

EITC Customer Service Experience(s) and Satisfaction Survey
Sponsored by TAS and EITC Program Office

6-06-12-2-015E Research Project

Study Report



Customer Research Group 6 – Austin
Wage and Investment Division

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Executive Summary

The purpose of this project is to find out more information about EITC taxpayers. Our primary research objectives are designed to determine the following: *What is the customer service experience(s) of EITC taxpayers?* and *What is the level of customer satisfaction with services IRS provides to EITC taxpayers?* TAS and the EITC Program Office also requested we determine the answer to a list of business questions. This information is important to TAS and the EITC Program Office and will be used to assist IRS in identifying customer needs and understanding customer expectations.

The population of our market segment, EITC-eligible taxpayers, is large. In 2004, over 21 million taxpayers received approximately \$38 billion in EITC. We used survey methodology to accomplish our primary research objectives and to answer the other business questions. We prepared a sampling frame to select a stratified random sample from EITC taxpayers. Surveys were mailed on July 24, 2006 and data collection ended on October 16, 2006. Our analysis is for 2,375 survey responses.

Results are presented for National level (Total - Weighted to Population) and by strata (Strata 1: Paid Preparer (PP) With Children, Strata 2: PP No Children, Strata 3: Self Prepared (SP) With Children, Strata 4: Self Prepared No Children). Our survey was designed to achieve 95 percent confidence and five percent margin of error (95/5) so that our results could be generalized to the population. We had a good response rate (over the 400 per strata that we needed) however many taxpayers responded that they *did not use* the customer services (e.g., they answered the question stating they do not use the service). When there are insufficient survey responses for all strata, our report presents results for only the stratum with sufficient responses. Results are reported at confidence levels and margins of error of 95/5 or 90/10. Additionally, where non-response bias exists, the direction of the non-response bias is indicated with the results of the specific questions. Tables of survey results are provided in the Appendices.

Findings and Conclusions

The number of responses to the customer service ‘use’ and ‘satisfaction’ questions are all low. We found that the paid preparer groups (PP With Children and PP No Children) rely primarily on their paid preparer. The self preparer groups (SP With Children and SP No Children) were the primary users of the IRS customer service channels and they were the ones who primarily answered the survey ‘use’ and ‘customer satisfaction’ questions. The PP No Children used the services less than the other groups. Table 1 presents an overall picture of customer service usage across service methods.

Table 1: Used IRS Customer Service

They used IRS Customer Service (‘Yes’ respondents)	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total (Weighted to Population)
IRS Instructions and Publications	15.5%	12.8%	43.5%	57.4%	25.4%
IRS Toll-Free Telephone Assistance	14.9%	9.6%	15.9%	14.1%	14.5%
IRS In-Person Tax Assistance	21.0%	12.1%	11.6%	12.4%	17.2%
IRS Website	14.0%	8.9%	41.6%	28.4%	20.8%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

IRS Instructions and Publications

Overall less than 26 percent of the EITC population used IRS Instructions and Publications. The Self Prepared groups reported more than double the usage of IRS Instructions and Publications than the Paid Preparer groups (see Table 1). The top reason for the Self Prepared groups to use IRS Instructions and

Publications was to determine “EIC Eligibility.” Table 2 presents the IRS Instructions and Publications Customer Experience/Customer Service items that were rated *most* positively and negatively.

Table 2: IRS Instructions and Publications - Customer Experience/Customer Satisfaction Items

Customer Experience / Customer Satisfaction	Item	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total (Weighted to Population)
Positive (satisfied)	“Tax Tables” Q4h	85.5%	87.2%	86.2%
	“EIC Worksheet” Q4b	85.1%	80.1%	85.2%
Negative (dissatisfied)	“EIC Worksheet” Q4b	4.1%	7.4%	4.2%
	“EIC Text/Instructions” Q4c	5.5%	7.9%	4.9%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% or better

IRS Toll-Free Assistance

All four strata reported low usage of IRS Toll-Free Assistance. The top reason for using IRS Toll-Free Assistance was to determine “Items Other than EIC.” Customer Experience or Customer Satisfaction for SP With Children ranged from 85.9 percent to 88.6 percent (90/10); the range for SP No Children was lower ranging from 75.3 percent to 86.1 percent (90/10). The order of ranking items for satisfaction/dissatisfaction was not consistent between strata.

In-Person Tax Assistance

Overall, about 17 percent (95/5) of the EITC population visited an In-Person Tax Assistance site. Paid Preparer With Children had the highest usage of In-Person Tax Assistance customer service (21.0 percent, 95/5). Depending on the Strata group, the top reason for visiting varied between “EIC Eligibility” and “Items Other than EIC.” The Customer Experience/Customer Satisfaction ratings for Total – Weighted to Population ranged from a high of 91.2 to a low of 88.7 percent (95/5). None of the four statements we asked about received greater than five percent disagreement so there is no Customer Dissatisfaction to report (Total – Weighted to Population, 95/5).

IRS Website

Close to 21 percent of the EITC population visited the IRS Website (Total – Weighted to Population, 95/5). Among the population, SP With Children visited more than any other strata. It is estimated that 41.6 percent of the taxpayers in SP With Children stratum visited the IRS Website, followed by SP No Children 28.4 percent (95/5). Their top reason for using the IRS Website was to determine “Items other than EIC.” The items with the highest IRS Website Customer Satisfaction/Dissatisfaction ratings are shown in Table 3. Please note that the dissatisfaction rates for Q7c, Q7e, and Q7f may be understated due to low response rates to those questions.

Table 3: IRS Website - Items Rated with Highest Customer Satisfaction/Customer Dissatisfaction

Customer Satisfaction	Item	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children
Positive	“Tax Tables” Q7g	83.0%	81.5%
	“Other Information or Instructions” Q7h	79.7 %	75.9%
Negative	“EIC Worksheet” Q7e		11.6%
	“EIC Information or Instructions” Q7d		11.2%
	“EIC Assistant” Q7c		9.0%
	“EIC Examples” Q7f		8.4%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10%

The statements receiving highest positive Customer Experience and the statements receiving highest negative Customer Experience are shown in Table 4.

Table 4: IRS Website - Items Rated with Positive/Negative Customer Experience

Customer Experience	Item	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children
Positive	“I will use the IRS Website again” Q7o	93.5%	87.3%
	“It was easy to print information” Q7n	86.7%	87.1%
Negative	“It was easy to find all the information” Q7k	16.3%	19.4%
	“It was easy to understand the information” Q7l	12.9%	22.0%
	“The IRS search tool worked well” Q7m	10.6%	18.0%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% or better

We conclude that there is difference in choice and usage of customer service channels among strata. The reason for using the channel also differs among strata. The PP With Children strata were the highest user of the In-Person Assistance Sites and they appeared to be fairly satisfied with the customer service they receive and had no specific dissatisfaction issues. The Self Preparer strata prefer written material (e.g., IRS Instructions and Publications and the IRS Website). Their customer experience scores indicate some suggestions for improvement. They told us they have problems “finding” and “understanding” information and the “IRS search tool” does not work as well as they would like.

Business Questions Answered:

1. Did taxpayers claim EITC on their 2005 return?

Q1	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – Weighted to Population
Yes	70.0%	32.0%	75.7%	48.5%	64.9%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

2. What is the primary source of information taxpayers rely upon to determine EITC eligibility? (95/5)

The primary source of information for determining EIC eligibility differs among strata. Those using a paid preparer rely on their “Paid Preparer.” The self prepared strata rely on a variety of sources, the most popular being “Computer Software” and “IRS Instructions and Publications.”

3. How likely are EITC taxpayers to use IRS Customer Service (phone, in-person, Internet)? (95/5)

Nearly half of the respondents stated they were likely to use IRS Toll-Free Telephone or the Internet. About a third of respondents stated they were likely to use IRS In-Person services. Some taxpayers indicated resistance to using the Internet.

4. Did EITC taxpayers hear/see the EITC advertising campaign? If so, where did they hear/see the EITC advertising campaign?

Almost 80 percent of respondents did not recollect seeing or hearing the EIC advertisement (95/5). Of those that did recall the advertisement, “Television” was the top source followed by “Poster/brochure/flyer,” “Radio,” and “Family/Friend” (90/10).

5. Where do EITC taxpayers typically access the Internet for personal use? (95/5)

Overall, fifty percent of respondents typically access the Internet from Home and 26 percent do not access the Internet.

6. Do EITC taxpayers have a personal computer at home? (95/5)

Overall, nearly 70 percent in our EIC population have a personal computer at home. The range went from a high of 82.2 percent (SP With Children) to a low of 55.8 percent (PP No Children).

7. Do EITC taxpayers have Internet access at home? (95/5)

In addition to having a home computer, slightly more than 60 percent overall are connected to the Internet. The range went from a high of 75.3 percent (SP With Children) to a low of 49.8 percent (PP No Children).

8. For what types of activities do EITC taxpayers use the computer? (95/5)

The survey respondents use their computers for a variety of things. They indicated the highest usage for “Email,” “Internet,” and “Work/School.” The lowest usage items were “Personal Finances” and “Other” activities.

9. How do EITC taxpayers prefer to receive a federal income tax refund? (95/5)

Overall, 50 percent of the EITC population prefers Direct Deposit but as with some of the other questions, we found strong preference differences among strata. The With Children strata preferred “Direct Deposit” and the No Children strata preferred “Mail” (just slightly in the SP No Children stratum). Paid Preparer With Children was the only strata that showed any preference for Refund Anticipation Loans (RALs).

10. If EITC taxpayers do not prefer direct deposit, why not? (90/10)

The top reasons for not preferring direct deposit seem to revolve around security and assurance issues.

11. Who prepared EITC taxpayers 2005 Federal Income Tax Return? (95/5)

Strata	Self/Spouse	Paid Tax Preparer	Family/Friend
Paid Preparer With Children	4.2%	84.0%	3.6%
Paid Preparer No Children	4.7%	81.8%	6.3%
Self Prepared With Children	49.1%	20.5%	19.5%
Self Prepared No Children	51.0%	13.7%	22.5%
Total – (Weighted to Pop.)	18.4%	63.4%	9.1%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E) Confidence 95% / Margin of Error <5%

12. If EITC taxpayers pay for return preparation, what is their primary reason for doing so? (90/10)

We found a high level of agreement among stratum as to their reason for paying for return preparation. The top three reasons are: “Afraid I will make a mistake,” “Easier than doing preparation myself,” and “Taxes are too difficult.”

This project provides the EITC Program Office and TAS with information on what customer service channels taxpayers’ use, what they use the channel to determine, and information about their customer experience and satisfaction (with indications of non-response bias directions where non-response bias might exist). It also provides answers for a list of business questions. Armed with this knowledge TAS and the EITC Program Office will know where to focus their efforts to increase overall customer satisfaction and accordingly reduce areas of dissatisfaction.

Purpose

Research Problem and its Importance

The EITC Program Office and TAS would like to gain a better understanding of the service needs of EITC-eligible taxpayers. The information obtained in this research is important to TAS and the EITC Program Office. This is an important step in helping the IRS understand customer needs and expectations of the EITC-eligible taxpayer.

Business Questions

The objectives of this project are to:

1. Determine the customer service experience(s) of EITC taxpayers.
2. Determine the satisfaction level of EITC taxpayers with services IRS provides (that they use).

Other information TAS and the EITC Program Office requested Research to determine include:¹

- Did taxpayers claim the EITC on their 2005 return?
- What is the primary source of information taxpayers rely upon to determine EITC eligibility?
- How likely are EITC taxpayers to use IRS Customer Service (phone, in-person, Internet)?
- Did EITC taxpayers hear/see the EITC advertisement?

Computer/Internet Issues:

- Where do EITC taxpayers typically access the Internet for personal use?
- Do EITC taxpayers have a personal computer at home?
- Do EITC taxpayers have Internet access at home?
- For what types of activities do EITC taxpayers use the computer?

Preferences:

- How do EITC taxpayers prefer to receive a refund?
- If EITC taxpayers do not prefer direct deposit, why not?

Tax Preparation:

- Who prepared the 2005 Federal Income Tax Return of EITC taxpayers?
- If EITC taxpayers pay for return preparation, what is their primary reason for doing so?

Purpose and Structure of the Report

The purpose of this report is to provide TAS and the EITC Program Office:

- The customer service experience(s) of EITC taxpayers.
- The satisfaction level of EITC taxpayers with services IRS provides (that taxpayers use).
- Answers to our customers' business questions (listed in the prior section).

¹ The list we started with (in the prospectus) grew as the project developed.

Research Methods

Research Methodology

Our market segment is taxpayers that are eligible for EITC. W&I Research selected a stratified simple random sample with four strata from the ETIC database. After designing the survey instrument, we piloted it with volunteer employees from the Atlanta Service Center. The survey instrument was further refined as a result of the pilot feedback. One of the things we discovered during the pilot process was that *EIC* is the acronym taxpayers recognize (not *EITC*). As a result of this information, we changed all references from EITC to EIC in the information being sent to the taxpayers in our sample (e.g., survey instrument and letters). Throughout this document EIC and EITC are interchangeable. Further information on the Research Methodology, is provided in Appendix B.

A copy of the survey instrument is provided in Appendix C. Copies of the letters and postcard mailed to taxpayers are provided in Appendix D.

Limitations or Plan Deviations

Sample selection deviated from the original plan in the following manner:

1. Samples were selected from Full Year TY04 database on Compliance Data Warehouse (CDW) as opposed to Part Year TY04 database on CDW.
2. One of the sample selection criteria, computed EIC amount (eicc), was inadvertently changed to eicc ~=. (instead of eicc > 0) during sample selection process.

To work with these deviations, the universe was redefined to be all taxpayers in the CDW Full-Year-TY04 database with eicc ~=. while excluding those taxpayers in this database who only claimed/received EITC for TY03.² The strata populations were redefined and weighting recalculated accordingly. The resulting per stratum sample and response sizes are listed in Table 5. Table 5 also lists per stratum response rates and the original projected response rates.

Table 5: Actual vs. Projected Survey Responses

Strata	Sample	Number of Responses	Response Percent	Projected Percent
1. Paid Preparer With Children	1,760	488	27.7	25.0
2. Paid Preparer No Children	2,090	623	29.8	20.0
3. Self Prepared With Children	1,760	612	34.8	25.0
4. Self Prepared No Children	1,968	652	33.1	20.0
Total	7,578	2,375	31.3	

Source: Customer Service Experience and Satisfaction Survey, 2006 (Project 6-06-12-2-015E)

² A return with eicc > 0 indicates this return receives EITC per IRS calculation before adjustments. A return with eicc ~=. indicates the return has a non-missing eicc value which could be 0. With sample selection criteria set to eicc ~=. (instead of the eicc > 0), the universe of the survey becomes all EITC taxpayers in the CDW Full-Year-TY04 database with eicc ~=. (instead of all EITC taxpayers in that same database who receives EITC per IRS calculation, before adjustments). Because of the nature of the database setup in CDW, care was taken to exclude from the sample, and the universe, those taxpayers in the database who only claimed/received EITC for TY03. This ensures the universe is properly represented.

CRITS Address Matching

The plan called for checking the mailing addresses against the Compliance Research Initiative Tracking System (CRITS) to obtain more up-to-date mailing information. This step was not executed due to the fact that the CRITS system was under transition and was not available at the time when the mailing addresses were needed.

Spanish Response

We included a comment (written in Spanish) on all of our mail products that provided a phone number for respondents to call to request a Spanish version of the survey.³ We received a total of three completed Spanish surveys. These three surveys are included in the 2,375 figure.

Non-Response Bias

This survey achieved an overall response rate of 29.6 percent (weighted)/ 31.3 percent (un-weighted). While the rates were higher than originally anticipated, the survey results are subject to non-response bias.

We used a two-pronged approach to estimate the directions of non-response bias for this survey. We compared some general characteristics of sample respondents and non-respondents in terms of adjusted gross income, computed EIC amount, age, and filing status. These variables were selected because they may have bearings on the need and level of satisfaction to EITC services.

We found the non-respondents and the respondents were similar in EITC amount received ($p = 0.253$). These two groups were not similar in agic brackets ($p \ll 0.01$), age group ($p \ll 0.01$), and Filing Status Code⁴ ($p \ll 0.01$). Among non-respondents, there was less proportion of taxpayers in the 60 to 65 age bracket and less proportions of taxpayers filing married-joint returns or with agic in the 20K-30K brackets. Please see Appendix B for further details. The bearing of these differences on the direction or strength of the non-response bias for EITC service needs and satisfaction levels can be more precisely understood with further studies.

We also used extrapolation based on the assumption that subjects who respond less readily are more like non-respondents. We identified proxy non-respondents as those taxpayers whose survey response was received after 9/6/06 (because replacement surveys were sent on 8/31/06). We conducted per question comparisons on the survey answers between the early respondents and the proxy non-respondents. We found nine questions with statistically significant ($p < 0.05$) differences on the answers between these two groups and we estimated the direction of non-response bias.

We had an adequate response rate to our survey (over the 400 per strata that we needed) however many taxpayers responded that they did not use the customer services so we had a low response rate to the customer service questions. Our conclusion is that low survey response rates may have resulted in overestimating or underestimating the EITC population's utilization of IRS services and their satisfaction levels. Where non-response bias exists, the direction of the non-response bias is indicated with the results of the specific questions (see the Non-Response Bias section of Appendix B for more information).

³ Research does not have a bi-lingual staff, so we arranged for Spanish speaking IRS assistors to answer these calls. The request was then returned to research. The research staff mailed the Spanish version of the survey to the taxpayer.

⁴ Due to the very small numbers in the respective cells, widows with qualifying children were combined with the married filing joint group and the married filing separately were dropped when conducting the Chi Square test.

Skip Patterns

On some questions, skip patterns or branching of questions (because the respondent did not use the service) have contributed to low number of responses on some questions. This problem is discussed in the results section when we cover Customer Experience(s) and Customer Satisfaction.

Results

Research Findings

The survey was designed to achieve an accuracy of five percent at the 95 percent confidence level overall and for each stratum because we were interested in using our results to project to the population. As the findings are presented, we will advise the reader of accuracy and confidence. Except as stated otherwise, all estimates are with 95 percent confidence and five percent margin of error (95/5). If the response is not sufficient to warrant at least 90 percent confidence and accuracy of at least 10 percent (90/10), the data is not presented in the main body of the report. Results are extrapolated to the population.

Presentation of Results

The data collection instrument (Appendix C) was designed to answer the primary research objectives in addition to answering other customer business questions. Research analyzed the survey responses using SPSS and various tools including SPSS syntax, its graphical interface modules, and Excel. Tables and simple descriptive statistics were produced for each survey question, by each stratum. Our sample was a stratified random sample, which will allow us to make statistically valid statements for each stratum. Weights were used to restore the original proportions to the population; this data is displayed when we reference Total (Weighted to Population) Results.

We will start with our Customer Experience and Customer Satisfaction results because those are our main project objectives. After completing the Customer Experience and Customer Satisfaction section we will present results for the remaining business questions.

Complete survey results are presented in the appendix.

- Appendix E – Total Responses and Total (Weighted to Population) Survey Results
- Appendix F – Strata Results
- Appendix G – Self Prepared vs. Paid Preparer Survey Results
- Appendix H – No Children vs With Children Survey Results
- Appendix I – Graphs
- Appendix J – Other Items of Interest
- Appendix K – Additional Analysis

The basic analysis for each stratum is presented in survey question order from Question 1 to Question 17. We present the frequency of response (count) and percent of row responses for each question (or percent of responses and percent of cases for multiple response questions). See the appropriate Appendix for additional information.

Customer Experience and Customer Satisfaction

Our first objective was to determine the customer service experience of EITC taxpayers. To accomplish this objective we first needed to determine if the taxpayers contacted IRS for customer service and if so, what channel(s) they used to seek customer service. The survey questionnaire covered four different customer service methods, namely:

- 1) IRS Instructions and Publications (question 4),
- 2) IRS Toll-Free Assistance (question 5),
- 3) In-Person Tax Assistance Site (question 6), and
- 4) IRS Website (question 7).

The main customer service questions were Q4, Q5, Q6, and Q7 (Did you use the service?). How EITC taxpayers responded to the main question determined if they were to continue with questions in the subsection or if they were instructed to skip to the next section. Respondents that did not use the service method were instructed to proceed to the next section. The subsections of these customer service questions (if applicable) will allow us to determine why they used the service and if respondents had a positive, negative, or neutral experience and how satisfied they are with IRS customer service. For questions 4 b-i, 5 b-e, 6 c-f, and 7 b-j a positive experience is defined as the percent choosing the top-two boxes (Very satisfied and Satisfied) and a negative experience is defined as the percent choosing the bottom-two boxes (Very Dissatisfied and Dissatisfied).⁵ The center of the scale (Neither) is deemed as neutral. We will not include the neutral scale ratings or the Did Not Use selections in the positive or negative experience ratings.

For questions 7 k-o a positive experience is defined as the percent choosing the top-two boxes (Strongly Agree or Agree) and a negative experience is defined as the percent choosing the bottom-two boxes (Strongly Disagree or Disagree). The center of the scale (Neither) is deemed as neutral. We will not include the neutral scale ratings or the Did Not Use selections in the positive or negative experience ratings.

Customer Service ‘Use’

Our primary project objective “Determine the customer service experience(s) of EITC taxpayers” will be answered by survey questions 4 b-i (IRS Tax Information), 5 b-e (Toll-Free Telephone Assistance), 6 c-f (In-Person Free Tax Assistance), and 7 b-j (IRS Website).

Many of our respondents did not use any of the four customer service methods. Table 6 provides a look at each customer service method by strata and Total.

Table 6: Did you use IRS Customer Service?

Did you use ...	Strata 1: Paid Preparer With Children		Strata 2: Paid Preparer No Children		Strata 3: Self Prepared With Children		Strata 4: Self Prepared No Children		Total - Weighted to Population	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Q4. IRS Instructions & Publications	15.5%	84.5%	12.8%	87.2%	43.5%	56.5%	57.4%	42.6%	25.4%	74.6%
Q5. IRS Toll-Free Assistance	14.9%	85.1%	9.6%	90.4%	15.9%	84.1%	14.1%	85.9%	14.5%	85.5%
Q6. IRS In-Person Assistance	21.0%	79.0%	12.1%	87.9%	11.6%	88.4%	12.4%	87.6%	17.2%	82.8%
Q7. IRS Website	14.0%	86.0%	8.9%	91.1%	41.6%	58.4%	28.4%	71.6%	20.8%	79.2%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

⁵ Respondents generally do not select the extreme values (e.g., Strongly Agree or Strongly Disagree), for simplicity we have collapsed responses. The full range of ratings is provided in the Appendices.

