter the full name, PCLIA ID, and acronym most recent Survey PCLIA. IRS Taxpayer Compliance Burden Surveys (TCBS) - Surveys on a 3-year cycle

3.b.2. If yes, enter the reference number (include SOI, OPC, TCBC, or Other). TCBS 15-001

3.b.3. If yes, enter the approval date of the most recent Survey PCLIA. 2/3/2015

3b.4. If yes, indicate which of the following changes occurred to require this update. (Check all that apply)

<u>No</u>	Addition of PII
<u>No</u>	Anonymous to Non-Anonymous
<u>No</u>	Contract changes/expires
<u>Yes</u>	PCLIA Expired
<u>No</u>	OMB Required Update

3.b.5. If yes, were there other changes not listed above? No

4. Is this a reoccurring Survey? Yes

4.a. If yes, list the schedule or requested operational date(s) of when the Survey will be administered. Surveys are fielded on a three-year rotation. The planned surveys and data collection dates are shown below. TY2016 Business Taxpayer Burden Survey Jul 2017 - Dec 2019; TY2017 Tax-Exempt Organization Burden Survey May 2018 - May 2019; TY2017 Trust and Estate Income Tax Burden Survey Jun 2018 - May 2019; CY2018 Taxpayer Compliance Burden Survey March 2019 - Sept 2019; CY2018 Business Compliance Burden Survey March 2019 - Sept 2019; TY2018 Employment Tax Burden Survey Jun 2019 - May 2020; TY2018 Information Return Burden Survey Oct 2019 - Jun 2020;

5. Does this Survey have an SOI (Statistics of Income) control number? No

6. Does the Information Collection Request require OMB Clearance? Yes

6.a. If yes, what is the OMB Clearance number? 1545-2212

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**A.1. General Business Purpose**

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7. What is the general business purpose of this Survey? Provide a clear, concise description of the Survey, the reason for the Survey, and the benefits to the IRS mission.

This is an over-arching request to cover all IRS Taxpayer Compliance Burden Surveys that are conducted on a 3-year cycle. These surveys are the: 1) Taxpayer Compliance Burden Survey, 2) Business Taxpayer Burden Survey, 3) Business Compliance Burden Survey, 4) Employment Tax Burden Survey, 5) Information Return Burden Survey, 6) Tax-Exempt Organization Burden Survey, and 7) Trust and Estate Income Tax Burden Survey. The Internal Revenue Service (IRS) currently employs the IRS Taxpayer Burden Model to estimate taxpayer compliance burden (time and out-of-pocket costs) imposed by the federal tax system on individual and business taxpayers. The objectives of the IRS' long-term investment in this model and the further development and expansion of this model is to provide information to the Treasury Office of Tax Analysis, and IRS Executives and Operating Divisions for assessing the impact of programs on taxpayer burden, assessing the role of burden in tax administration, and to fulfill the IRS's obligations to OMB and Congress for information required by the Paperwork Reduction Act. In addition, the model supports tax policymaking by permitting estimation of the impact of proposed legislation on taxpayer burden before laws are enacted. The IRS Taxpayer Compliance Burden Surveys obtain statistically representative data that is used to update and validate the existing model and expand the model to cover more taxpayer segments (e.g., tax-exempt organizations, employers, trusts and estates) Data gathered under these surveys are not available in IRS administrative data and cannot be observed directly. The surveys

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**B. PII Details**

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8. Is Personally Identifiable Information (PII) used, collected, received, displayed, stored, maintained, or disseminated in the Survey; or is PII used to select participants? (i.e. names, addresses, email addresses, etc.)? Yes

8.a. If yes, specify the information.

<u>Selected</u>	<u>PII Element</u>	<u>On Primary</u>	<u>On Spouse</u>	<u>On Dependent</u>
Yes	Name	Yes	Yes	No
Yes	Mailing address	No	No	No
No	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
No	Date of Birth	No	No	No
No	Place of Birth	No	No	No
No	SEID	No	No	No
No	Mother's Maiden Name	No	No	No
No	Protection Personal Identification Numbers (IP PIN)	No	No	No
No	Internet Protocol Address (IP Address)	No	No	No
No	Criminal History	No	No	No
No	Medical Information	No	No	No
No	Certificate or License Numbers	No	No	No
No	Vehicle Identifiers	No	No	No
No	Passport Number	No	No	No
No	Alien (A-) Number	No	No	No
No	Financial Account Numbers	No	No	No
No	Photographic Identifiers	No	No	No
No	Biometric Identifiers	No	No	No
No	Employment (HR) Information	No	No	No
No	Tax Account Information	No	No	No

8.b Are there other types of PII collected in the Survey? No

8.c. Is any PII data collected, disclosed, or studied on employees, taxpayers, stakeholders or other individuals who choose not to participate? No

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### **C. Privacy Act & System of Records**

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9. Is there a System of Records Notice(s) or SORNS that addresses the PII records in this Survey? Yes

9a. If yes, enter the SORN number(s) and the complete name of the SORN(s).