Overall, less than 26 percent of the EITC population used IRS Instructions and Publications. This method had the highest usage (when you look at the Total – Weighted to Population column) but notice the range in rate of use between strata. Paid Preparer No Children is about half (12.8%) while SP No Children is more than double (57.4%) the Total usage (25.4%). The Toll-Free Assistance and IRS In-Person service methods usage rate are more consistent across strata and Total. When you look at IRS Website, you again see large differences in usage between the strata. The Self Preparer groups use the IRS Website considerably more than the Paid Preparer groups (SP With Children is more than double the Population (Total) Percentage).

We estimate that more than 60 percent of those EIC respondents who prepared their return themselves used IRS Instructions or Publications. Likewise, more than half of those whose return was prepared by an IRS Office and almost 40 percent of those who had a friend or family member complete their tax return used IRS Instructions or Publications. We found that only 12 percent of EIC respondents paying a professional to complete their tax return used IRS Instructions or Publications.⁶

If respondents did not use a service, the survey instructed them to skip the following “use” and “satisfaction” questions and proceed to the next section. Some respondents did not follow survey instructions and responded to the “use” and “satisfaction” questions even though they did not use the particular service. As part of our data validation process, we ‘cleaned’ the data to remove these invalid responses. We analyzed responses only from respondents that said they used the service, (e.g., they responded “Yes” to Q4) in the “use” and “satisfaction” questions.⁷

Overall more than 50 percent of taxpayers did not use any of the three customer service channels (about 45 percent if you include Instructions and Publications). Considering multiple channel usages we looked at how many taxpayers used some customer service methods, none, or all. The majority of taxpayers did not use at least one of the customer service methods. Because Instructions and Publications are somewhat different from Toll-Free Telephone, In-Person Assistance, and the Internet we examined the responses both including and then excluding Instructions and Publications. For more information on this issue, see Appendix K Multiple/Cross Channel Usage.

Customer Services “Used to Determine?”

We asked respondents who had used each service method (e.g., Q4, Q5, Q6, Q7 “Yes,”) to tell us what they used the service to determine. We supplied a choice of three responses (EIC Eligibility, Amount of EIC, Items other than EIC) and multiple responses were allowed. Results are presented in Table 7.

⁶ Crosstabulation Q14 * Q4 weighted to population: 2.43 million self preparers (62.1 percent) used IRS Instructions or Publications (IP); 2.17 million who had an IRS Office prepare their return (52.3 percent) used IP; 712,000 (38.1 percent) who had a Family/Friend prepare their return used IP. These numbers compare with only 12 percent of respondents who paid a professional to prepare their return using IP.

⁷ We used the same ‘cleaning’ process on Q5 Toll-Free Telephone Assistance, Q6 In-Person Tax Assistance Site, and Q7 IRS Website. For all services we analyzed use and satisfaction responses of those that actually used the customer service method.

Table 7: Did you use the service to determine any of the following? (Percent of Responses)

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – Weighted to Population
Q4a. IRS Instructions & Publications					
EIC Eligibility	45.0%	43.0%	41.0%	45.9%	43.4%
Amount of EIC	29.7%	30.2%	32.2%	26.2%	30.0%
Items other than EIC	25.2%	26.7%	26.8%	27.9%	26.6%
Q5a. IRS Toll-Free Assistance					
EIC Eligibility	16.9%	11.8%	14.9%	20.5%	16.5%
Amount of EIC	16.9%	11.8%	9.2%	14.8%	14.6%
Items other than EIC	66.2%	76.5%	75.9%	64.8%	68.9%
Q6b. IRS In-Person Assistance					
EIC Eligibility	38.9%	*	34.1%	35.0%	37.2%
Amount of EIC	28.7%	*	24.7%	23.8%	27.7%
Items other than EIC	32.4%	*	41.2%	41.3%	35.1%
Q7a. IRS Website					
EIC Eligibility	19.4%	*	26.2%	31.2%	24.3%
Amount of EIC	16.4%	*	21.3%	16.3%	18.5%
Items other than EIC	64.2%	*	52.5%	52.6%	57.2%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% or better

*Insufficient results to report.

Generally, we found consistency within service method across strata and Total. However we found there was a difference between the service channels as far as what they were trying to determine, for instance:

- IRS Instructions and Publications were used to determine EIC Eligibility.
- IRS Toll-Free Assistance and IRS Website were used to determine Items other than EIC.
- IRS In-Person Assistance was not as clear cut. Paid Preparer With Children and Total used this service method to determine EIC Eligibility while the Self Preparer groups (SP With Children and SP No Children) used it to determine Items other than EIC.

Experience and Satisfaction Ratings

The Experience and Satisfaction questions will be covered individually for each of the four service methods.

Experience and Satisfaction Ratings of IRS Instructions and Publications

We asked respondents who used IRS Instructions and Publications to rate their satisfaction with eight items (see Table 8).

Table 8: Experience and Satisfaction Ratings of IRS Instructions and Publications (Q4b-i)

Please rate your satisfaction with the following areas:	Strata 3: Self Prepared With Children			Strata 4: Self Prepared No Children			Total – Weighted to Population		
	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied
Q4b. EIC Worksheet	4.1	10.9	85.1	7.4	12.4	80.1	4.2	10.6	85.2
Q4c. EIC Text/Instructions *	5.5	12.0	82.5	7.9	13.4	78.7	4.9	11.3	83.7
Q4d. EIC Tables	1.8	17.0	81.2	4.9	15.4	79.8	4.6	14.3	81.1
Q4e. EIC Examples	3.0	20.8	76.2	6.1	18.6	75.3	4.3	17.6	78.1
Q4f. Other Worksheets	4.5	22.6	72.9	4.8	21.1	74.1	6.1	23.6	70.3
Q4g. Other Text/Instructions	3.9	21.0	75.1	6.2	17.6	76.2	5.3	20.7	74.0
Q4h. Tax Tables	2.3	12.3	85.5	2.7	10.1	87.2	3.0	10.7	86.2
Q4i. Other Examples	2.2	29.3	68.5	3.8	26.9	69.3	3.5	29.6	66.9

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% or better

* See Non-Response Bias in Appendix B. The low response rates for this survey may indicate an understatement of the dissatisfaction rate for EIC text/instructions.

The Self Preparer respondents (SP With Children and SP No Children) and Total indicated positive experience and the highest satisfaction with the same items (“Tax Tables” and “EIC Worksheet”). Strata 4 respondents (SP No Children) reported negative experience and dissatisfaction with “EIC Text/Instructions” (Q4c) and “EIC Worksheet” (Q4b). “EIC Worksheet” (Q4b) made both the top-two box for Satisfied and the bottom-two box for Dissatisfied (SP No Children).

Experience and Satisfaction Ratings of IRS Toll-Free Telephone Assistance

We asked four questions about customer experience and customer satisfaction with IRS Toll-Free Telephone Assistance. We found Self Prepared No Children were slightly less satisfied and more dissatisfied than SP With Children. The items of highest dissatisfaction differ between strata. Results are presented in Table 9.

Table 9: Experience and Satisfaction Ratings of IRS Toll-Free Telephone Assistance (Q5b-e)

Please rate your satisfaction with the following areas:	Strata 3: Self Prepared With Children			Strata 4: Self Prepared No Children			Total – Weighted to Population		
	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied
Q5b. The assistor understood my situation	7.1	7.1	85.9	9.2	7.9	82.9	8.6	8.3	83.0
Q5c. I obtained all the information I needed	5.6	6.7	87.6	15.4	6.4	78.2	13.6	5.6	80.8
Q5d. My questions were completely answered	5.6	7.9	86.5	15.6	9.1	75.3	13.6	6.2	80.2
Q5e. I understood the information I received	6.8	4.5	88.6	7.6	6.3	86.1	8.3	10.2	81.5

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E) Confidence 90% / Margin of Error <10% (or better)

Customer Experience or Customer Satisfaction ratings were highest for SP With Children (85.9 percent to 88.6 percent) and lowest for SP No Children (75.3 percent to 86.1 percent) with Total – Weighted to Population falling in between (80.2 to 83.0). The ranking order was not consistent between strata.

Experience and Satisfaction Ratings of an In-Person Assistance Site

We present satisfaction numbers only for the Total (Weighted to Population) in Table 10 (the numbers of responses for all Strata are small). The satisfaction ratings are in a tight range and none of the four items received dissatisfaction ratings exceeding five percent.

Table 10: Experience and Satisfaction Ratings of In-Person Assistance Site (Q6c-f)

Please rate your satisfaction with the following areas:	Total – Weighted to Population		
	Dissatisfied	Neutral	Satisfied
Q6c. The assistor understood my situation	4.4	4.4	91.2
Q6d. I obtained all the information I needed	3.4	6.5	90.1
Q6e. My questions were completely answered	4.6	6.7	88.7
Q6f. I understood the information I received	4.2	5.4	90.5

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

Satisfaction Ratings of IRS Website

The survey questionnaire asked specific questions about respondent satisfaction and respondent experience with the IRS Website. We will present results for the respondents indicating the highest use of the IRS Website, the two Self Prepared strata and Total – Weighted to Population. First we will look at responses as to their “Satisfaction” (Table 11).

Table 11: Experience and Satisfaction Ratings of IRS Website (Q7b-j)

Please rate your satisfaction with the following areas:	Strata 3: Self Prepared With Children			Strata 4: Self Prepared No Children			Total – Weighted to Population		
	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied
Q7b. EIC Tables	2.4	19.5	78.0	5.8	20.9	73.3	3.7	23.0	73.3
Q7c. EIC Assistant *	1.8	28.4	69.7	9.0	26.9	64.1	4.1	29.1	66.8
Q7d. EIC Information or Instructions	3.0	18.0	78.9	11.2	13.5	75.3	3.8	17.8	78.4
Q7e. EIC Worksheet *	2.5	19.8	77.7	11.6	15.1	73.3	4.4	21.4	74.2
Q7f. EIC Examples *	2.5	21.8	75.6	8.4	22.9	68.7	3.8	21.1	75.1
Q7g. Tax Tables *	3.0	14.1	83.0	4.6	13.9	81.5	3.5	17.7	78.8
Q7h. Other Information or Instructions	5.2	15.1	79.7	7.5	16.5	75.9	6.5	18.6	74.9
Q7i. Other Worksheets	5.3	23.7	71.0	5.2	22.6	72.2	7.1	26.3	66.7
Q7j. Other Examples	5.6	24.8	69.6	6.6	21.7	71.7	7.5	28.3	64.2

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% or better

* See Non-Response Bias in Appendix B. The low response rates for these survey questions may indicate an understatement of the dissatisfaction rate for EIC Assistant, EIC worksheet, EIC Examples, and Tax Tables on the IRS website.

The satisfaction rates were not as high as we saw in the other customer service channels. The dissatisfaction rates varied between SP With Children and SP No Children. There was not much dissatisfaction in the SP With Children group (the rates ranged from 5.6 percent to 1.8 percent). The responses for the SP No Children group indicated greater dissatisfaction (the rates ranged from 11.6 percent to 4.6 percent). The SP No Children (Strata 4) respondents were most satisfied with “Tax Tables” followed by “Other Information or Instructions.” The areas of highest dissatisfaction were “EIC Information or Instructions” and “EIC Worksheet.”

In summary, the IRS Website received lower satisfaction ratings (highest ranking was 83.0 percent for SP With Children and 81.5 for SP No Children). Overall, the IRS Website satisfaction responses indicated lower satisfaction scores and higher neutral scores than we saw in the other customer service channels.

Experience Ratings of IRS Website

The survey contained five questions where we specifically asked respondents to rate their customer experience with the IRS Website (results are shown in Table 12).

Table 12: Satisfaction Ratings of IRS Website (Q7k-o)

Please rate your satisfaction with the following areas:	Strata 3: Self Prepared With Children			Strata 4: Self Prepared No Children			Total – Weighted to Population		
	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied	Dissatisfied	Neutral	Satisfied
Q7k. It was easy to find all the information	16.3	7.7	76.0	19.4	12.7	67.9	20.7	8.9	70.4
Q7l. It was easy to understand the information	12.9	9.9	77.3	22.0	7.9	70.1	16.1	11.8	72.1
Q7m. The IRS search tool worked well	10.6	15.5	73.9	18.0	15.3	66.7	11.5	17.5	71.0
Q7n. It was easy to print information	4.7	8.5	86.7	7.5	5.4	87.1	4.6	10.8	84.6
Q7o. I will use the IRS Website again	2.6	3.9	93.5	6.0	6.6	87.3	5.8	5.1	89.1

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

We found fairly consistent results among strata. The Self Prepared strata and Total gave the highest customer experience ratings to:

- “I will use the IRS Website again” and “It was easy to print information.”

The Self Prepared strata and Total gave the lowest customer experience ratings to:

- “It was easy to find information, “It was easy to understand the information,” and “The IRS Search tool worked well.”

We also found consistency among strata for the item with the highest neutral rating; “The IRS Search tool worked well.” In summary, we saw lower overall scores in this section of the survey however we also saw fairly high ratings for “will use again.”

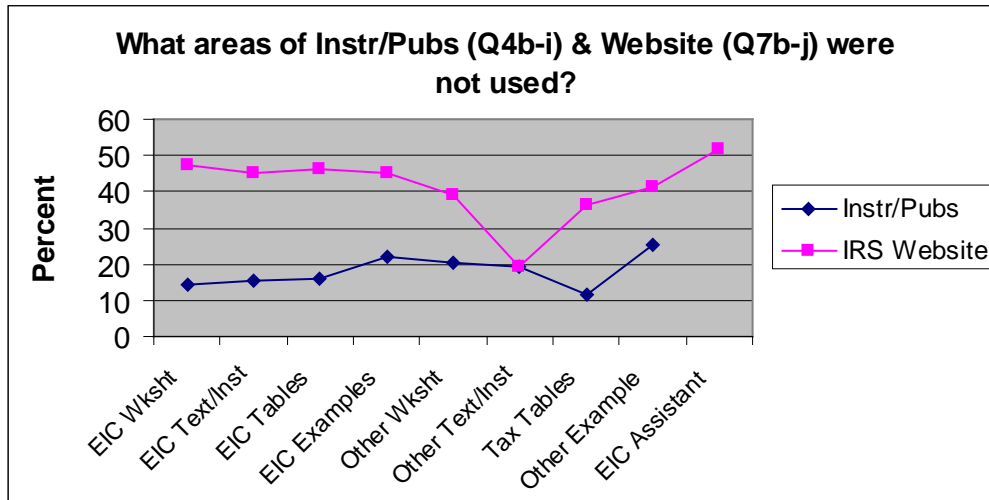
What parts of services did respondents not use?

One of the response choices available within the satisfaction questions was Did Not Use.⁸ The satisfaction questions for IRS Instructions and Publications and IRS Website were similar⁹ however we found very different Did Not Use percentages between these two customer service methods (as shown in Figure 1). We found that taxpayers consistently use more areas of the Instructions and Publications (Did Not Use percentages ranged from 11.8 percent to 25.5%) than they used on the IRS Website (Did Not Use ranged from 19.2 percent to 51.7 percent). Although we do not know the reason for this it may be that on the Website people are looking for something in particular; whereas, when you have a printed document in front of you it is easier to scan through various areas to identify what you are looking for.

⁸ For this analysis we filtered the data to identify respondents who used the service (e.g., for IRS Instructions and Publications Q4=Yes and for IRS Website Q7=Yes).

⁹ With the exception of the EIC Assistant which is only available on the IRS Website.

Figure 1: What areas of IRS Instructions and Publications and IRS Website were not used?



Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% (or better)

The Toll-Free Telephone Assistance and In-Person Assistance also asked similar satisfaction questions. We found similar percentages for Did Not Use between these two customer service channels (all areas were less than 10 percent).

Business Questions

In addition to the project’s overall objective, which we addressed in the previous section, TAS and the EITC Program Office also had some specific business questions they wanted Research to answer. Table 13 matches the survey questions to these remaining business questions. We will address the remaining business questions in the order they appear in Table 13.

Table 13: Match Survey Questions to Business Questions

Survey Question...	...will answer the business question...
1	“Did EITC taxpayers claim the EITC on their 2005 return?”
2	“What is the primary source of information taxpayers rely upon to determine EITC eligibility?”
3	“How likely are EITC taxpayers to use IRS Customer Service (phone, in-person, Internet)?”
8	“Did EITC taxpayers hear/see the EITC advertising campaign? If so, where did they hear/see the EITC advertising campaign?”
9	“Where do EITC taxpayers typically access the Internet for personal use?”
10	“Do EITC taxpayers have a personal computer at home?”
10	“Do EITC taxpayers have Internet access at home?”
11	“For what types of activities do EITC taxpayers use the computer?”
12	“How do EITC taxpayers prefer to receive a federal income tax refund?”
13	“If EITC taxpayers do not prefer direct deposit, why not?”
14	“Who prepared the EITC taxpayers’ 2005 Federal Income Tax Return?”
15	“If EITC taxpayers pay for return preparation, what is their primary reason for doing so?”

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

“Did EITC taxpayers claim the EITC on their 2005 return?”

Table 14: Q1. Did you claim the Earned Income Credit (EIC) on your 2005 Federal Income Tax Return? (Select one)¹⁰

Q1	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – Weighted to Population
Yes	70.0%	32.0%	75.7%	48.5%	64.9%
No	11.8%	29.7%	14.6%	35.2%	16.7%
Do Not Know	18.2%	38.3%	9.7%	16.3%	18.4%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E) Confidence 95% / Margin of Error <5%

We asked respondents if they claimed EIC on their 2005 return and we found there were large differences between strata. The With Children groups had much higher rates of claiming EIC than the No Children groups.

We were interested in determining how survey responses compared to respondent’s actual return filing information for 2005. Our results are shown in Table 15. More than 60% of respondents claimed EIC in TY04 and also in TY05.¹¹ IRS data suggests there is a consistent turnover in EIC claimants each year. This implies there is a substantial influx of new EIC claimants unfamiliar with qualifying factors, documentation requirements, etc. each year who require education about EIC.

Table 15: Crosstabulation Q1 compared with 2005 EITC Return Filing Data.

Q1. Did you claim the Earned Income Credit on your 2005 Federal Income Tax Return?		Survey Respondents			Weighted to Population		
		EITC Combo Indicator*			EITC Combo Indicator*		
		No	Yes	Total	No	Yes	Total
Yes	Count	194	1,083	1,277	1,677,320	12,444,634	14,121,954
	Column Percent within EITC Combo Indicator	22.3%	76.2%	55.7%	27.0%	80.0%	64.9%
No	Count	440	100	540	2,861,181	775,825	3,637,006
	Column Percent within EITC Combo Indicator	50.6%	7.0%	23.6%	46.0%	5.0%	16.7%
Do Not Know	Count	236	238	474	1,678,538	2,329,037	4,007,575
	Column Percent within EITC Combo Indicator	27.1%	16.7%	20.7%	27.0%	15.0%	18.4%
Total	Count	870	1,421	2,291	6,6217,039	15,549,496	21,766,535
	Column Percent within EITC Combo Indicator	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* EITC Combo Indicator (At least one of EITC received, EITC paid, or EITC claimed on 2005 return).

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E) Confidence 95% / Margin of Error <5%

¹⁰ See Non-Response Bias in Appendix B. The low response rate to this mailed EIC satisfaction survey may indicate that those not responding were more likely taxpayers who either did not claim EIC on their 2005 Federal Income Tax Returns or did not know if they claimed EIC for TY 2005.

¹¹ Using TY 2005 EIC combo indicator (e.g., at least one of EITC paid, EITC received, or EITC claimed) 1,421 of the 2,291 valid cases claimed EIC on both 2004 & 2005 returns (1,421/2,291=62.0).

“What is the primary source of information taxpayers rely upon to determine EITC eligibility?”

Question 2 on our survey asked respondents about their primary source of information to determine EITC eligibility. The questionnaire provided 12 choices of response. We will present results for the top three selections in each Stratum and for Total (see Table 16).

Table 16: Q2. What is your primary source of information for determining EIC eligibility? (Select one) (Only the top three selections are shown)

Top Three Selections	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – Weighted to Population
1	Paid Tax Preparer 76.6	Paid Tax Preparer 73.2	Computer Software 32.2	IRS Instruct./ Pubs 28.8	Paid Tax Preparer 57.1
2	Family/Friend 8.0	Family/Friend 7.5	Paid Tax Preparer 16.7	Computer Software 18.8	Computer Software 10.9
3	IRS Office 3.7	Other 4.6	IRS Instruct./ Pubs 14.3	Family/Friend 14.0	Family/Friend 9.5

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E) Confidence 95% / Margin of Error <5%

The primary source of information for determining EIC eligibility varies between strata. Overall, most respondents primary source of information for determining EIC eligibility were paid tax preparers. Paid preparers were followed by Computer Software, IRS Instructions or Publications, and Family/Friend. Generally, EIC taxpayers rely primarily on the source who prepared their return for information.¹²

“How likely are EITC taxpayers to use IRS Customer Service (phone, in-person, Internet)?”

When asked about using IRS service channels, respondents chose between different levels of likelihood of use for each channel (results for Q3 are displayed in Table 17). Patterns were similar between channels regarding how likely respondents were to use a service channel with the exception of respondents who stated they “Will Not Use” a service. Respondents felt more strongly about Internet use, than Toll-Free Telephone or In-Person Assistance. About 23 percent of respondents stated they would not use the Internet, considerably more than those who stated they would not use IRS Toll-Free Telephone or In-Person services.¹³

¹² Those who prepared the return themselves did not have the option of answering that they are the primary source of information for determining EIC eligibility. Their primary source of information was Computer Software and IRS Instructions/Publications.

¹³ More than 25 percent of respondents: Phone (23.1, Internet – 16.9, Phone = 6.2/16.9=.3669) and In-Person (23.1, Internet – 18.5 In-Person=4.6/18.5=.2486).

Table 17: Q3. How likely are you to use the following types of IRS Customer Services?

Customer Service Method	Likelihood	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
3a. Toll-Free Telephone	Will Not Use	17.7	24.1	12.4	13.7	16.9
	Very Unlikely	14.4	16.3	12.4	15.3	14.3
	Unlikely	16.2	15.9	16.8	15.3	16.2
	Neither	4.2	5.4	7.4	5.1	5.1
	Likely	28.9	25.5	37.1	32.1	30.6
	Very Likely	18.6	12.8	13.8	18.4	16.9
In-Person Assistance	Will Not Use	17.9	21.4	18.2	19.9	18.5
	Very Unlikely	18.1	19.6	22.5	23.6	19.7
	Unlikely	18.3	20.6	23.9	24.0	20.3
	Neither	4.9	4.5	7.8	6.8	5.7
	Likely	22.3	18.0	18.1	16.3	20.4
	Very Likely	18.5	16.0	9.6	9.4	15.5
Internet	Will Not Use	24.8	36.1	13.2	23.2	23.3
	Very Unlikely	13.5	13.9	6.2	9.8	11.6
	Unlikely	15.3	16.1	7.3	10.3	13.1
	Neither	7.2	5.5	3.5	4.6	5.9
	Likely	23.7	19.1	35.0	27.5	26.0
	Very Likely	15.5	9.2	34.8	24.4	20.0

*Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

Some taxpayers are not interested in using any of the customer service methods. We filtered out the “Would Not Use” responses for each of the service channels and ran a crosstabulation to determine how many also selected “Would Not Use” for another channel, our results are shown in Table 18.

Table 18: Cross Channel Comparison of “Will Not Use” Responses

	“Will Not Use”		
“Will Not Use”	Q3a. Toll-Free	Q3b. In-Person	Q3c. Internet
Q3a. Toll-Free		63.1%	54.7%
Q3b. In-Person	68.2%		49.0%
Q3c. Internet	73.3%	61.6%	

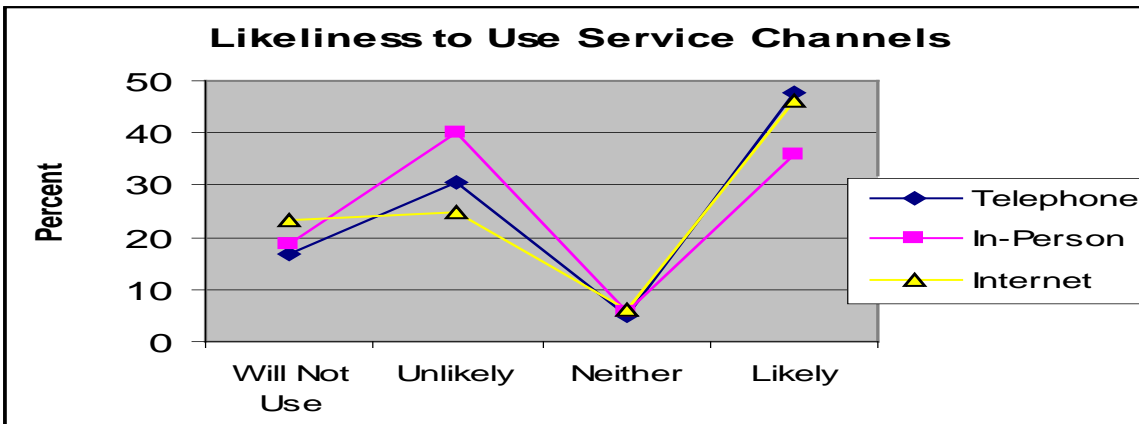
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

However, when considering if participants were Very Unlikely or Unlikely to use any IRS service, fewer stated they were Unlikely to use the Internet than those who were Unlikely to use In-Person or Toll-Free telephone services (see Figure 2).¹⁴ Respondents replied that they were equally Likely (Likely or Very Likely) to use the Internet or IRS Toll-Free and less likely to use In-Person services. Around five percent of respondents felt ambivalent about using the service channels. This suggests that there are a number of people who will not be converted to using Internet services. About a third of respondents stated they

¹⁴ Telephone: Very Unlikely, 14.3 + Unlikely 16.2=30.5; In-Person: Very Unlikely, 19.7 + Unlikely 20.3=40.0; Internet: Very Unlikely, 11.6 + Unlikely 13.1=24.7.

were likely to use IRS In-Person services and nearly half of respondents stated they were likely to use IRS Toll-Free Telephone or the Internet.¹⁵

Figure 2: Likelihood to Use Service Channels



Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

Overall, taxpayers are more likely to use Toll-Free Telephone and Internet services than In-Person services. In-Person Assistance had more “Unlikely” responses than “Likely responses. Some taxpayers indicated resistance to using the Internet.

“Did EITC taxpayers see/hear the EITC advertising campaign?”

The EITC Program Office was particularly interested in finding out how memorable their advertising campaign was. One of the IRS’ EIC advertising campaigns was: *“Too bad everything can’t be as easy to knowing if you qualify for EIC.”* The survey included two questions about the advertising campaign. The first question asked if taxpayers saw or heard any advertisement for EIC. The results are provided in Table 19. We found that the majority either responded “No” or “Do Not Know” to question 8. The follow-up question asked them to identify where they saw or heard the advertisement.

Table 19: Q8. During the past year, have you seen or heard any advertisement for EIC? (Select one)¹⁶

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Yes	22.6	10.1	23.1	13.1	20.4
No	55.2	62.2	58.4	68.1	57.9
Do Not Know	22.2	27.7	18.4	18.8	21.6

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

¹⁵ Telephone: Very Likely, 16.9 + Likely, 30.6=47.5; In-Person: Very Likely, 15.5 + Likely, 20.4=35.9; Internet: Very Likely, 20.0 + Likely, 26.0=46.0.

¹⁶ See Non-Response Bias in Appendix B. The low response rates for this survey question may indicate an overstatement of taxpayers who have seen or heard the EIC advertisement and an understatement of taxpayers who were not sure if they have seen or heard any EIC advertisement.

“If so, where did they hear/see the EITC advertising campaign?”

We told survey recipients that one of the IRS’ EIC advertising campaigns was: “Too bad everything can’t be as easy as knowing if you qualify for EIC.” We asked them to identify where they saw or heard this advertisement.¹⁷ They were instructed to select ‘all that apply.’ Results are presented in Table 20.

Table 20: Q8a. Please identify where you saw or heard this advertisement. (Select all that apply)

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Multiple response question. Results shown reflect Percent of Responses.					
Do not remember where	13.5	11.7	6.5	7.4	11.3
Public transportation (bus, train, etc.)	4.5	5.2	4.8	3.2	4.6
Poster / brochure/ flyer	15.0	6.5	10.2	10.6	13.1
Internet	2.3	2.6	7.5	9.6	4.0
Newspaper	6.8	7.8	8.6	9.6	7.5
Magazine	1.5	2.6	0.0	2.1	1.2
Billboard	3.0	2.6	1.1	1.1	2.4
Television	30.8	41.6	29.0	31.9	31.0
Radio	11.3	6.5	15.1	10.6	11.9
Friend / Family	6.8	7.8	13.4	10.6	8.7
Other	4.5	5.2	3.8	3.2	4.3
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10%

In summary, almost 80 percent of respondents did not see/did not remember seeing or hearing the EIC advertising campaigns. Of those that do remember seeing or hearing the EIC advertisement, the top remembered sources were Television, Poster/brochure/flyer, Radio, and Family/Friend.

¹⁷ The survey instructed those that responded “No” or “Do Not Know” to skip Q8a and proceed to question 9. As we found in previous questions, survey respondents sometimes do not follow the instructions. We cleaned the data and looked at Q8a responses for only those that should have answered the question (i.e., they responded “Yes” to Q8).

“Where do EITC taxpayers typically access the Internet for personal use?”

We asked about accessing the Internet for personal use and found that many of our respondents access the Internet from “Home.” There was some access at “Work” and “Other” but at a much lower percent. Results are presented in Table 21. Results were consistent between strata.

Table 21: Q9. Where do you typically access the Internet for personal use. (Select all that apply)

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Multiple response question. Results shown reflect Percent of Responses.					
Home	47.1	40.4	61.5	51.3	50.0
Work	15.9	10.2	18.1	10.5	15.3
Other	8.8	6.7	7.8	10.3	8.5
I do not access the Internet	28.1	42.7	12.5	27.9	26.2
Total	100.0	100.0	100.0	100.0	100.0

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

Overall, fifty percent of respondents typically access the Internet from Home and 26 percent do not access the Internet. The Self Prepared stratum had the highest usage of “Home” Internet access for personal use. The highest percent of “Do Not Access” was found in PP No Children.

“Do EITC taxpayers have a personal computer at home?” and “Do EITC taxpayers have Internet access at home?”

Table 22: Q10. Do you have the following equipment / services at home?

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Personal Computer?					
Yes	67.3	55.8	82.2	62.8	68.8
No	32.7	44.2	17.8	37.2	31.2
Total	100.0	100.0	100.0	100.0	100.0
Internet Access?					
Yes	58.5	49.8	75.3	58.6	61.2
No	41.5	50.2	24.7	41.4	38.8
Total	100.0	100.0	100.0	100.0	100.0

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

Overall, nearly 70 percent have a personal computer at home and slightly more than 60 percent of those have Internet access at home (approximately 12.5 million of 22.5 million). These results refute anecdotal information that EITC taxpayers do not own computers. As could be expected, Internet Access was slightly less than computer ownership. The Self Prepared With Children strata was the clear leader in both equipment and service.

“For what types of activities do EITC taxpayers use the computer?”

We asked our survey respondents what types of activities they used their computer for, and provided a list of eight choices (including “Other”). This was a multiple response question and respondents could select as many choices as they wanted. Results are presented in Table 23.

Table 23: Q11. How do you use your computer? Do you use it for: (Select all that apply)

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Multiple response question. Results shown reflect Percent of Responses.					
Email	18.8	20.8	19.0	20.1	19.1
Games	12.7	11.8	10.8	10.4	11.9
On-Line Purchases	9.6	10.9	12.1	12.2	10.7
Work / School	19.2	13.6	15.4	12.6	17.0
On-line bill payments	9.1	8.2	10.9	9.3	9.6
Personal finances	5.4	6.9	7.7	7.1	6.4
Internet	19.1	19.7	18.9	20.0	19.2
Other	6.0	8.1	5.2	8.3	6.2
Total Responses	100.0	100.0	100.0	100.0	100.0

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

As an indication of the number that were willing to use the computer for financial matters, we looked at respondents who selected On-Line Purchases, On-Line bill payments, or Personal finances. About 35 percent of respondents that access the Internet from home use the computer for financial matters and about 10 percent of respondents that access the Internet from work use the computer for financial matters.¹⁸

In summary, we found the survey respondents use their computers for a variety of things. We found consistent responses between strata. Respondents indicated high usage for “Email,” “Internet,” and “Work/School” and much less so for “Personal Finances” and “Other” activities.

¹⁸ Q9 (where do you typically access the Internet?) and Q11 (how do you use your computer?) were both multiple response questions. We combined financial responses from Q11 (On-Line Purchases, On-Line bill payments, Personal finances) into a new variable and ran a crosstabulation with Q9 responses (home, work).

“How do EITC taxpayers prefer to receive a federal income tax refund?”

There was interest in finding out some tax refund preference information from the EIC recipients. The next business question was to ask them how they preferred to receive a federal income tax refund. Results are presented in Table 24.

Table 24: Q12. How do you prefer to receive your income tax refund? (Select one) ¹⁹

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Mail	23.9	52.3	23.9	48.4	29.5
Direct Deposit	46.5	32.6	70.3	45.8	50.0
Debit Card	1.1	0.3	0.3	0.7	0.8
No Preference	4.3	7.6	2.4	3.9	4.2
Other	2.2	2.1	0.3	0.8	1.6
Refund Anticipation Loan (RAL)	22.0	5.0	2.7	0.5	13.9
Total	100.0	100.0	100.0	100.0	100.0

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

In summary, we found strong preference differences among strata. The ‘With Children’ groups preferred “Direct Deposit” and the ‘No Children’ groups preferred “Mail” (Strata 4’s preference was only slightly higher for “Mail” over “Direct Deposit”). Only the PP With Children strata showed a marked preference for RALs; we found that respondents in the PP No Children group had a much smaller preference for RAL’s.

¹⁹ See Non-Response Bias in Appendix B. There was a higher proportion of the late respondents answering “Refund Anticipation Loan.” The low response rates for this survey question may indicate an understatement of the preference in receiving income tax refund in the form of a refund anticipation loan.

“If EITC taxpayers do not prefer direct deposit, why not?”

Next, we move on to discover the reasons why respondents do not prefer direct deposit. We found similarity among the groups and that two of the top three reasons for not preferring direct deposit seem to be centered on security and assurance that the money gets to their account (“It is more secure to receive a paper check” and “I do not like to give out my bank account numbers”). The remaining item in the top-three reasons “I like to take the check to the bank” may be a security issue or it could just be a preference. Results are presented in Table 25.

Table 25: Q13. If you do not prefer to use direct deposit, tell us the reasons why? (Select all that apply)

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Multiple response question. Results shown reflect Percent of Responses.					
It is more secure to receive a paper check	24.2	28.5	26.9	20.1	24.7
I do not have a bank account	15.0	9.6	8.1	12.3	12.9
I do not like to give out my bank account numbers	24.2	25.1	29.6	31.3	25.9
I like to take the check to the bank	23.9	27.4	24.2	27.1	24.8
My bank account numbers were not handy when my return was prepared	5.1	3.2	3.5	4.6	4.5
Other	7.6	6.4	7.7	4.6	7.1
Total Responses	100.0	100.0	100.0	100.0	100.0

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% or better

In summary, we found that the strata were similar in their reasons for not preferring direct deposit. The top reasons seem to be about security and assurance issues. The remaining reason consistently in the top-three may be a security issue or merely be a personal choice preference having nothing to do with security and assurance.

“Who prepared the EITC taxpayers’ 2005 Federal Income Tax Return?”

In survey question 14 we asked who prepared the EIC respondents 2005 Federal Income Tax Return. Results are presented in Table 26.

Table 26: Q14. Who prepared your 2005 Federal Income Tax return? (Select one)

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Self / Spouse	4.2	4.7	49.1	51.0	18.4
Paid Tax Preparer	84.0	81.8	20.5	13.7	63.4
Family / Friend	3.6	6.3	19.5	22.5	9.1
IRS Office	3.4	1.3	1.0	1.4	2.5
Free Volunteer Tax Assistance	1.5	2.8	7.5	7.7	3.5
Other	3.4	3.0	2.5	3.7	3.2
Total Responses	100.0	100.0	100.0	100.0	100.0

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

Within the PP stratum, the top-selection was “Paid Tax Preparer” with nothing else coming close. Within the two Self Prepared stratum we had more diversity. Both selected “Self/Spouse” as their first choice. The second and third choices (Paid Tax Preparer and Family/Friend) were the same for the Self Prepared stratum, they were just reversed in order.

The data corroborates the notion that there is movement between years back and forth among the Self Preparer and Paid Preparer groups (e.g., they may self prepare one year and go to a paid preparer the next year or vice versa).

“If EITC taxpayers pay for return preparation, what is their primary reason for doing so?”

The Taxpayer Advocates Office was interested in finding out why EIC taxpayers pay for return preparation. The survey included a list of nine reasons, from which respondents were asked to select the *primary* reason they pay for return preparation. Results are shown in Table 27.

Table 27: Q15. What is the primary reason you paid someone to prepare your 2005 Federal Income Tax return? (Select one)

	Strata 1: Paid Preparer With Children	Strata 2: Paid Preparer No Children	Strata 3: Self Prepared With Children	Strata 4: Self Prepared No Children	Total – (Weighted to Population)
Easier than doing preparation myself	18.8	22.9	22.3	16.7	19.6
Afraid I will make mistakes	35.7	33.6	36.1	39.7	35.6
Takes me too long	0.2	1.5	1.0	2.6	0.5
Get a larger refund	1.6	0.6	1.0	0.6	1.4
Get my refund faster	11.1	4.3	6.9	7.1	9.7
Taxes are too difficult	16.5	26.7	11.4	17.3	17.4
So I can file electronically	8.4	4.9	10.4	6.4	8.0
Get a refund loan	1.1	0.6	2.0	0.6	1.1
Other	6.6	4.9	8.9	9.0	6.7
Total Responses	100.0	100.0	100.0	100.0	100.0

Columns may not equal 100 percent due to rounding.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 90% / Margin of Error <10% or better

We found consistency in the choices selected among strata. The most selected response for all strata was “Afraid I will make mistakes.” The *order* of the next top-two choices changes among strata but all selected the same two items: ‘Easier than doing preparation myself’ and “Taxes are too difficult.”

This concludes the survey questions that answered business questions. TAS was also interested in two demographic items that they requested be included on the survey questionnaire. These items are included in the Appendix J - Other Items of Interest.

Conclusions

Customer Experience and Customer Satisfaction

The survey results provide information about the people who responded to the survey. Our response rate (about 30 percent) gave us an adequate number of responses from each stratum. However, many of the respondents did not use IRS customer services so they skipped entire sections of the questionnaire and this affected our ‘per question’ response rate. When there were insufficient responses, and we are not able to infer results to the population we omitted the results from the body of the report. Additionally, where non-response bias may exist, we provide the direction of the non-response bias with the results of the specific questions. Raw numbers are provided in the Appendices.

We conclude that there is a big difference in usage of customer service channels among strata. The reason for using the channel also differs among strata. The PP With Children stratum reported the highest usage (21 percent) of visiting In-Person Assistance Sites. This may be because they are accustomed to face-to-face contact with their return preparer. They appeared to be fairly satisfied with the customer service they are receiving and had no specific dissatisfaction issues.

The Self Prepared strata reported higher use of IRS Instructions and Publications and the IRS Website. We saw lower customer satisfaction scores on the IRS Website than on the other customer service channels indicating that there is room for improvement. Their customer experience scores indicate some problems with “finding” and “understanding” information and the “IRS search tool” is not working as well as they would like. Despite these shortcomings they obviously like the Website (based on their “will use again” responses).

This information is useful because it points out what customer service channel(s) the strata are likely to use. If further information is needed on customer experience or satisfaction, we can use this data to target the questionnaire to only that segment of the population that is the primary user of the service. For example, if you want to know more about the Website you would target the self preparer taxpayers rather than those who use the services of a paid preparer. This approach would reduce the number of respondents who skip entire sections of the survey (because they did not use a service).

Business Questions Answered

We answered all business questions. Results are provided in the findings section of this report.

Objectives Met

The purpose of this project was to provide the EITC Program Office and TAS a better understanding of the service needs of EITC-eligible taxpayers. Our report provides the EITC Program Office and TAS with information on what customer service channels taxpayers’ use, what they use the channel to determine, and information about their customer experience and satisfaction. Our report further provides the direction of non-response bias for the specific questions where non-response bias may exist. Armed with knowledge provided by this project the EITC Program Office and TAS will know where to focus their efforts to increase overall customer satisfaction and accordingly reduce areas of dissatisfaction. In completing this research project; we met our primary objective and also answered the requested business questions.

Approval (Signature Page)

The individuals listed below accept oversight and approval responsibilities for this study.

/S/Stanley Griffin
Stan Griffin, Chief Customer Research
W&I Research Group 6

08/07/07
Date

/s/ Eric J. Larsen, Acting Director for
Susan Boehmer
Director of Research
Wage and Investment Division

9/26/07
Date

Appendices

Appendix A – List of Data Variables

Table 28: List and Description of Variables (EITC database)

Variable Name	Description
Agic	Adjusted Gross Income Amount per Computer
City	City
Eicc	EIC Amount per Computer
Eicdepen	Number of Qualifying EIC Dependents
Eicei	EIC Eligibility Indicator (CP09/CP27)
eicnaco1	Name Control of Child 1 Claimed for EITC
eicnaco2	Name Control of Child 2 Claimed for EITC
Fsc	Filing Status Code
name_in1	First Name Line
name_in2	Second Name Line
Prepcode	Preparation Code
Prepein	Preparer EIN
Prepsn	Preparer SSN
pri_dob	Primary Taxpayers Date of Birth
Prissn	Primary Taxpayers SSN
Secssn	Secondary Taxpayers SSN
State	State
Street	Street address
zipcd5	Zip Code

Appendix B – Research Methodology

Methodology

We determined that the appropriate methodology to achieve our research objectives and answer our business questions was to develop a survey as a data collection tool and administer a mail survey to those selected in the sample. We analyzed the survey responses and this document reports the key findings to the customer.

Data Used

The Data Source for this project was the 2004 Tax Year (TY) EITC Database located on the Compliance Data Warehouse (CDW). A list and description of the variables used is provided in Appendix A.

Survey Design

The surveys were designed so they could be scanned by Cardiff Tele-Form software into Statistical and Analysis Software (SAS) or SPSS Software. Research Groups 4 and 6 (Atlanta) were responsible for scanning the completed surveys and entering the data into a database. Each survey contained a control number that allowed the analysts to associate the answers from the survey to information obtained from the database. This was useful when the results were aggregated and specific taxpayer demographics were analyzed.

IRS Multimedia Publishing Services selected a vendor for printing, stuffing, and mailing the surveys to taxpayers selected in the sample. We used a multi-contact mailing process (also known as a four-wave mailout) as an attempt to improve our response rate.²⁰ The four-wave mail-out consisted of:

1. The advance notice letter was mailed July 19, 2006.
2. The cover letter, survey instrument, and a self addressed, first-class postage paid return envelope, were mailed July 24, 2006.
3. The follow-up postcard (Reminder/Thank You) was mailed July 31, 2006.
4. The second survey cover letter and replacement survey and a self addressed, first-class postage paid return envelope (sent to non-respondents) was mailed August 31, 2006

Surveys received on or before October 16, 2006 were used in the study. Any surveys received after October 16, 2006 were not scanned.

The EITC Program Office raised concerns about our reaching Spanish-speaking EITC taxpayers. We determined that we did not have the budget to print and mail everything (letters and survey) in dual languages (English and Spanish) for the entire mail out. The survey and letters were printed in English. Each of the four mailings included a statement (written in Spanish) that provided a phone number for taxpayers to call if they desired to receive a Spanish version survey. A copy of the survey instrument is provided in Appendix C. Copies of the letters and postcard mailed to taxpayers are provided in Appendix D.