<u>SORNS Number</u>	<u>SORNS Name</u>
00.003	--Taxpayer Advocate Service and Customer Feedback
24.030	CADE Individual Master File (IMF)
24.046	Customer Account Data Engine Business
42.008	Audit Information Management System
26.019	Tax Delinquent Accounts
26.020	Tax Delinquency Investigations
22.061	Information Return Master File
34.037	IRS Audit Trail and
50.222	Tax Exempt/Government Entities (TE/GE) Case Manage
22.003	Audit Underreporter Case File
44.005	Appeals Case File

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### **C.1. Privacy Act Notice**

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9.1 Based on the information you have provided, does the Survey require a Privacy Act Notice to be provided to participants? Yes

9.1.a. If yes, please provide the Privacy Act Statement. The Privacy Act of 1974 states that when we ask you for information, we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if you do not provide it and whether or not you must respond under the law. Our legal right to ask for this information is 5 U.S.C. 301. The primary purpose for requesting the information is to analyze the role of taxpayer burden in tax administration. We will also use the information to fulfill the IRS' statutory obligations to the Office of Management and Budget and Congress for information required by the Paperwork Reduction Act, and to provide tax policy analysis support to the Office of Tax Analysis at the Department of the Treasury. We will also use the information provided to better understand taxpayer needs and burden reduction opportunities. Tax information may be disclosed only as provided by 26 U.S.C. 6103. Providing the information is voluntary. Not providing all or part of the information requested may reduce our ability to address taxpayer concerns regarding paperwork reduction. OMB No: 1545-2212. This report is authorized under the Paperwork Reduction Act. Data collected will be shared with IRS staff, but your responses will be used for research and aggregate reporting purposes only and will not be used for other non-statistical or non-research purposes such as direct enforcement activities. The information that you provide will be protected to the fullest extent allowable under the Freedom of Information Act (FOIA). Public reporting burden for this collection of information is estimated to average 20 minutes, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to IRS Tax Products Coordinating Committee, 1111 Constitution Avenue, NW, Washington, DC 20224.

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#### D. Responsible Parties

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10. Identify the individuals for the following Survey roles: # # Official Use Only

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#### E. Incoming PII Interfaces

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11. Does the employee/taxpayer PII come from the IRS, Treasury, or other Government system(s), application(s) or data base(s)? Yes

11.a. If yes, list the source that the PII is extracted or derived from.

<u>Organization Name</u>	<u>Transmission method</u>	<u>ISA/MOU</u>
Compliance Data Warehouse	electronic	No
Returns Inventory & Classification System	electronic	No

11.1. Does the data come from other sources? No

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#### F. PII Sent to External Organizations

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12. Are the Survey results disclosed to any other Federal or State Government? (For example the Federal Viewpoint Survey/Questionnaire – OPM gets the results.) No

13. Are any external resources used to create the database of the participants? No

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#### G. Survey Participation

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14. Will the Survey be administered to IRS, Taxpayers or Others? Taxpayers

15. Explain how participants are selected. Include a detailed description on the method and reason of selection. If selection is random, explain. Participants are selected using a stratified random sample in order to obtain a statistically representative sample of all relevant taxpayers in the survey population for the survey year. The sampling approach is designed to ensure that key taxpayer subgroups are adequately represented in the study findings. The stratification categories are dependent on the taxpayer population being surveyed. See "Stratification and Sampling Plans TCBS," attached, for examples of stratifications and sampling methodologies used for IRS Taxpayer Compliance Burden Surveys.

16. How are participants notified of the Survey? A first contact letter on IRS letterhead is sent to each respondent. The letter explains the purpose of the survey, provides a URL to an IRS site to support the validity of the survey, and indicates when the survey should arrive.

17. Is the Survey voluntary? Yes

If yes, how is notice given that the Survey is optional? The first contact letter states clearly that participation is voluntary. In addition, the letter that is sent in the survey packets and the follow-up postcards that are sent to nonrespondents contain language that indicates that participation is voluntary. The frequently asked questions section of the survey instrument also includes the statement "Participation is voluntary."

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18. How will the Survey be conducted?

No Electronically

Yes Web Based

Explain the delivery method & if cookies are used. The contractor will send a hardcopy letter to each respondent in the survey population, inviting them to take the survey online. The letter will provide a website URL which respondents can use to access the online survey, as well as information on the survey and assurances that participation is voluntary and that results will be used for research purposes only. The web survey will use session cookies, which are temporary and only available during an active browser session. The online survey and associated database will reside on the contractor's server.

Yes Phone

Explain the procedure. If a respondent fails to complete the survey via web or mail, contact attempts will be made to reach that respondent via phone. Telephone interviewers will be administered from the contractor's call center. The surveys themselves serve as the script.