Sampling Frame

The sampling frame for our project was EITC taxpayers for tax year 2004 – the full-year TY04 EITC dataset on the CDW was used for this project. We used earned income credit (variable eicc ~ = .) as a criteria for selecting sample taxpayers from the full-year TY04 CDW EITC dataset for our survey. In recognition and consideration of taxpayer burden EITC taxpayers located in Zip Codes impacted by 2005

²⁰ A drawback of mail surveys is that they frequently have a low response rate. Based upon our prior survey experience we hoped to improve our response rate.

hurricanes Katrina, Rita or Wilma were excluded from our sampling frame (at the request of the EITC Program Office and/or TAS).

Sampling Methodology

We used stratified random sampling techniques to design our sample. We divided the sampling frame into four strata (listed below). The four strata and their population (N) and sample size (n) are:

1. Those using a paid preparer and claiming children (N=13,041,954; n=1,760)
2. Those using a paid preparer and claiming no children (N=2,483,933; n=2,090)
3. Those not using a paid preparer (self prepared) and claiming children (N=4,676,725; n=1,760)
4. Those not using a paid preparer (self prepared) and claiming no children (N=2,281,560; n=1,968)

We identified taxpayers using paid preparers for their TY2004 returns by looking at the precode variable (method of tax return preparation) in the CDW EITC dataset. The value of an 'A' or an 'H' represents a paid preparer. The eicdepen variable was used to determine if the taxpayer claimed a child (or children) for EITC.

Data Collection Instrument

The data collection instrument (i.e., the survey) was designed to answer the primary research objective in addition to answering other things TAS or the EITC Program Office wanted to know (business questions). The survey and letters were printed in English. The letter included instructions for those who desired to receive a Spanish version of the survey. A copy of the survey is provided in Appendix C.

Confidence Interval Calculations

While simple and widely-taught, the Wald Method has some known deficiencies. It understates the width of the true interval when sample sizes are small and the actual confidence level is usually less than that specified by the critical value z^* . Worse, the accuracy does not consistently get better as the sample size n increases. There are "lucky" and "unlucky" combination of n and the true population proportion p .²¹

The alternate Exact Method over-corrects the problem because it provides intervals that are too conservative. The Score Method is not overly conservative and provides good coverage. The computation, however, is more cumbersome than the Adjusted Wald Method. According to Sauro and Lewis (2005), the best method for computing 95 percent confidence intervals for small-sample success rates is the Adjusted (Improved) Wald Method.²² "Success" means whatever we are looking for. For example, if we are looking for the percentage of respondents answering "Yes" to a survey question, then "success" means the number of respondents that answered "Yes." The Adjusted Wald method improves the estimation of the success rate when the sample size is small and when the success rate is near 0 or 1. It provides best coverage and agrees with other analyses in the statistics literature.²³

Given many small valid answers due to branching of the questions, the Adjusted (Improved) Wald Method was used for calculating confidence intervals for this project. When the 95 percent confidence intervals were wide, 90 percent confidence intervals were calculated. The Score Method was also used to calculate the 95 percent confidence intervals for comparison purposes on borderline cases. The confidence intervals were calculated for each answer of each question per strata. For each such answer,

²¹ Moore, D. S. (2004). *The Basic Practice of Statistics*, 478.

²² Sauro, J., and Lewis, J. R. (2005). Estimating Completion Rates From Small Samples Using Binomial Confidence Intervals: Comparisons and Recommendations. *Proceedings of The Human Factors And Ergonomics Society 49th Annual Meeting – 2005*, 2100 – 2104.

²³ Arresti, A., and Coull, B. (1998). Approximate is better than 'exact' for interval estimation of binomial proportions. *The American Statistician*, 52, 119-126.

the per-strata results are also combined (based on weights) to produce the percent estimates of the EITC population and confidence intervals.

For example, Question 1 has three possible answers: “Yes,” “No,” “Don’t know.” From the PP With Children sample respondents, 70.0 percent (331 out of 473) answered “Yes,” 11.8 percent (56 out of 473) answered “No,” and 18.2 percent (86 out of 473) answered “Don’t Know.” The Adjusted Wald method estimates that 69.8 percent of PPC taxpayers answers “Yes.” And it estimates that if this survey is conducted 100 times with the same specifications, the percent of PPC taxpayers answering “Yes” would fall between 65.7 percent and 73.9 percent 95 times. For example:

Response	Percent	Est. Strata %	Lower Limit	Upper Limit	Error Margin
Yes	70.0	69.8	65.7%	73.9%	4.1%
No	11.8	12.2	9.2%	15.1%	2.9%
Don’t know	18.2	18.4	15.0%	21.9%	3.5%

For each question, the number of respondents, n, is the same for all possible answers. Different patterns of answers give different percent estimates and error margins as shown in the above example (Q1 PP With Children). It is too tedious to report a confidence interval for each possible answer per strata per question. To report succinctly, it suffices to report, per strata per question, a general confidence level and a not-to-exceed error margin that hold for all answers to that question for that strata. For example, it can be summed up by saying that the percent estimates are with 95 percent confidence level and the error margin is within five percent for all PPC answers in Q1.²⁴

Statistics

Double click on the icon shown below to open the embedded attachment.



CI_ME Worksheet
11May2007.xls

Non-Response Bias

Like most mail surveys, this survey was subject to non-response bias. While attempts were put in place to increase the response rates, the per-strata response rates (27.7 percent for Paid Preparer With Children, 29.8 percent for Paid Preparer No Children, 34.8 percent for Self Prepared With Children, 33.1 percent for Self Prepared No Children) and the overall weighted response rate of 29.7 percent (or 31.3 percent un-weighted) remained similar to other IRS conducted mailed EITC surveys.

A two-pronged approach was used to estimate the directions of non-response bias for this survey.

1. Comparison with known values

Some general characteristics of taxpayers, such as adjusted gross income per computer before adjustment (agic), earned income credit received before adjustment (eicc), age (in calendar year 2005), and filing status code (fsc) were available to the project team. The agic, eicc, age, and fsc data

²⁴ The estimated proportions based on the Adjusted Wald Method are slightly different from sample statistics, as reported herein, particularly for small number of respondents. In all cases, the sample statistics reported herein are within the Confidence Intervals provided. If interested, the estimates based on the Adjusted Wald Method are available for examination upon request.

from TY2004 EITC Database stored on CDW were extracted for the EITC population and the sample. Comparison results between the respondents and non-respondents groups for these variables are listed below.

Taxpayers who returned the questionnaire (n = 2,375) and those who did not return the questionnaire (n = 5,203) were similar in the amount of eicc brackets for TY2004 (p = 0.253). See Table 29.

Table 29: EITC (eicc) Brackets

EITC Brackets	Respondent %	Non-Respondent %
0 <= eicc < \$1,000	64.9	63.3
\$1,000.01 <= eicc <= \$2,000	12.0	11.4
\$2,000.01 <= eicc <= \$3,000	14.1	15.5
\$3,000.01 <= eicc <= \$4,000	4.8	5.0
\$4,000.01 <= eicc	4.2	4.8

Source: Customer Service Experience and Satisfaction Survey, 2006 (Project 6-06-12-2-015E)

The groups were not similar in agic brackets (p <<0.01), age groups (p << 0.01), and FSC²⁵ (p << 0.01). See Table 30, the main contributor to the differences in agic distribution was that the respondents had higher proportions of taxpayers in the 20K – 30K agic brackets for TY2004.

Table 30: Adjusted Gross Income (agic) Brackets

AGI Brackets	Respondent %	Non-Respondent %
0 <= agic < \$10,000	51.9	56.4
\$10,000.01 <= agic <= \$20,000	26.4	25.6
\$20,000.01 <= agic <= \$30,000	17.6	14.8
\$30,000.01 <= agic <= \$40,000	4.1	3.2
\$40,000.01 <= agic	0	0

Source: Customer Service Experience and Satisfaction Survey, 2006 (Project 6-06-12-2-015E)

The main contributor to the differences in age distribution was that the respondents had higher proportions of taxpayers in the 60 – 65 age brackets, as shown in Table 31.

²⁵ Due to the very small numbers in the respective cells, widowers with qualifying children were combined with the married filing joint group and the married filing separately were dropped when conducting the Chi Square test.

Table 31: Age Brackets

Age Brackets	Respondent %	Non-Respondent %
Age < 25	4.0	8.9
25 <= age < 30	14.4	22.6
30 <= age < 35	11.8	14.7
35 <= age < 40	10.9	12.5
40 <= age < 45	14.2	12.6
45 <= age < 50	11.7	10.5
50 <= age < 55	10.8	7.4
55 <= age < 60	9.2	4.8
60 <= age < 65	7.9	3.7
65 <= age	5.0	2.3

Source: Customer Service Experience and Satisfaction Survey, 2006 (Project 6-06-12-2-015E)

Main contributor to the differences in filing status distribution was that the respondents had higher proportions of married-filing joint taxpayers (as shown in Table 32).

Table 32: Filing Status Brackets

Filing Status Brackets	Respondent %	Non-Respondent %
Single	45.0	50.0
Married Filing Joint	25.0	16.8
Married Filing Separately	0.1	0
Head of Household	29.8	33.1
Widowers with Qualifying Children	0.2	0.1

In summary, the non-respondents and the respondents are similar in EIC amount received. Among non-respondents, there were less proportion of TY2004 taxpayers in the 20K-30K agic bracket, less proportion of taxpayers in the 60 to 65 age bracket, and less proportion of taxpayers with Married Filing Joint filing status than the respondents. The bearing of these differences on the direction or strength of the non-response bias for EITC service needs and satisfaction levels can be determined more definitely with further studies.

2. Extrapolation methods, which were based on the assumption that subjects that respond less readily are more like non-respondents, provide better than chance directional estimates for non-response bias. For this survey, proxy non-respondents were identified as those taxpayers who responded after 9/6/06 because replacement surveys were sent on 8/31/06. Per question comparison on the survey answers between the early respondents and the proxy non-respondents were conducted. For the cases where statistically significant differences ($p < 0.05$) exist between these two groups, the directions of non-response bias were estimated.

The following lists the questions that had statistically significant different answers between the early respondents and late respondents (proxy non-respondents). In each case, main contributing factors for the differences in Chi Square tests were identified and they were used to estimate the directions of non-response bias. Test results for all questions (with or without significantly different answers between these two groups) are available upon request.

Q1 – Did you claim EIC on 2005 Federal Income Tax Return? ($p = 0.007$)

There was higher proportion of the late respondents (proxy non-respondents) answering “Do Not Know” and lower proportion of the late respondents answering “Yes.” The low response rates to this mailed EIC satisfaction survey may indicate that those not responding were more likely taxpayers who either did not claim EIC on their 2005 Federal Income tax Returns or did not know if they claimed EIC for TY2005.

Q4c – satisfaction with IRS instructions or publications on EIC text / instructions (p = 0.016)

There was higher proportion of the late respondents (proxy non-respondents) that were dissatisfied. The low response rates to this mailed EIC satisfaction survey may indicate an understatement of the dissatisfaction rate for EIC text / instructions.

Q7c – satisfaction with IRS website, www.irs.gov, on EIC assistant (p = 0.007)

There was higher proportion of the late respondents (proxy non-respondents) that were dissatisfied. The low response rates to this mailed EITC satisfaction survey may indicate an understatement of the dissatisfaction rate with EIC assistant on IRS website.

Q7e – satisfaction with IRS website, www.irs.gov, on EIC worksheet (p = 0.033)

There was higher proportion of the late respondents (proxy non-respondents) that were dissatisfied. The low response rates to this mailed EITC satisfaction survey may indicate an understatement of the dissatisfaction rate for EIC worksheet on IRS website.

Q7f – satisfaction with IRS website, www.irs.gov, on EIC examples (p = 0.017)

There was higher proportion of the late respondents (proxy non-respondents) that were dissatisfied. The low response rates to this mailed EITC satisfaction survey may indicate an understatement of the dissatisfaction rate for EIC examples on IRS website.

Q7g – satisfaction with IRS website, www.irs.gov, on EIC tax tables (p = 0.023)

There was higher proportion of the late respondents (proxy non-respondents) that were dissatisfied. The low response rates to this mailed EITC satisfaction survey may indicate an understatement of the dissatisfaction rate for EIC tax tables on IRS website.

Q8 – seen or heard any advertising for EIC (p << 0.001)

There was lower proportion of the late respondents (proxy non-respondents) answering “Yes” and higher proportion of the late respondents answering “Do Not Know.” The low response rates to this mailed EITC satisfaction survey may indicate that there is an overstatement of taxpayers who have seen or heard EIC advertisement and there is an understatement of taxpayers who were not sure if they have seen or heard any EIC advertisement.

Q17 – length at current address (p = 0.025)

There was higher proportion of the late respondents (proxy non-respondents) answering “Less than 3 months.” The low response rates to this mailed EITC satisfaction survey may indicate that those not responding were more likely taxpayers who stayed at their current address for less than 3 months.

Q12 – preference in receiving income tax refund (p = 0.017)

There was higher proportion of the late respondents (proxy non-respondents) answering “Refund Anticipation Loan.” The low response rates to this mailed EITC satisfaction survey may indicate that there is an understatement of the preference in receiving income tax refund in the form of a refund anticipation loan.

In conclusion, low response rates to the mailed EIC satisfaction survey may result in overestimating or underestimating the EITC population's utilization of IRS services and satisfaction levels. Specifically, the proportions of EITC taxpayers:

- who either did not claim EIC on their 2006 return or did not know if they claimed EIC for TY2005 may have been understated;
- who were dissatisfied with EIC text/instructions may have been understated;
- who were dissatisfied with the EIC Assistant on IRS Website may have been understated;
- who were dissatisfied with the EIC Worksheet on IRS Website may have been understated;
- who were dissatisfied with the EIC Examples on IRS Website may have been understated;
- who were dissatisfied with the EIC Tax Tables on IRS Website may have been understated;
- who stayed at their current address for less than three months may have been understated;
- who have seen / heard EIC advertisement may have been overstated;
- who prefer receiving tax refund in the form of RAL may have been understated.

While further studies are required to establish firm links between the selected general taxpayer characteristics and taxpayers' EITC service needs and satisfaction levels, the second method offered estimates on the directions of the non-response bias.

Appendix C – Data Collection Instrument (survey)

IRS Customer Service Survey

OMB #1545-XXXX

The IRS is interested in your opinions and experiences with our Customer Services. We are always striving to improve our services. By completing this survey, you will help us understand how to provide better customer service, especially for EIC taxpayers.

Shade Circles Like This--> ●

Not Like This--> ⊗ ⊕

1. Did you claim the Earned Income Credit (EIC) on your 2005 Federal Income Tax Return? (Select one)

- Yes No Do Not Know

2. What is your primary source of information for determining EIC eligibility? (Select one)

- Family / Friend Computer Software (TurboTax, TaxCut, etc.) Paid Tax Preparer
 IRS Office Media (Television, Radio, Newspaper) IRS Toll-Free Phone
 EIC Publications IRS Instructions or Publications IRS Website (irs.gov)
 Internet Free Volunteer Tax Assistance Site
 Other (Please tell us) _____

3. How likely are you to use the following types of IRS Customer Services? (Select one per row)

	Will Not Use	Very Unlikely	Unlikely	Neither	Likely	Very Likely
3a. Toll-Free Telephone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3b. In-Person Assistance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3c. Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Tell Us About Your Experience with IRS Customer Services

The next four sections refer to your recent experiences with our Customer Services and Information, which include: IRS Instructions and Publications, IRS Toll-Free Assistance, In-Person Tax Assistance Sites and the IRS Website. This includes your experiences with both Earned Income Credit (EIC) questions and any other information you needed to complete your 2005 Federal Income Tax Return.

This section refers only to your use of IRS Instructions and Publications

4. Did you use IRS Instructions or Publications? Yes (continue) No (go to question 5)

4a. Did you use Instructions or Publications to determine any of the following? (Select all that apply)

- EIC Eligibility Amount of EIC Items other than EIC

Please rate your satisfaction with the following areas: (Select one per row)

	Did Not Use	Very Dissatisfied	Dissatisfied	Neither	Satisfied	Very Satisfied
4b. EIC Worksheet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4c. EIC Text / Instructions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4d. EIC Tables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4e. EIC Examples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4f. Other Worksheets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4g. Other Text / Instructions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4h. Tax Tables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4i. Other Examples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Continue on back

This section refers only to your call to IRS Toll-Free Assistance

5. Did you call IRS Toll-Free Telephone Assistance? Yes (continue) No (go to question 6)

5a. Did you call Toll-Free Telephone Assistance to determine any of the following? (Select all that apply)

EIC Eligibility Amount of EIC Items other than EIC

Please rate your satisfaction with the following areas: (Select one per row)

	Did Not Use	Very Dissatisfied	Dissatisfied	Neither	Satisfied	Very Satisfied
5b. The assistor understood my situation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5c. I obtained all the information I needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5d. My questions were completely answered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5e. I understood the information I received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This section refers only to your visit to an In-Person Tax Assistance Site

6. Did you visit an In-Person Tax Assistance Site? Yes (continue) No (go to question 7)

6a. What type of In-Person Tax Assistance Site did you visit? (select one)

IRS Office Volunteer Assistance Site Both

6b. Did you visit the In-Person Assistance Site to determine any of the following? (Select all that apply)

EIC Eligibility Amount of EIC Items other than EIC

Please rate your satisfaction with the following areas: (Select one per row)

	Did Not Use	Very Dissatisfied	Dissatisfied	Neither	Satisfied	Very Satisfied
6c. The assistor understood my situation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6d. I obtained all the information I needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6e. My questions were completely answered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6f. I understood the information I received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Continue on next page

This section refers only to your use of the IRS Website (www.irs.gov)

7. Did you visit the IRS Website (www.irs.gov)? Yes (continue) No (go to question 8)

7a. Did you visit the IRS Website (www.irs.gov) to determine any of the following? (Select all that apply)

- EIC Eligibility Amount of EIC Items other than EIC

Please rate your satisfaction with the following areas: (Select one per row)

	Did Not Use	Very Dissatisfied	Dissatisfied	Neither	Satisfied	Very Satisfied
7b. EIC Tables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7c. EIC Assistant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7d. EIC Information or Instructions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7e. EIC Worksheet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7f. EIC Examples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7g. Tax Tables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7h. Other Information or Instructions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7i. Other Worksheets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7j. Other Examples	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please rate your experience with the IRS Website: (Select one per row)

	Does Not Apply	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
7k. It was easy to <i>find</i> all the information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7l. It was easy to <i>understand</i> the information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7m. The IRS search tool <i>worked</i> well	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7n. It was easy to <i>print</i> information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7o. I will <i>use</i> the IRS website again	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. During the past year, have you seen or heard any advertising for EIC? (Select one)

- Yes (continue) No (go to question 9) Do Not Know (go to question 9)

8a. One of the IRS' EIC advertising campaign was: "Too bad everything can't be as easy as knowing if you qualify for EIC". Please identify where you saw or heard this advertisement. (Select all that apply)

- | | | |
|--|---------------------------------|---------------------------------------|
| <input type="radio"/> Did not hear or see this advertisement | <input type="radio"/> Internet | <input type="radio"/> Television |
| <input type="radio"/> Do not remember where | <input type="radio"/> Newspaper | <input type="radio"/> Radio |
| <input type="radio"/> Public Transportation (bus, train, etc.) | <input type="radio"/> Magazine | <input type="radio"/> Friend / Family |
| <input type="radio"/> Poster / brochure / flyer | <input type="radio"/> Billboard | <input type="radio"/> Other |

Tell Us About Your Computer/Internet Access

9. Where do you typically access the Internet for personal use? (Select all that apply)

- Home Work Other I do not access the internet

10. Do you have the following equipment / services at home?

- Personal Computer Yes No
 Internet Access Yes No

11. How do you use your computer? Do you use it for: (Select all that apply)

- | | | | |
|-----------------------------|---|---|--------------------------------|
| <input type="radio"/> Email | <input type="radio"/> On-line purchases | <input type="radio"/> On-line bill payments | <input type="radio"/> Internet |
| <input type="radio"/> Games | <input type="radio"/> Work / School | <input type="radio"/> Personal finances | <input type="radio"/> Other |

Continue on back

Tell Us About Your Preferences

If you receive a federal tax refund, you may choose to have your refund automatically deposited into your checking or saving account. This method is known as direct deposit.

12. How do you prefer to receive your income tax refund? (Select one)

- Direct Deposit (go to question 14) Mail No Preference
 Refund Anticipation Loan (RAL) Debit Card Other (Please tell us) _____

13. If you do not prefer to use direct deposit, tell us the reasons why. (Select all that apply)

- It is more secure to receive a paper check
 I do not have a bank account
 I do not like to give out my bank account numbers
 I like to take the check to the bank
 My bank account numbers were not handy when my return was prepared
 Other (Please tell us) _____

General Information

14. Who prepared your 2005 Federal Income Tax return? (Select one)

- Self / Spouse Paid Tax Preparer Free Volunteer Tax Assistance
 IRS Office Family / Friend Other

15. What is the *primary* reason you paid someone to prepare your 2005 Federal Income Tax return? (Select one)

- Did not pay to have taxes done Get my refund faster So I can file electronically
 Easier than doing preparation myself Taxes are too difficult Get a refund loan
 Afraid I will make mistakes Takes me too long Get a larger refund
 Other (Please tell us) _____

16. What category best describes your highest level of education? (Select one)

- Less than High School Some College or Technical School College graduate
 Some High School Associates Degree Post Graduate degree
 High School graduate or GED Technical or Vocational degree

17. How long have you lived at your current address? (Select one)

- Less than 3 months 1 - 3 years
 3 - 6 months More than 3 years
 6 - 12 months Do not know

Thank you for completing this survey!

Please place your completed survey in the self addressed envelope and return it to us.

If the return envelope is missing or lost, send your survey to: Internal Revenue Service, Attn: EIC CSS, 401 West Peachtree Street, NW, Mail Stop 25-W1, Atlanta, GA 30308.

Paperwork Reduction Act Notice: The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-XXXX. Also, if you have any comments regarding the time estimates associated with this study or suggestions on making this process simpler, please write to the: Internal Revenue Service, Tax Products Coordination Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20024.

Appendix D – Survey Letters

Double click on the icon shown below to open the embedded attachment. You may print after you open the document.



Advance Notice
Letter.pdf



Survey Cover Letter
1.pdf



Postcard.pdf



Survey Cover Letter
2.pdf

Appendix E – Total Responses and Total (Weighted to Population) Survey Results

The attachments provide tables of results for each of the survey questions. The tables show:

1. Frequency (count)
2. Row percent

CAUTION: These two documents are 26 and 25 pages (a total of 51 pages for both documents). Although they contain interesting information, only the most interested reader will want to print out the documents.

Double click on the icon shown below to open the embedded attachment.

The first attachment presents Total Responses (we had 2,375 survey respondents).



Survey Response
Tables (final 2375).doc

The second attachment presents Total Results Weighted to Population Results (the EITC population is 22,484,172).



Wght to Population
April 07.doc

Appendix F – Strata Results

The attachment provides tables of results for each of the survey questions. The tables show:

1. Frequency (count) and weighted to population
2. Row percent
3. Results for all four Strata are presented:
 - Strata 1. Paid Preparer With Children
 - Strata 2. Paid Preparer No Children
 - Strata 3. Self Prepared With Children
 - Strata 4. Self Prepared No Children

CAUTION: This attachment is 51 pages. Although it contains interesting information, only the most interested reader will want to print it out.

Double click on the icon shown below to open the embedded attachment.



Tables - Strata 1_4
May 2007.doc

Appendix G – Self Prepared vs. Paid Preparer Survey Results

The attachment provides tables of results for each of the survey questions. The tables show:

1. Frequency (count) and weighted to population
2. Row percent

CAUTION: This attachment is 24 pages. Although it contains interesting information, only the most interested reader will want to print it out.

Double click on the icon shown below to open the embedded attachment.



Pd Prep vs Self Prep
May 2007.doc

Appendix H – No Children vs. With Children Survey Results

The attachment provides tables of results for each of the survey questions. The tables show:

1. Frequency (count) and weighted to population
2. Row percent

CAUTION: This attachment is 24 pages. Although it contains interesting information, only the most interested reader will want to print it out.

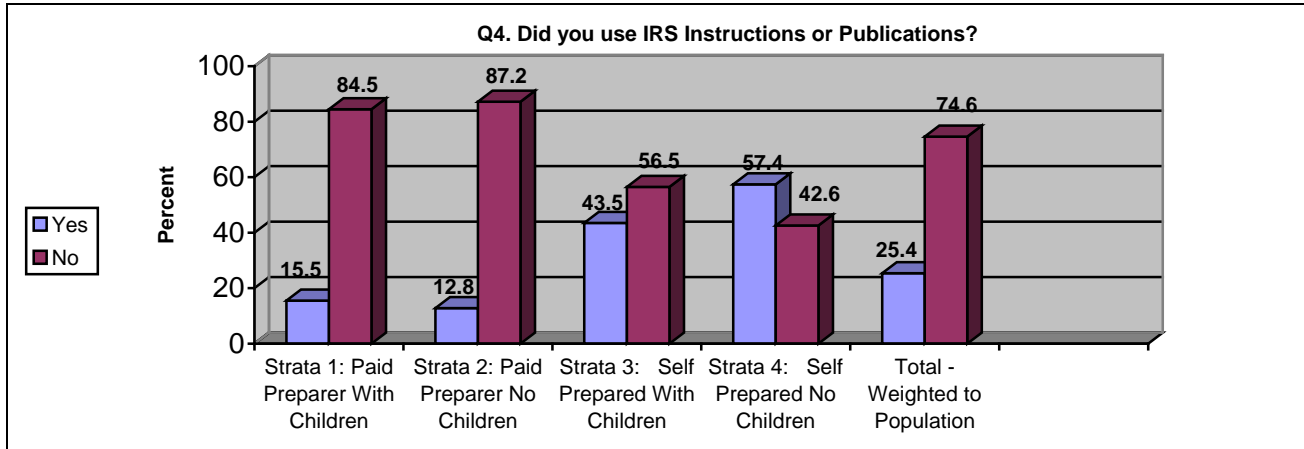
Double click on the icon shown below to open the embedded attachment.



No Children vs With
Children May 2007.doc

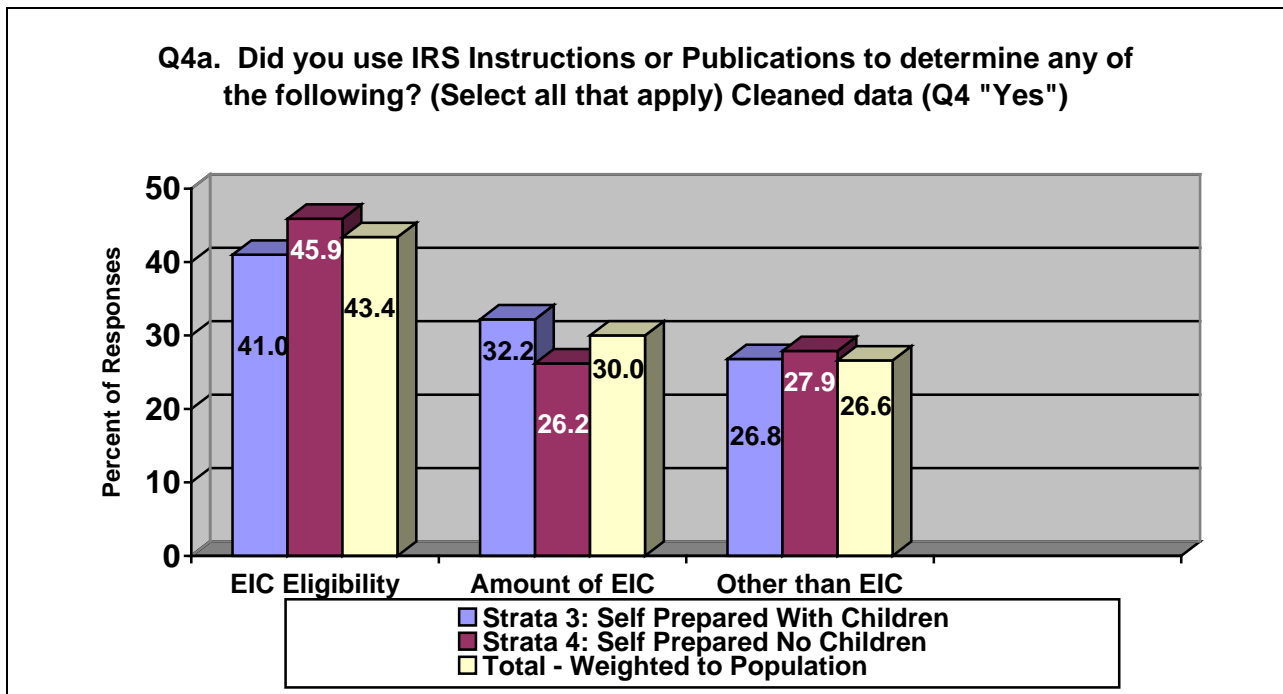
Appendix I – Graphs

Figure 3: Q4. Did you use IRS Instructions or Publications?



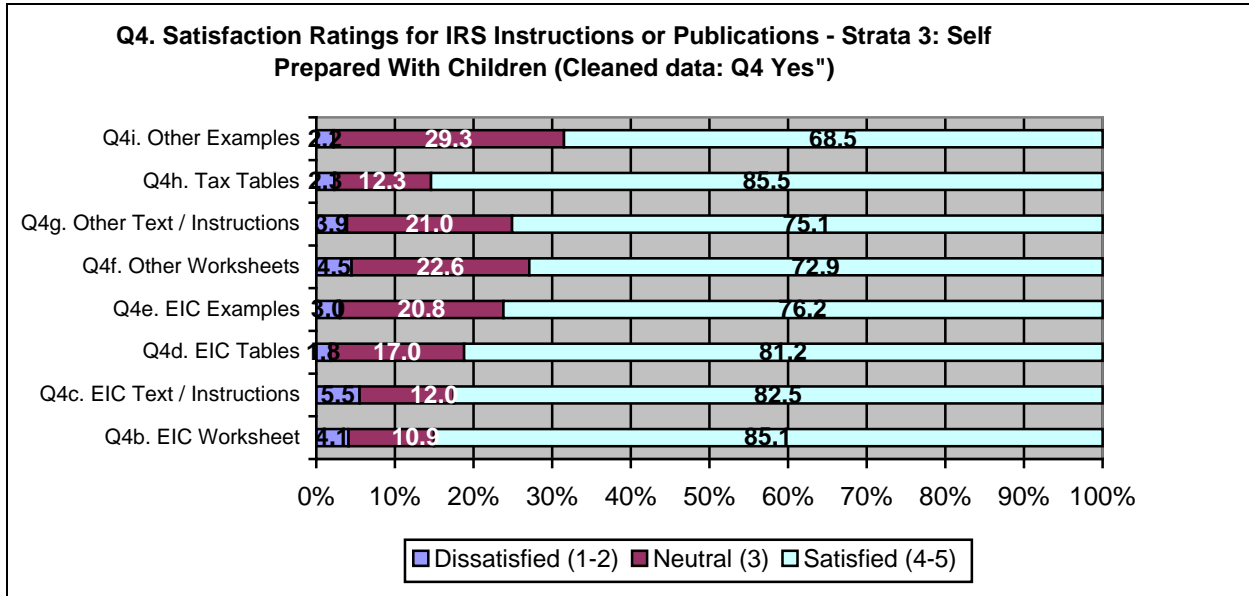
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 4: Q4a. Did you use IRS Instructions or Publications to determine any of the following?



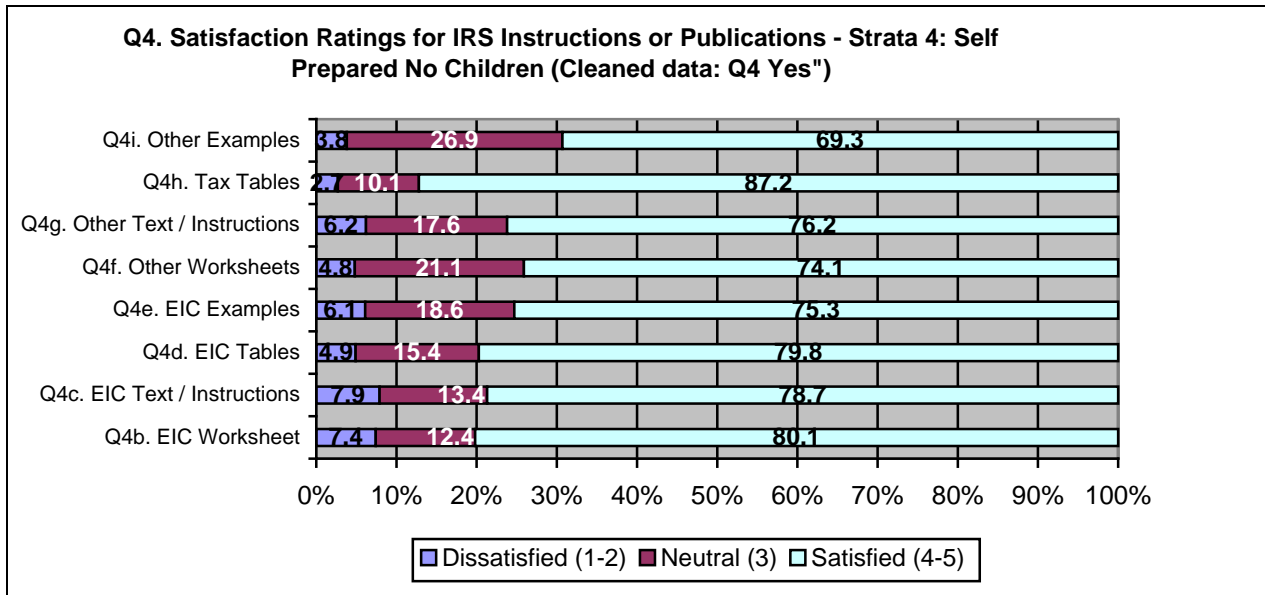
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 90% / Margin of Error <10%

Figure 5: Q4b-i. Distribution of Satisfaction Ratings for IRS Instructions or Publications – Strata 3: Self Prepared With Children



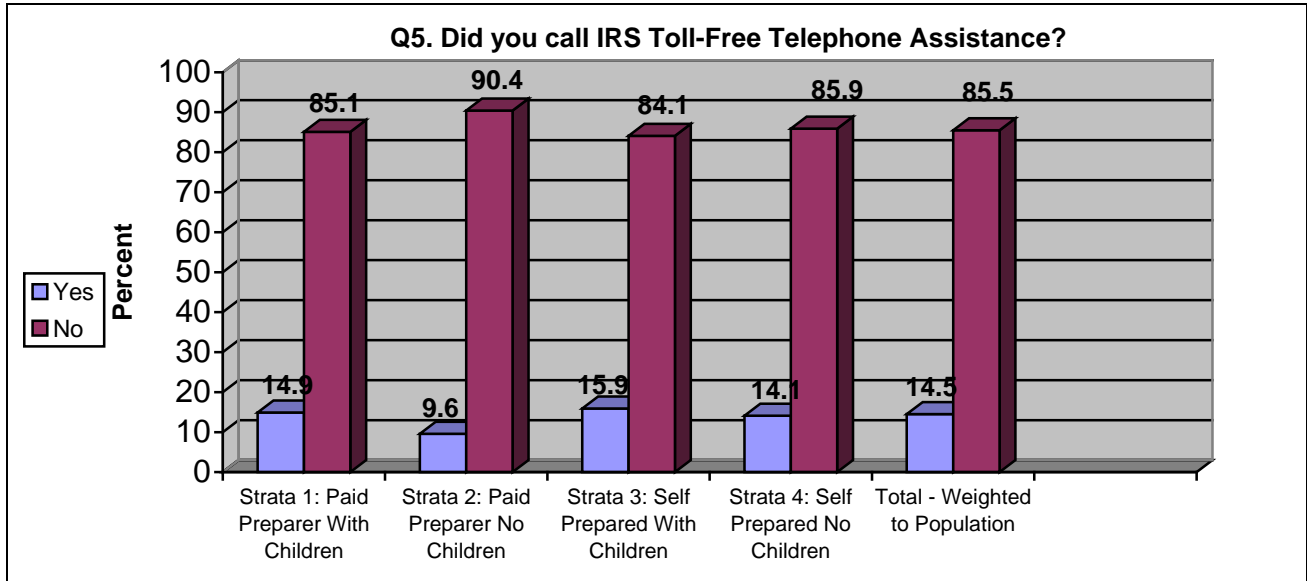
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
 Confidence 90% / Margin of Error <10% or better

Figure 6: Q4b-i. Distribution of Satisfaction Ratings for IRS Instructions or Publications - Strata 4: Self Prepared No Children



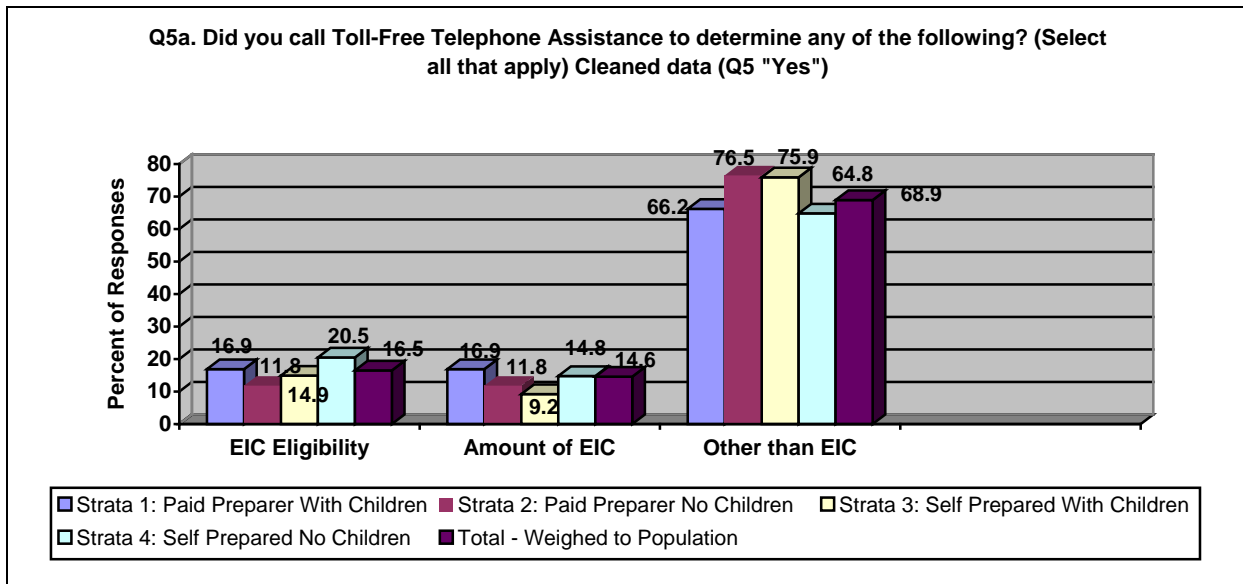
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
 Confidence 90% / Margin of Error <10% or better

Figure 7: Q5. Did you call IRS Toll-Free Telephone Assistance?



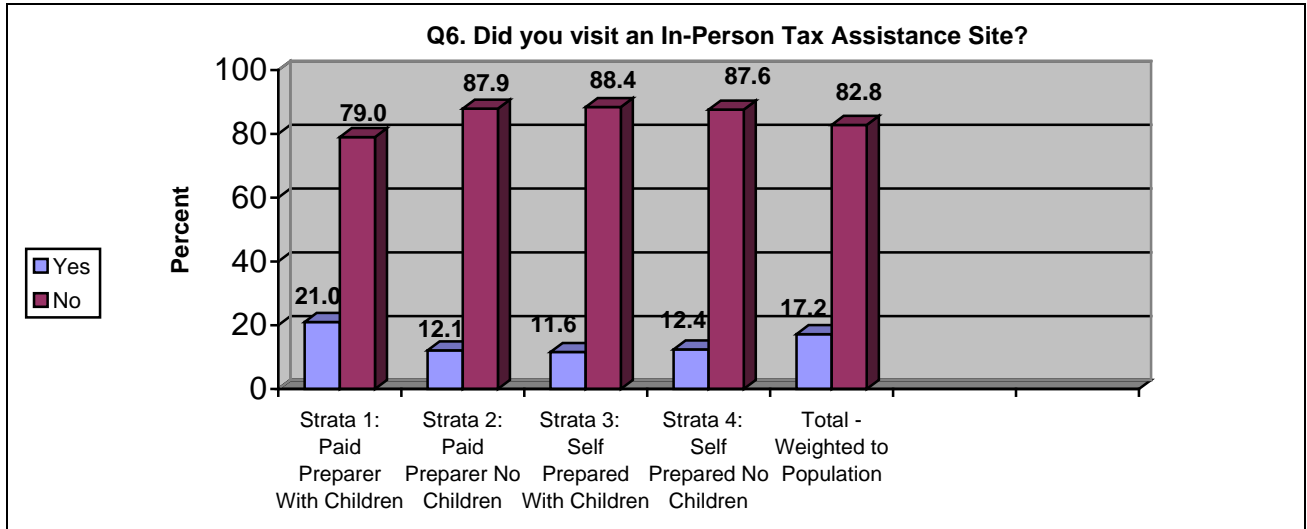
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 8: Q5a. Did you call Toll-Free Telephone Assistance to determine any of the following?



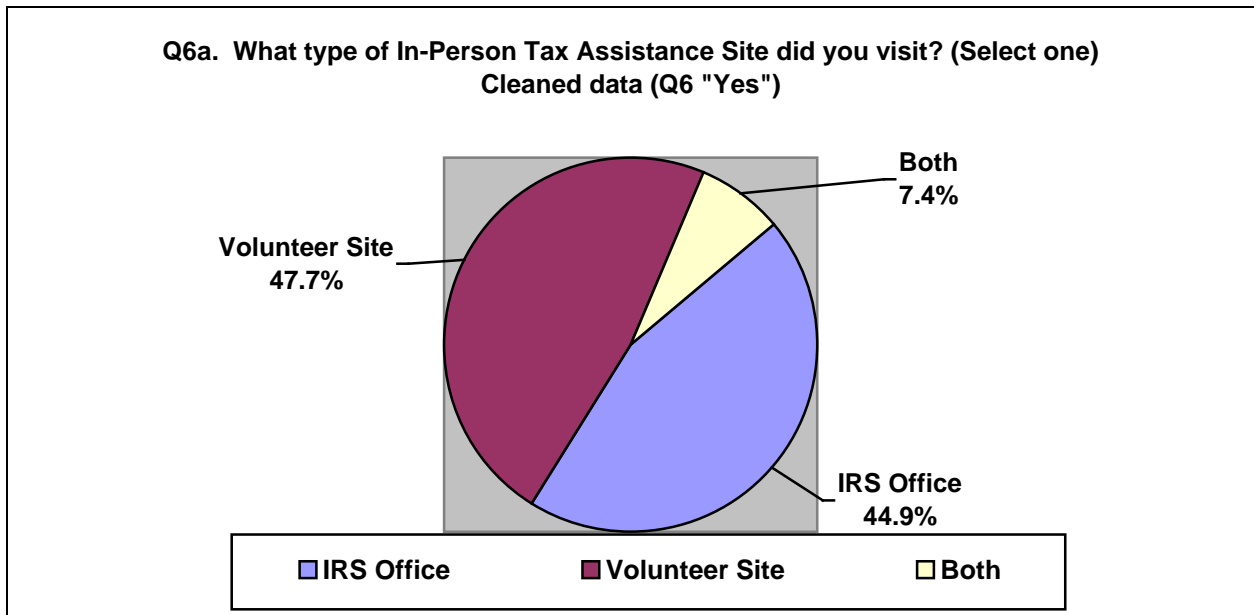
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 90% / Margin of Error <10% (or better)

Figure 9: Q6. Did you visit an In-Person Tax Assistance Site?