Yes Mail

Explain the method for choosing participants. All survey participants receive a paper copy of the survey by mail. Respondents have the option of responding to the survey by mail, via the web, or by phone.

No Other

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**G.1. Survey Process**

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19. Does IRS administer or perform analysis of the survey? Analysis

Provide the name of the IRS office performing analysis of the survey. Research, Applied Analytics, and Statistics

20. Does Contractor/Vendor administer or perform analysis of the survey? Yes

Contractor/Vendor: Administer

Has a Contracting Officer or a Contracting Officer's Representative (COR) verified that:

20.a.1. All applicable FAR requirements are met to engage a contractor to perform the survey. Yes

20.a.2. That all required "non-disclosure" clauses are contained in the contract. Yes

20.a.3. That all contractor employees who will have access to the data have signed non-disclosure agreements and the non-disclosure forms are on file with the COR. Yes

20.b. If yes, what is the level of access and background investigation completed on contractor employees prior to access to PII about employees or taxpayers? *Any contractor or subcontractor who will have access to the PII should have at least a "Moderate Risk" (NACIC) investigation. See Publication 4812 - Contractor Security Controls*

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Contractor Users	No	
Contractor Managers	Yes	Moderate
Contractor Sys. Admin.	No	
Contractor Developers	No	

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## **I. Information Protection**

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21. What information/results will be provided to the business owners (IRS Requestors) of the Survey? All results will be reported in the aggregate. No PII will be provided to business owners.

22. Can you confirm that employees or taxpayers who participate in the survey cannot be identified under any circumstances? No

22a. If No, please explain. Survey participation is never disclosed; however, survey responses are not anonymous. The IRS must be able to identify respondents in order to match the survey data to the taxpayer administrative data for research and burden modeling purposes. Respondents are notified that their responses are used for research purposes only.

23. Can you confirm that no adverse actions can be taken against participants regarding the participant's answers. Yes

24. For employee or taxpayer Satisfaction Surveys, can you verify that no "raw" or un-aggregated employee or taxpayer data will be provided to any IRS office? N/A

25. Are there any employee or taxpayer identifiers that are obtained as a result of responding to the survey? No

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## I.1 Records Schedule

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26. Are the Survey records covered under the General Records Schedule (GRS), or have a National Archives and Records Administration (NARA) archivist approved a Record Control Schedule for the retention and destruction of official agency records stored in this Survey? No

26.b. If No, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this Survey.

The IRS Taxpayer Compliance Burden Survey data and/or results are potentially unscheduled. The IRS Research Office and Records Office will work together to determine if these survey records/deliverables are to be maintained in accordance with special project or study files already scheduled, or if a new item must be created to better accommodate their business need. Until the scheduling of these survey records can be determined, the records are to be treated as unscheduled and official electronic copies (PDFs of completed surveys and soft copy data) cannot be destroyed.

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## P.1 Data Security

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27. How does the administrator of the survey guarantee that the PII regarding employees or taxpayers will not be compromised, lost or stolen when housed on IRS computers? Where and how is, it stored and protected? Under the terms of the contract, the contractor agrees to abide by the appropriate information security clauses covering the protection of sensitive information. This includes compliance with OMB Circular Policy M-06-16 concerning implementation of protections during transportation of PII. All employees on this contract shall submit signed non-disclosure forms and complete IRS information security training. IT Cybersecurity has conducted a site review in order to inspect the contractor's facilities and operations for compliance with contract safeguard, and IRS and Governmental requirements. Any weaknesses, security, or privacy issues were addressed by the contractor.

28. Does a contractor/vendor administer or perform analysis of the survey? Yes

28.a. If yes, please provide the Cyber security approved security and encryption used when data is transferred electronically from IRS to Contractors and back to the IRS. Data are encrypted and password protected using IRS approved Secure Zip software.

28.b. If yes, when data is not sent electronically, provide in detail the information regarding the transfer back and forth from the IRS to contractors. Not applicable

28.c. If yes, how is the survey PII protected and stored when it is housed at a contractor's site, on contractor's computers, please provide detailed information that the contractors use regarding the physical and electronic security and protection of the data before, during, and after the survey. Surveys are administered at the contractor's site. Under the terms of the contract, the contractor agrees to comply with OMB policies and Treasury/IRS specific policies, procedures and guidance to protect sensitive information, as well as information security guidance and best practices established by the National Institute of Standards and Technology.

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## M. Civil Liberties

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29. Does the Survey maintain records describing how an individual exercises rights guaranteed by the First Amendment (including, but not limited to information regarding religious and political beliefs, freedom of speech and of the press, and freedom of assembly and petition)? No

30. Will this Survey have the capability to identify, locate, and monitor individuals or groups of people?  
No

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**End of Report**

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