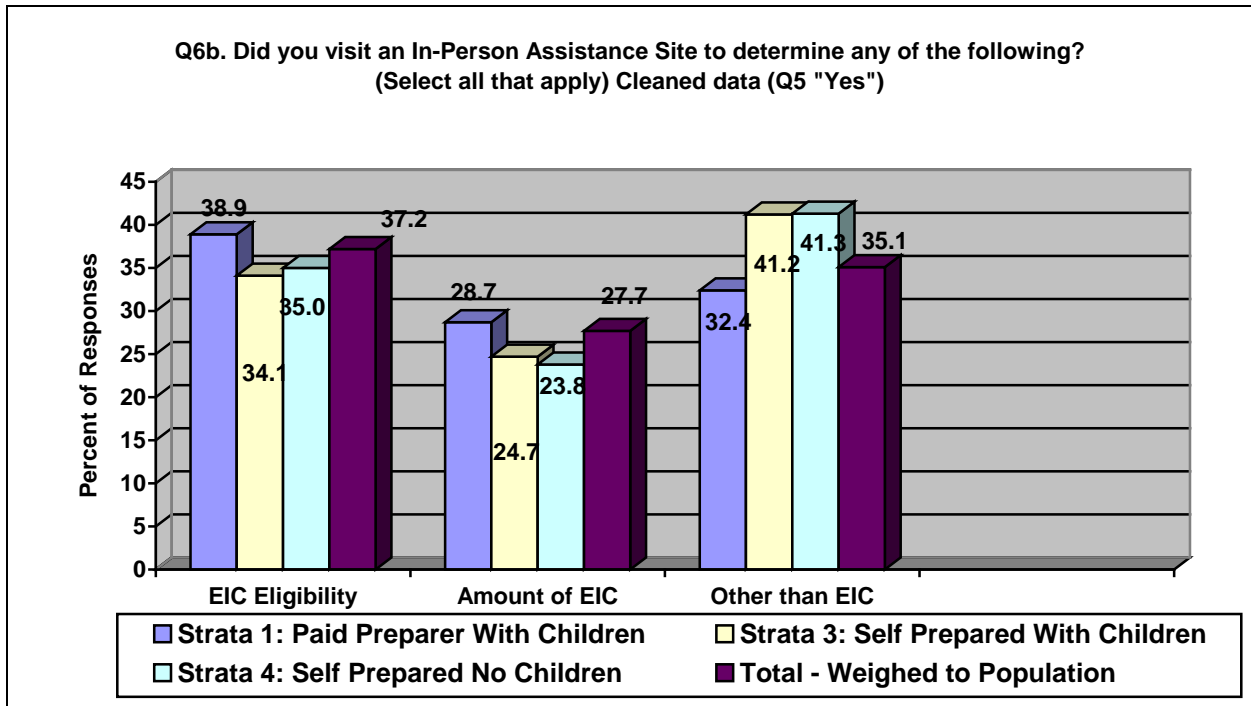
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 10: Q6a. What type of In-Person Tax Assistance Site did you visit? - Total (Weighted to Population)



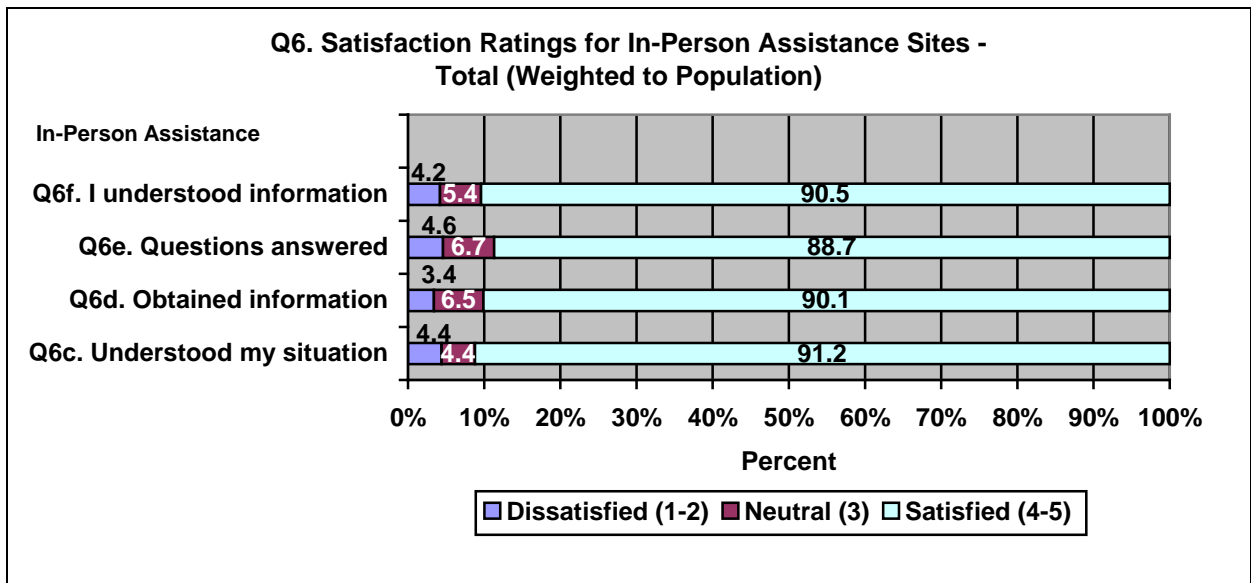
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 90% / Margin of Error <10%

Figure 11: Q6b. Did you visit an In-Person Assistance Site to determine any of the following?



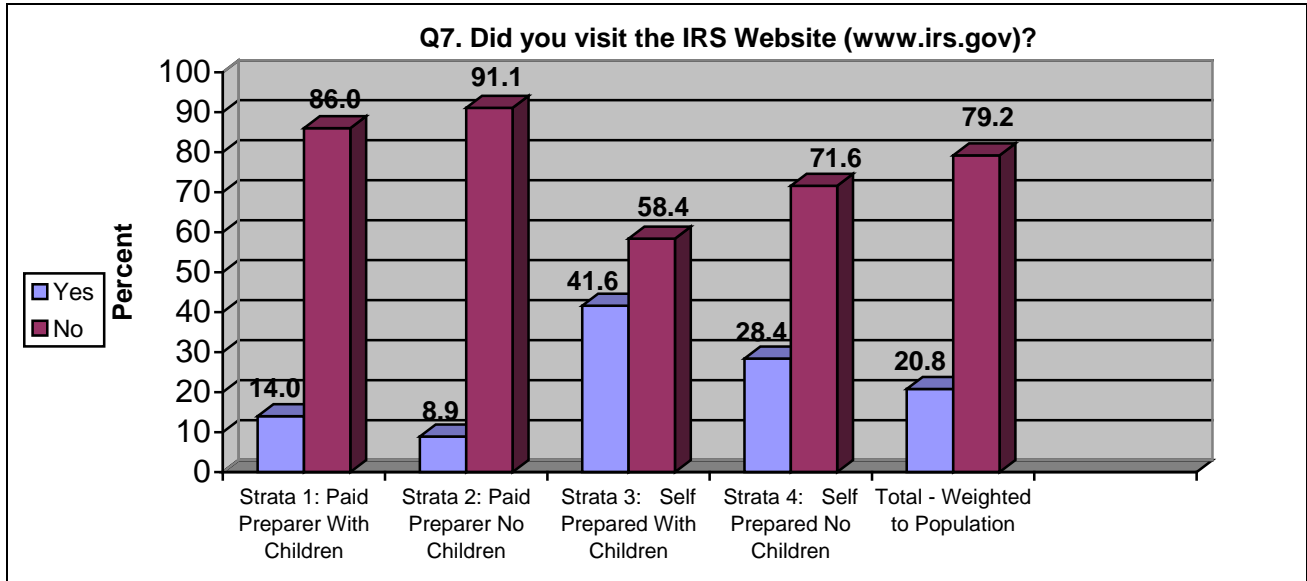
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 90% / Margin of Error <10%

Figure 12: Q6c-f. Distribution of Satisfaction Ratings for In-Person Assistance - Total (Weighted to Population)



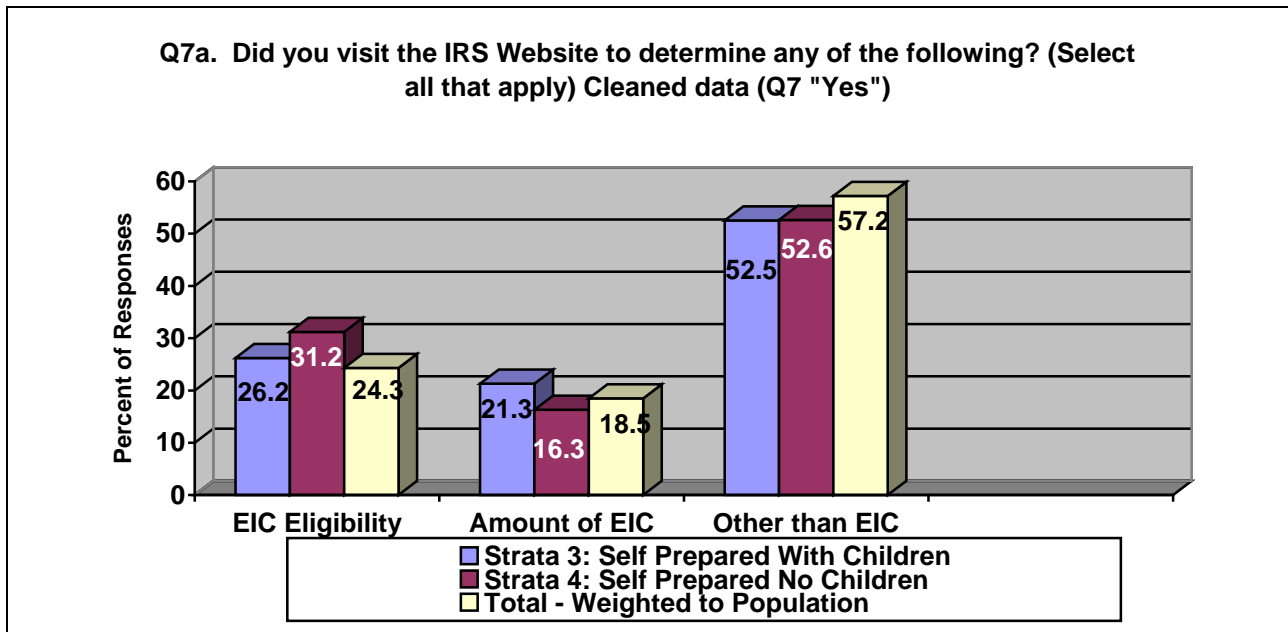
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 13: Q7. Did you visit the IRS Website (www.irs.gov)?



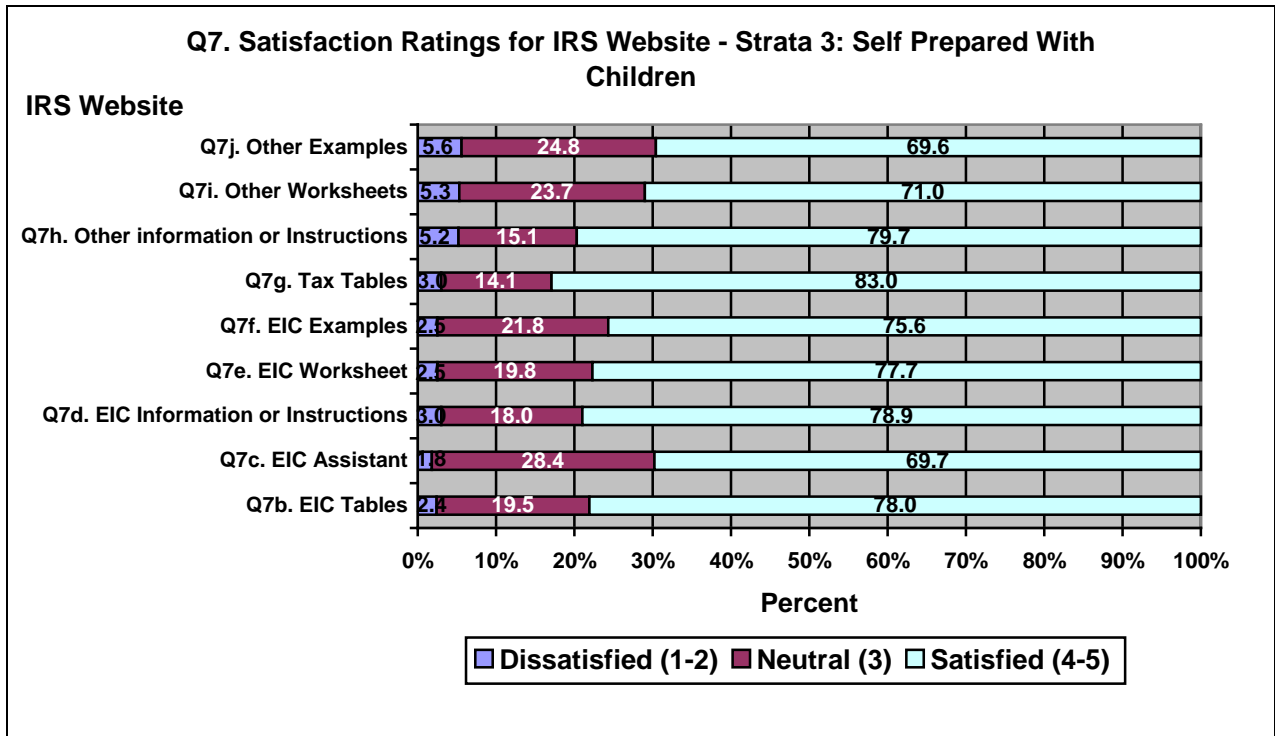
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 14: Q7a. Did you visit the IRS Website to determine any of the following?



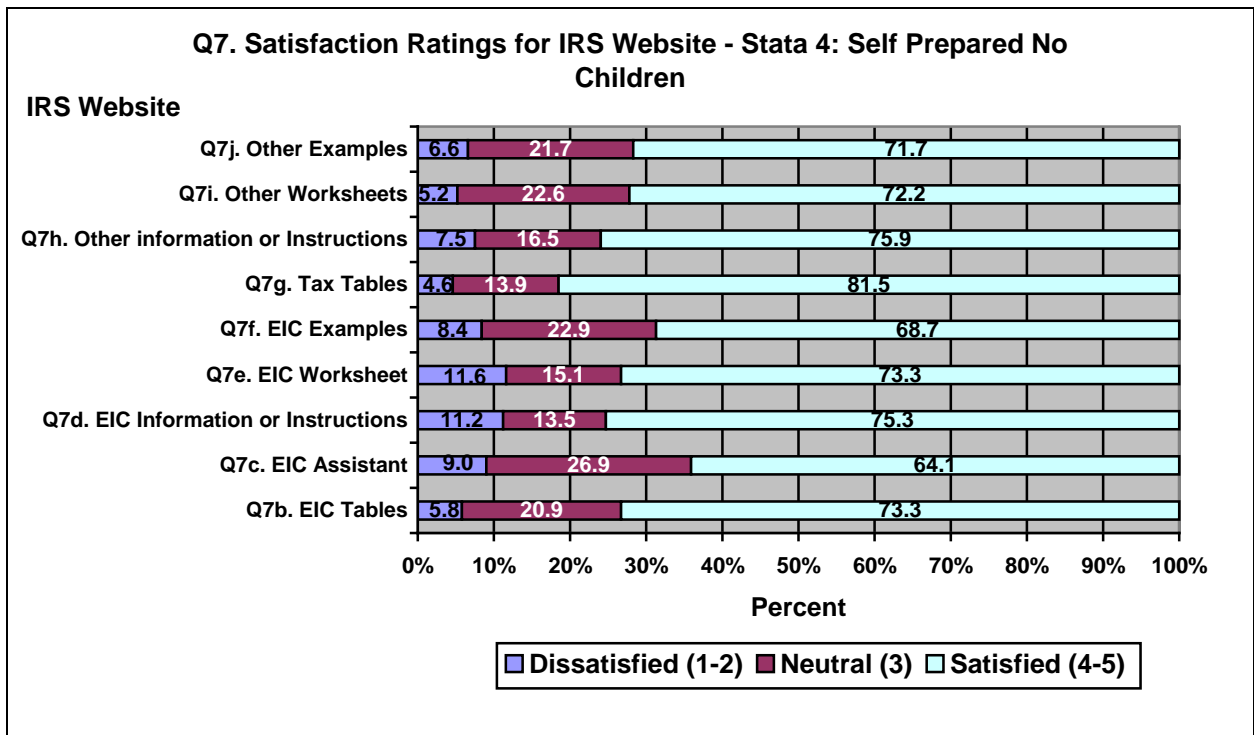
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 90% / Margin of Error <10%

Figure 15: Q7. Satisfaction Ratings for IRS Website – Strata 3: Self Prepared With Children



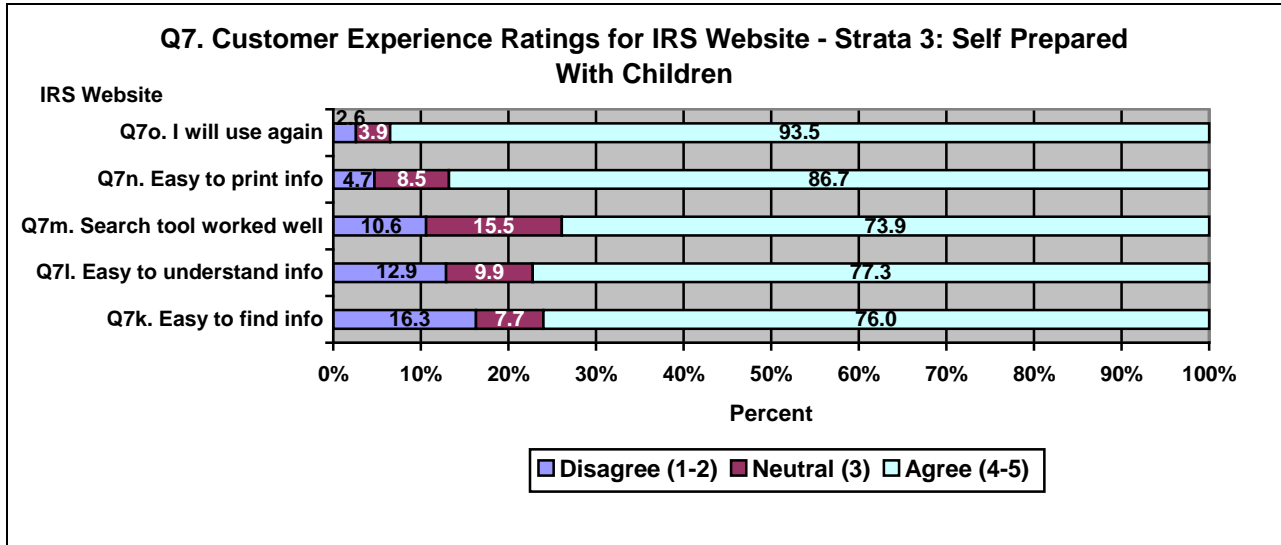
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 90% / Margin of Error <10%

Figure 16: Q7. Satisfaction Ratings for IRS Website – Strata 4: Self Prepared No Children



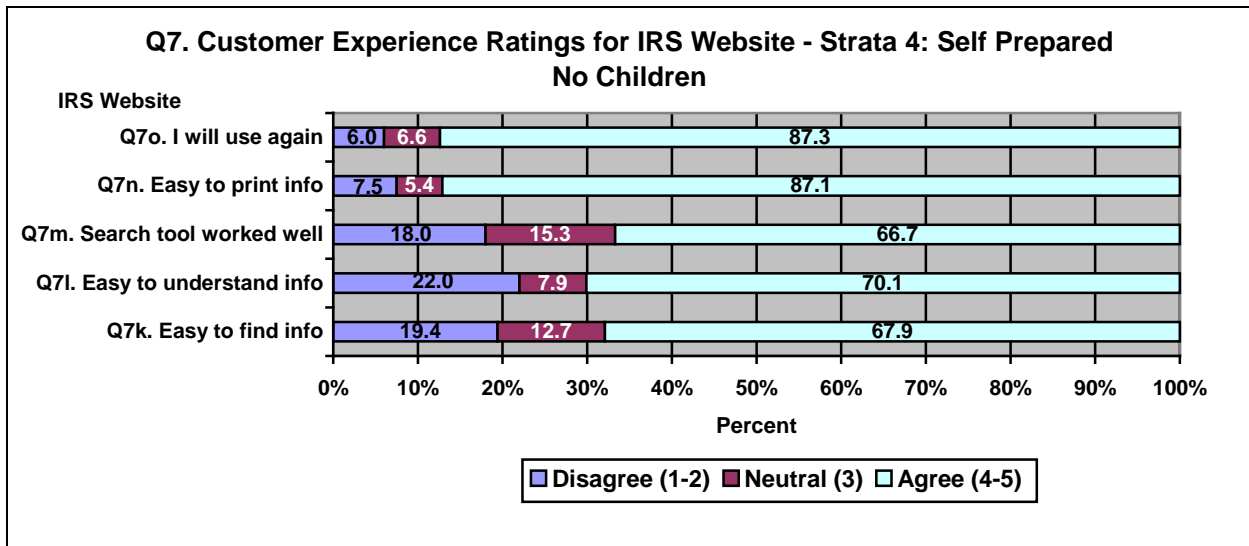
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
Confidence 90% / Margin of Error <10%

Figure 17: Q7. Customer Experience Ratings for IRS Website – Strata 3: Self Prepared With Children



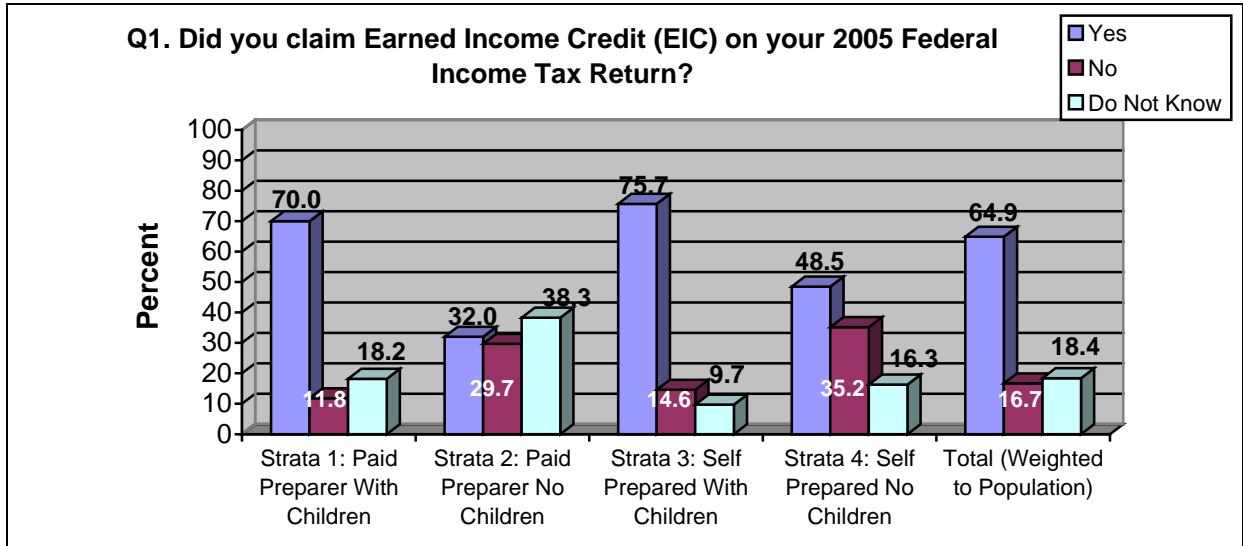
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
 Confidence 90% / Margin of Error <10% or better

Figure 18: Q7. Customer Experience Ratings for IRS Website - Strata 4: Self Prepared No Children



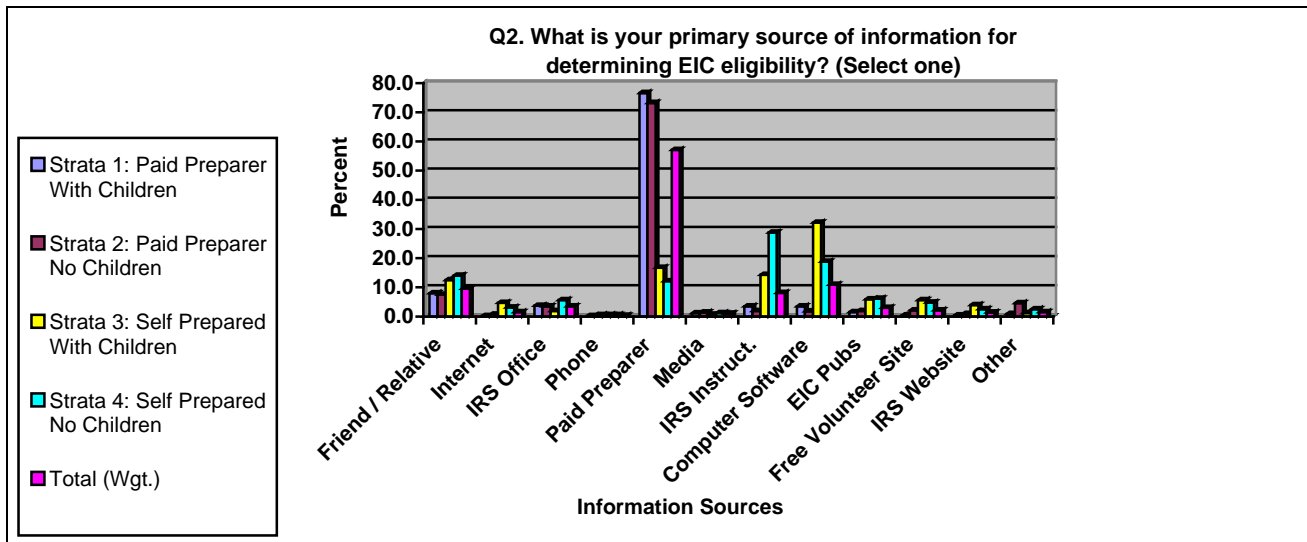
Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)
 Confidence 90% / Margin of Error <10% or better

Figure 19: Q1. Did you claim EIC on your 2005 Income Tax Return?



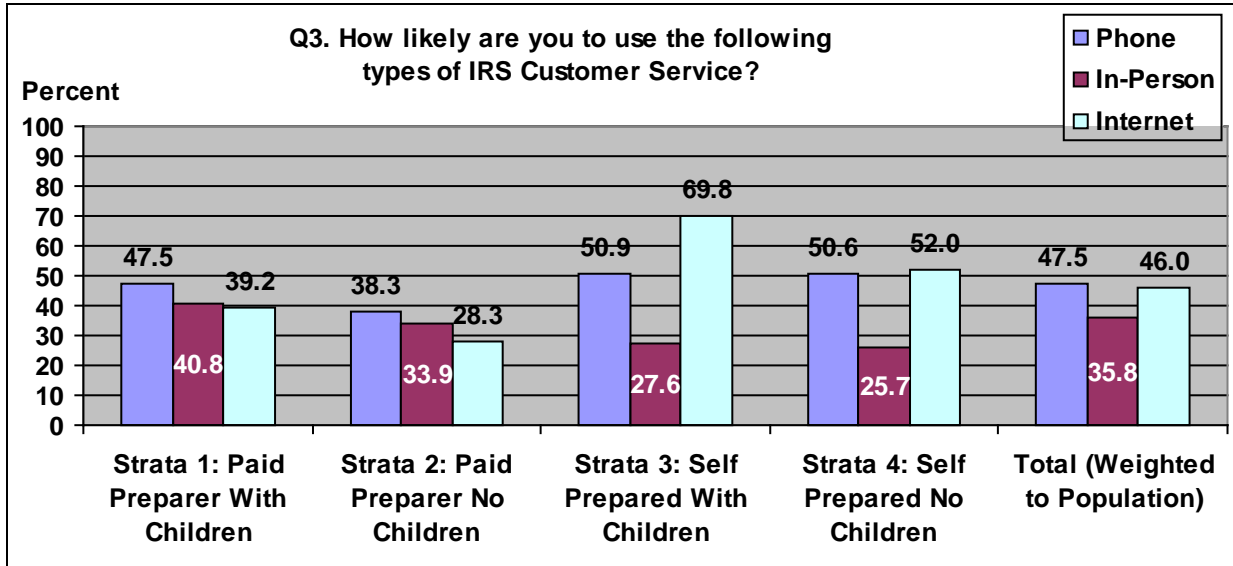
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 20: Q2. What is your primary source of information for determining EIC eligibility? (Select one)



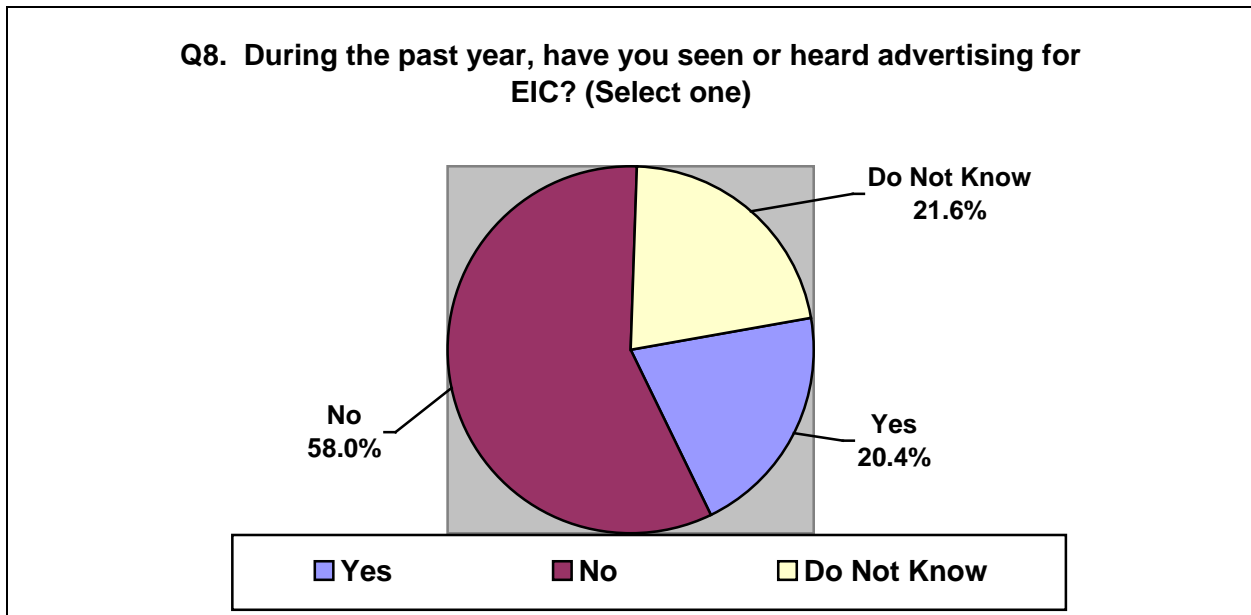
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 21: Q3. How likely are you to use the following types of IRS Customer Service? (Top-two box for “Likely.”)



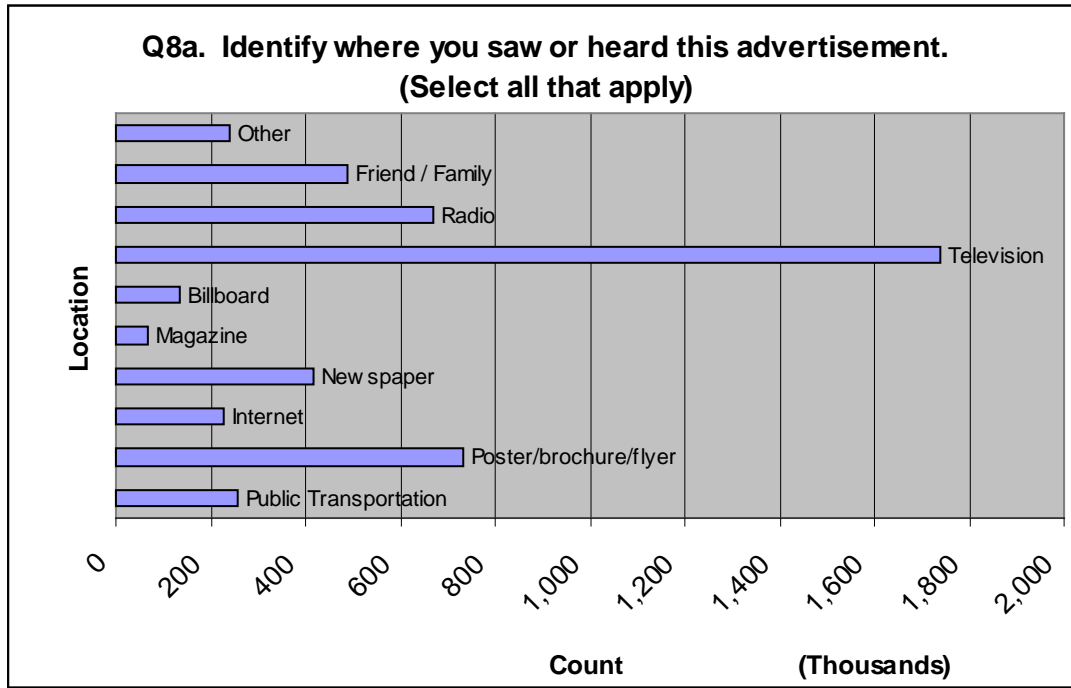
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 22: Q8. During the past year, have you seen or heard advertising for EIC? (Select one)



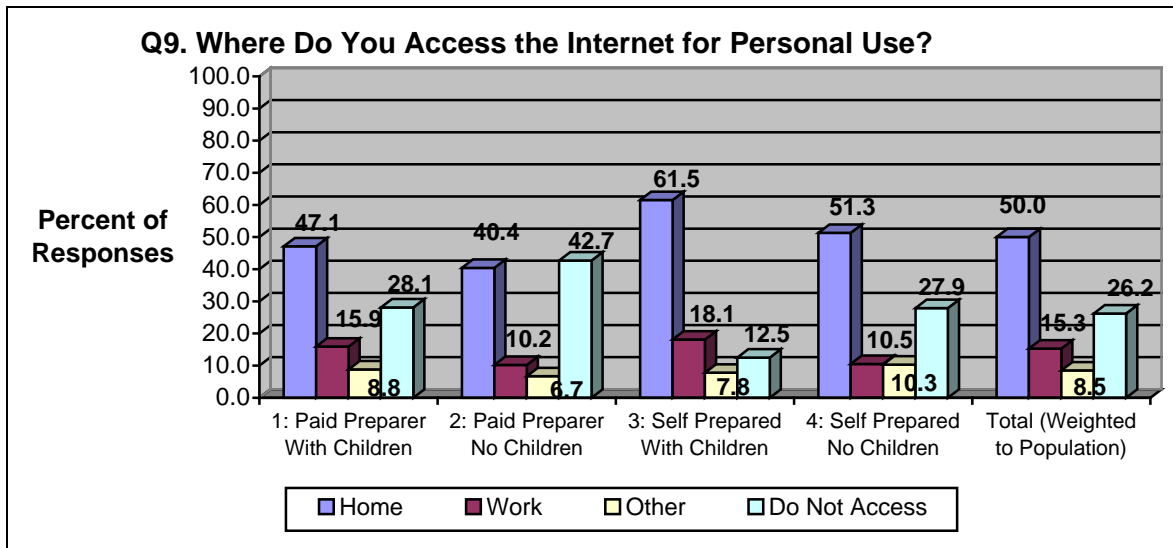
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 23: Q8a. Where did you see or hear the EIC advertisement?



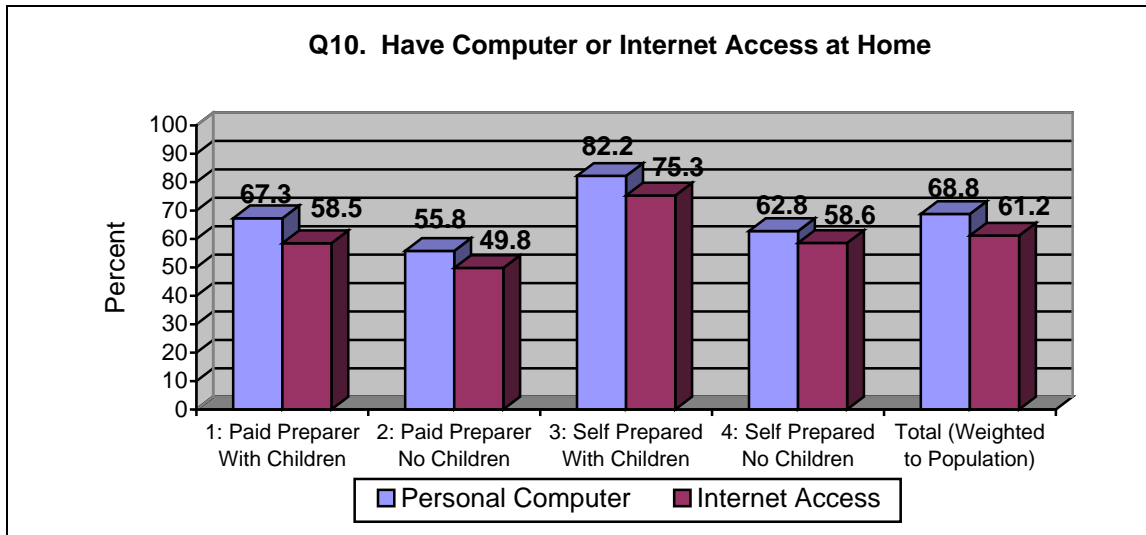
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 24: Q9. Where do you typically access the Internet for personal use? (Select all the apply)



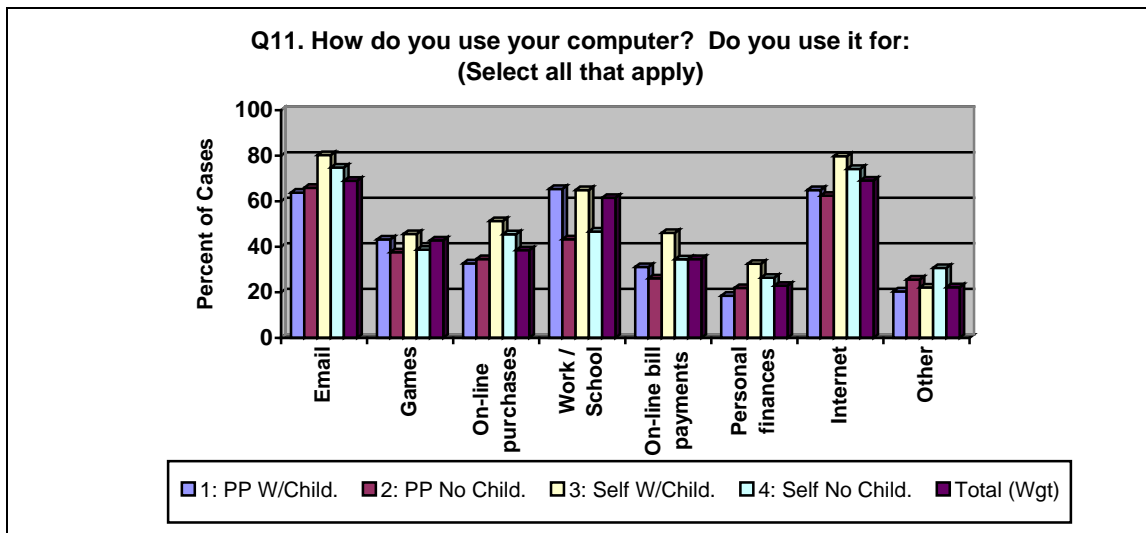
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

Figure 25: Q10. Have Computer or Internet Access at Home



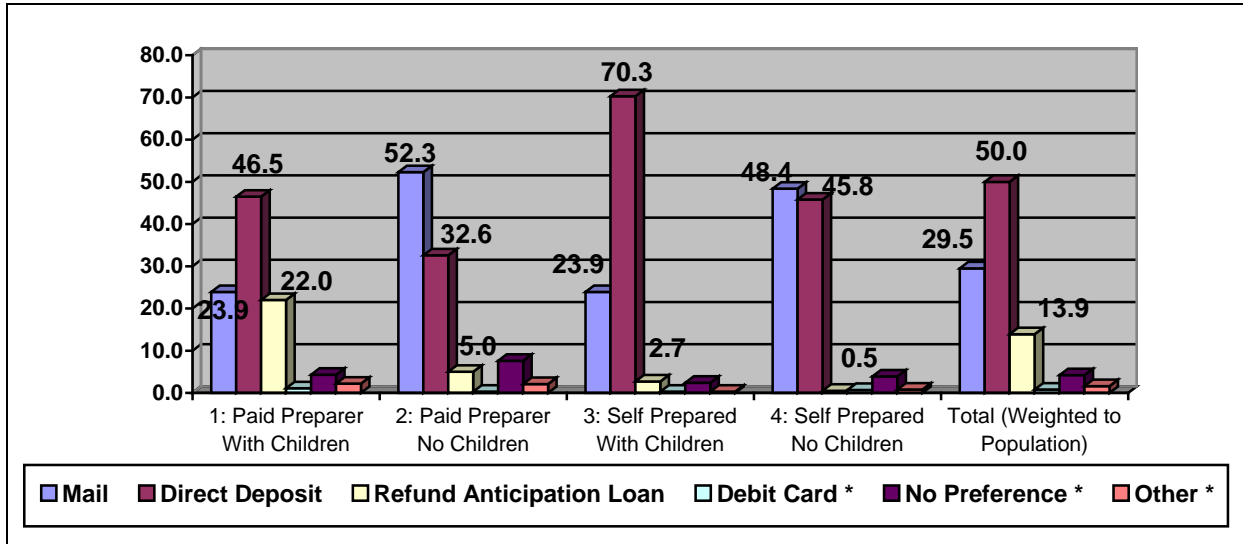
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
 Confidence 95% / Margin of Error <5%

Figure 26: Q11. How do you use your computer?



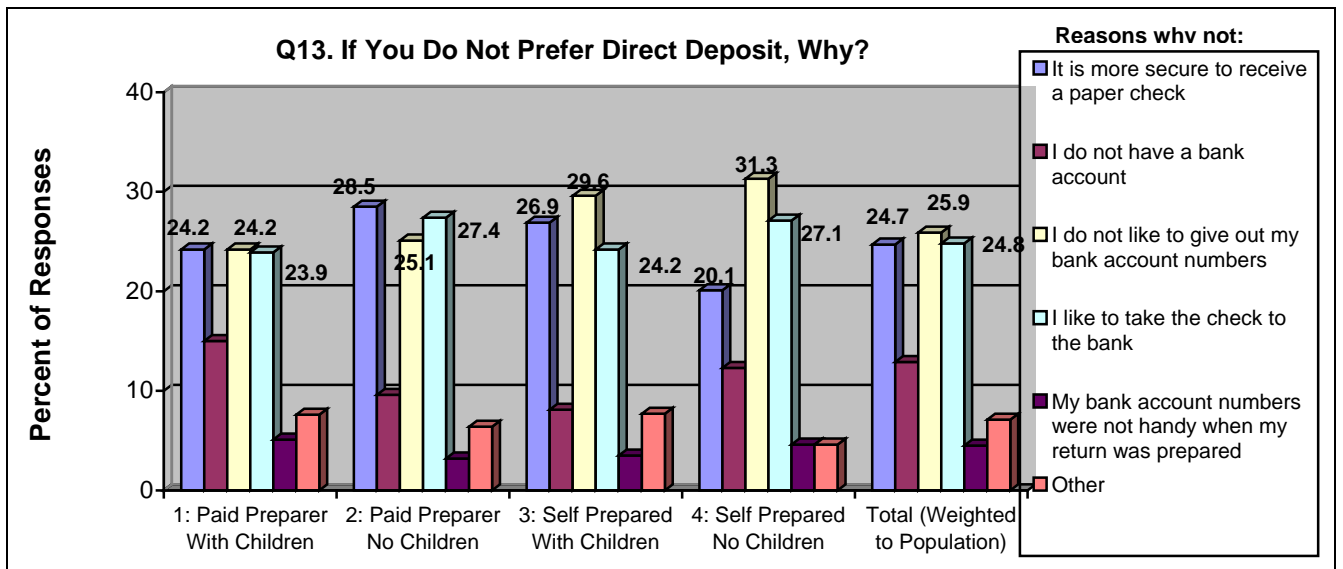
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
 Confidence 95% / Margin of Error <5%

Figure 27: Q12. How do you prefer to receive your income tax refund? (Select one)



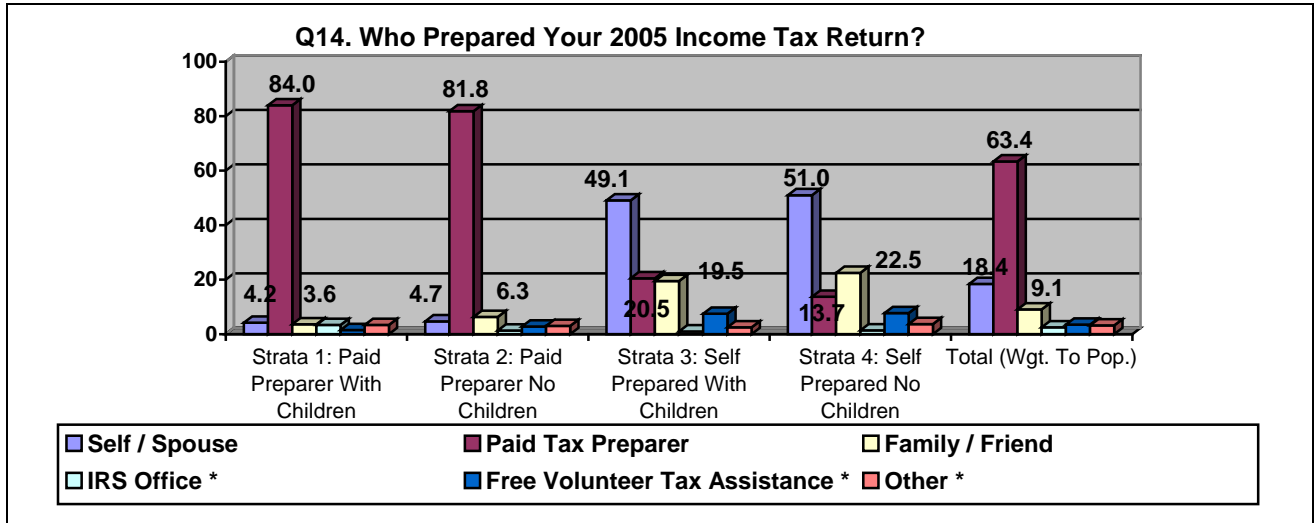
*The small values were omitted from the graph to improve charts clarity. Complete data is provided in tables found in the Appendices.
 Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
 Confidence 95% / Margin of Error <5%

Figure 28: Q13. If you do not prefer direct deposit, tell us the reasons why. (Select all that apply)



Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
 Confidence 90% / Margin of Error <10%

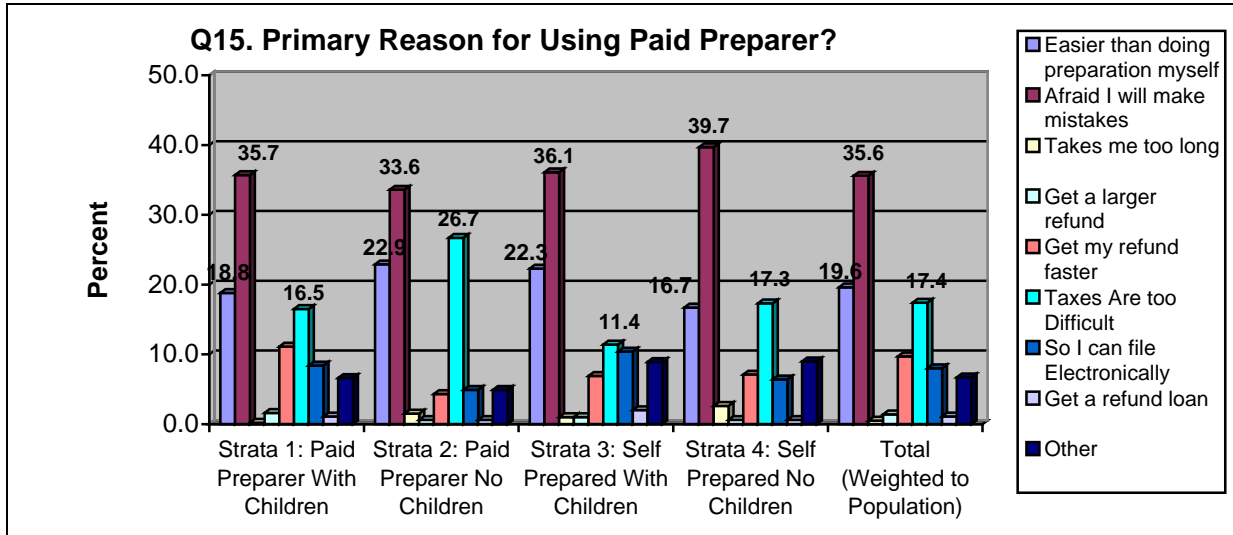
Figure 29: Q14. Who prepared your 2005 Federal Income Tax Return?



Because the numbers were on top of each other, the small values (categories with all values under ten percent) are not displayed. Complete data is provided in tables found in the Appendices.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E); Confidence 95% / Margin of Error <5%

Figure 30: Q15. What is the primary reason you paid someone to prepare your 2005 Federal Income Tax Return? (Select one)



* Because the numbers were on top of each other, the small values (categories with all values under ten percent) are not displayed. Complete data is provided in tables found in the Appendices.

Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)

Confidence 90% / Margin of Error <10%

Appendix J – Other Items of Interest

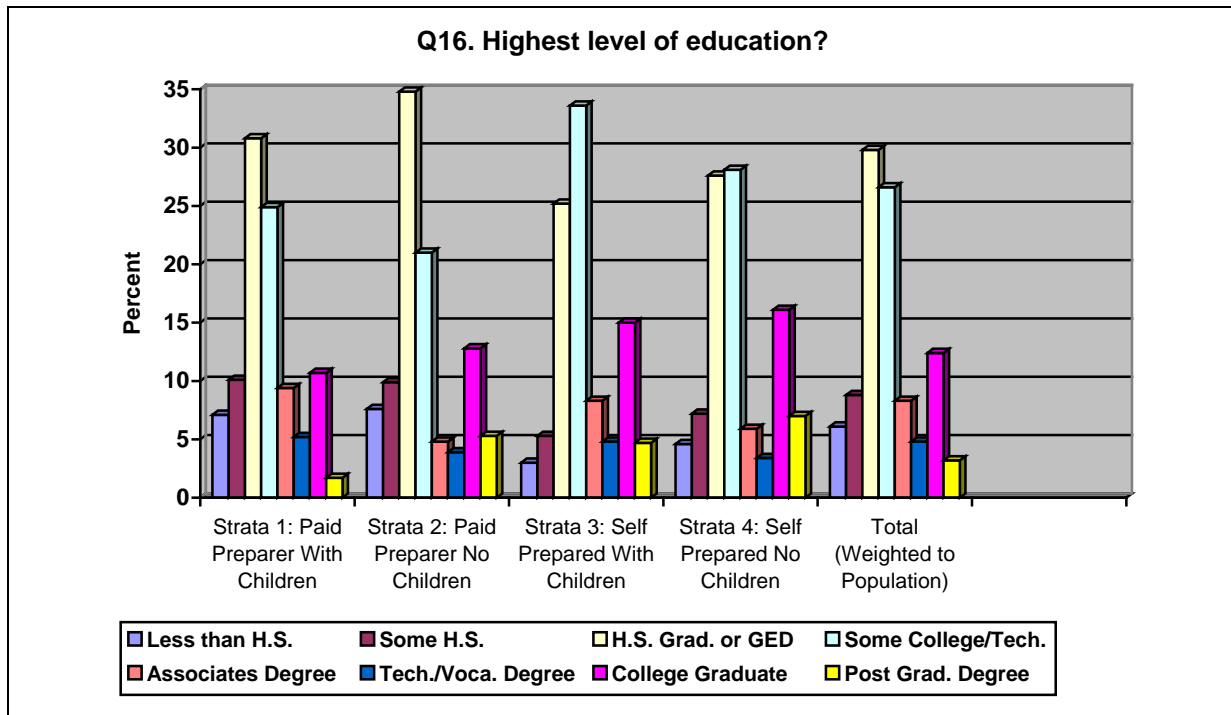
The survey questionnaire included two demographic questions. We will address the findings on those two items in this section of the report.

Demographic Findings

Education Level

Question 16 asked respondents about their education level. Overall, almost 45 percent were High School Graduates or less.²⁶ We found the largest numbers in the “High School Graduate or GED” (ranging from a high of 34.8 percent (Strata 2) to a low of 25.2 percent (Strata 3) and “Some College or Technical School” (ranging from a high of 33.6 percent (Strata 3) to a low of 21.0 percent (Strata 2). Also of note is that all strata had over ten percent in the “College Graduate” category. Figure 31 presents our findings.

Figure 31: Q16. What category best describes your highest level of education? (Select one)



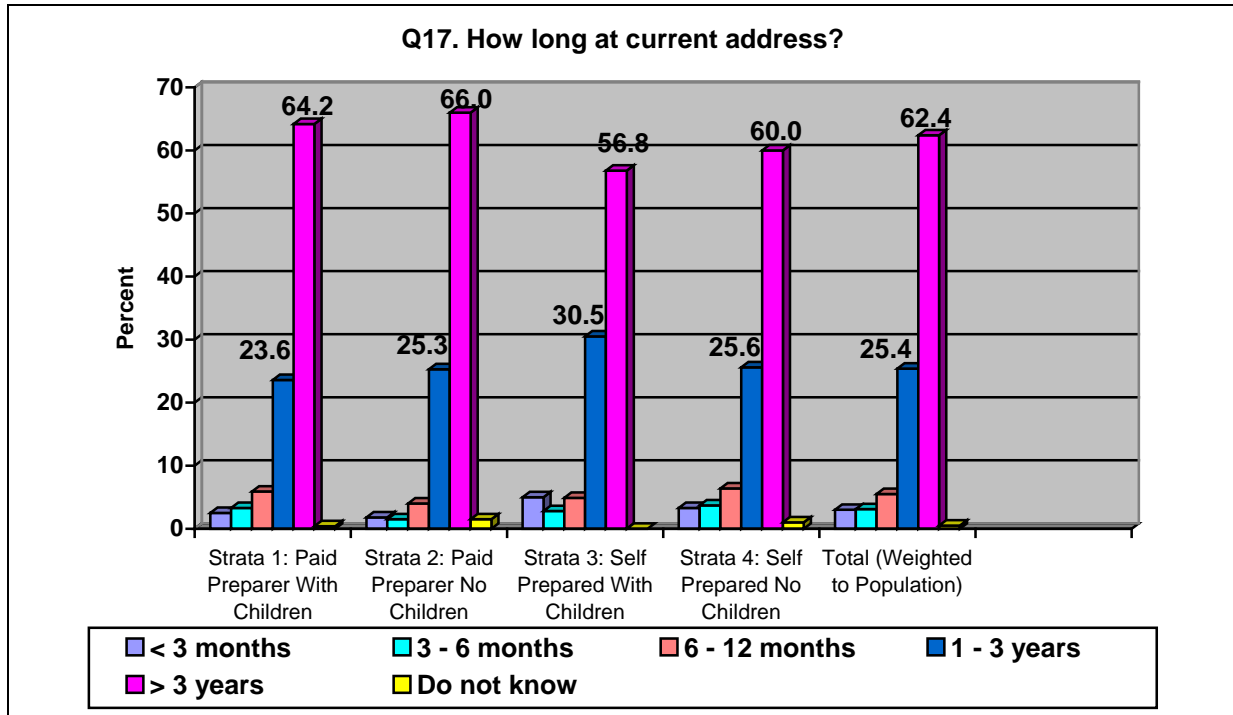
Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

²⁶ Combines these three categories: Less than High School, 6.1 percent; Some High School, 8.8 percent; High School Graduate or GED, 29.8 percent.

Length of Time at Current Address

The EIC population has a reputation of being a highly mobile group that does not maintain the same address for any length of time. Because of this perception TAS was interested in asking how long respondents have lived at their current address. We found consistency between Strata – the most responses were from taxpayers who lived at the same address *for more than three years* (ranging from 56.8 to 66.0 percent). We also found that a good number have been at the same address for *one to three years*. We did have a lot of undeliverable survey mail so it may be that frequent movers did not receive our survey. Results are presented in Figure 32.

Figure 32: Q17. How long have you lived at your current address? (Select one) ²⁷



Source: EITC Customer Service Survey, 2006 (Project 6-06-12-2-015E)
Confidence 95% / Margin of Error <5%

In summary, it appears that the EIC population is more stable and less mobile than their reputation portrays them. The majority are at the same address for at least one year and many substantially longer than the one-year time frame. As is common with most mail surveys, we had many returned as undeliverable. It may be that the more mobile EIC population did not receive the survey.

²⁷ See Non-Response Bias in Appendix B. There was a higher proportion of the late respondents answering “Less than 3 months.” The low response rates for this survey may indicate that those not responding were more likely taxpayers who stayed at their current address for less than 3 months.

Appendix K – Additional Analysis

Additional Data Splits - Paid Preparer vs Self Prepared and With Children vs No Children

Our project had divided the EITC population into four strata (Paid Preparer With Children, Paid Preparer No Children, Self Prepared With Children and Self Prepared No Children). We wondered if there were statistically significant differences if we split the data differently. Because our project is focused on customer service we looked at the reason EITC taxpayers use the four methods of customer service. We compared our Population by two additional splits:

- 1) Preparation type (Paid Preparer versus self Prepared) and
- 2) Child (With Children versus No Children).

Results are presented in Table 33. For most of the questions regarding service methods (i.e., Questions 4a, 5a, 6b, and 7a), the differences were not statistically significant. The differences in the responses to question 7a, between respondents using paid preparers and respondents self preparing their TY2004 returns was statistically significant at the five percent level.

Table 33: Are Differences Statistically Significant? (Paid Preparer vs. Self Prepared and With Children vs. No Children)

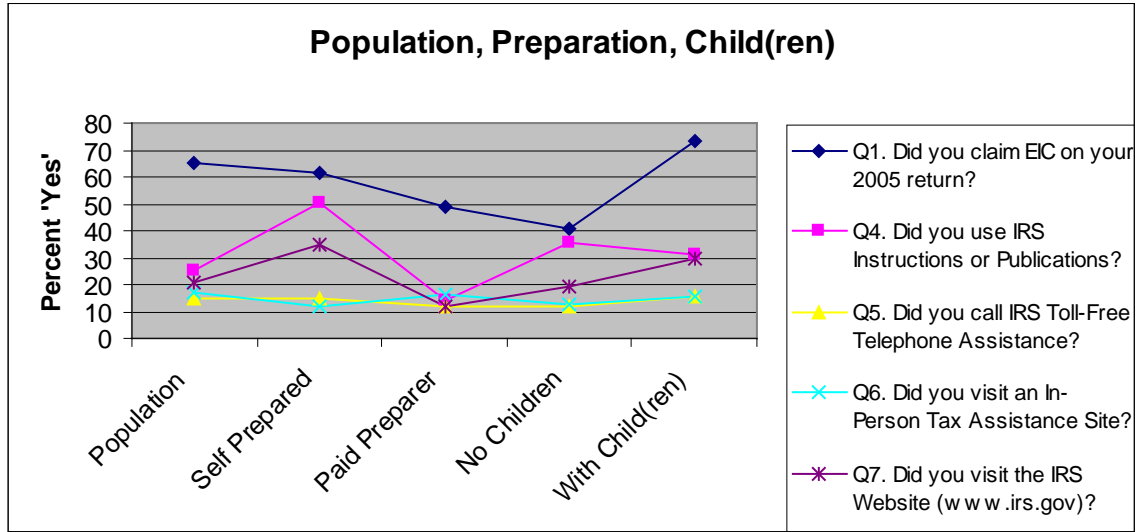
Customer Service Method	Paid Preparer vs. Self prepared	With Children vs. No Children
4a (Publications to determine Eligibility, Amount, Other)	No (p=0.900)	No (p=0.135)
5a (Phone to determine Eligibility, Amount, Other)	No (p=0.679)	No (p=0.885)
6b (In-Person Tax Assistance Site to determine Eligibility, Amount, Other)	No (p=0.609)	No (p=0.486)
7a (IRS Website to determine Eligibility, Amount, Other)	Different at 5% Significance Level (p=0.018)	No(p=0.204)

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

We also compared responses to a few additional questions (Q1, Q4, Q5, Q6, Q7); results are presented in Figure 33.

- Q1 Did you claim EIC on your 2005 return?
 - Self Prepared (61.8 percent) were similar to the Population (64.8).
 - With Child(ren) (73.2 percent) had the highest frequency of claiming EIC on their 2005.
- Q4 Did you use IRS Instructions or Publications?
 - Self Prepared (50.6 percent) were the top users of IRS Instructions and Publications - almost double the Population (25.4).
- Q5 Did you call IRS Toll-Free Telephone Assistance?
 - Similar results – with use ranging from 11.9 to 15.5 percent.
- Q6 Did you visit an In-Person Tax Assistance Site?
 - Similar results – with use ranging from 12 to 17.2 percent.
- Q7 Did you visit the IRS Website (www.irs.gov)?
 - Self Prepared (34.9) and With Children (29.6) were the highest users.

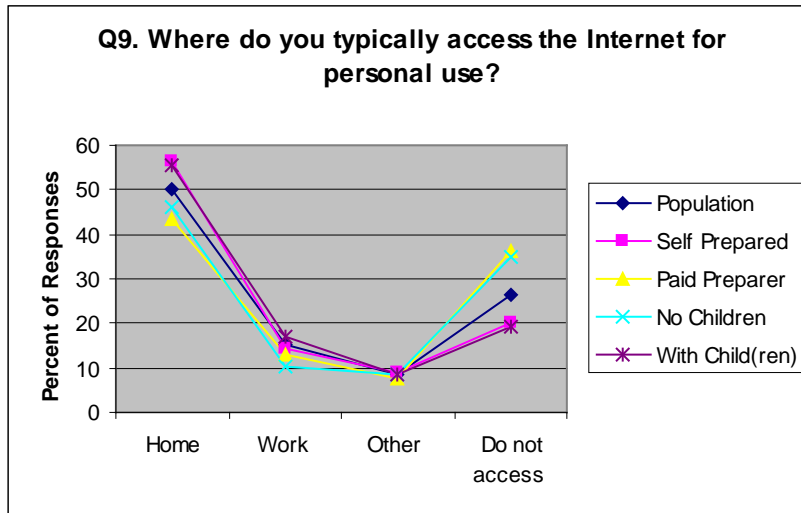
Figure 33: Compare Population With 'Preparation' and 'Child' (Q1, Q4, Q5, Q6, Q7)



Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

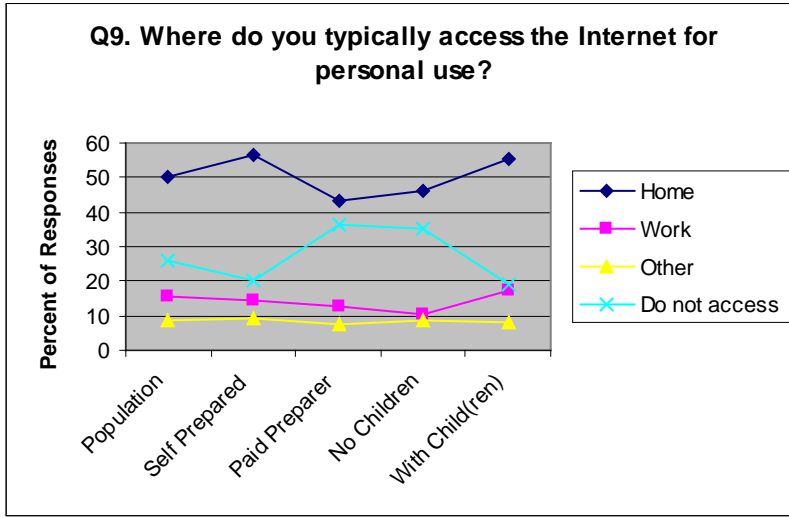
There was marked similarity among users when we look at Internet access location, as shown in Figure 34. When we view the same data by users (see Figure 35), we see that 'Home' is the top location across groups. There are more EITC taxpayers that 'Do Not Access' the Internet in the Paid Preparer and No Children groups. We see similar patterns of usage across groups for Internet Access from 'Work' and 'Other.'

Figure 34: Q9. Where do you typically access the Internet for personal use? (by location)



Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

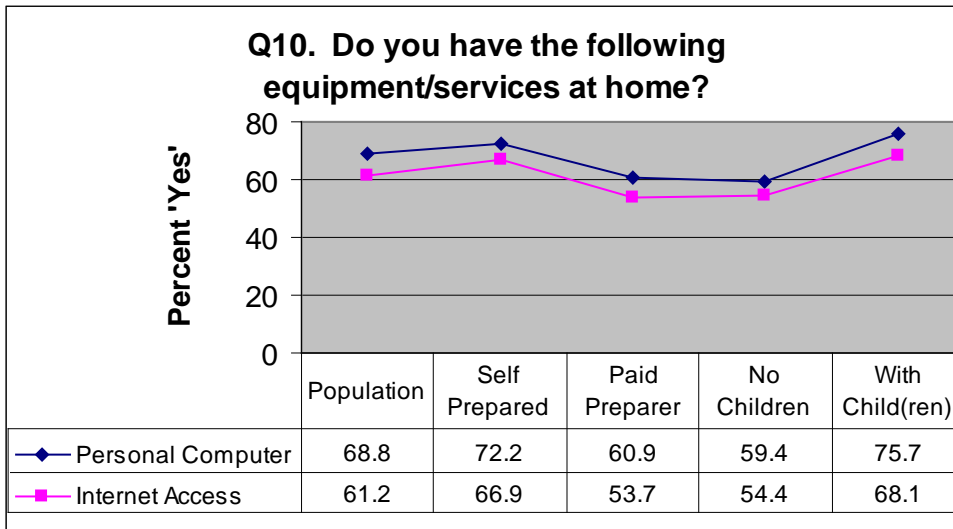
Figure 35: Q9. Where do you typically access the Internet for personal use? (by users)



Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

We saw consistency and very similar patterns among groups when we looked at home computers and Internet Access (see results in Figure 36). Over 75 percent of EITC taxpayers With Children and over 72 percent of EITC Self Preparers own home computers (more than the overall population, which is less than 70 percent). These same groups also lead in Internet Access.

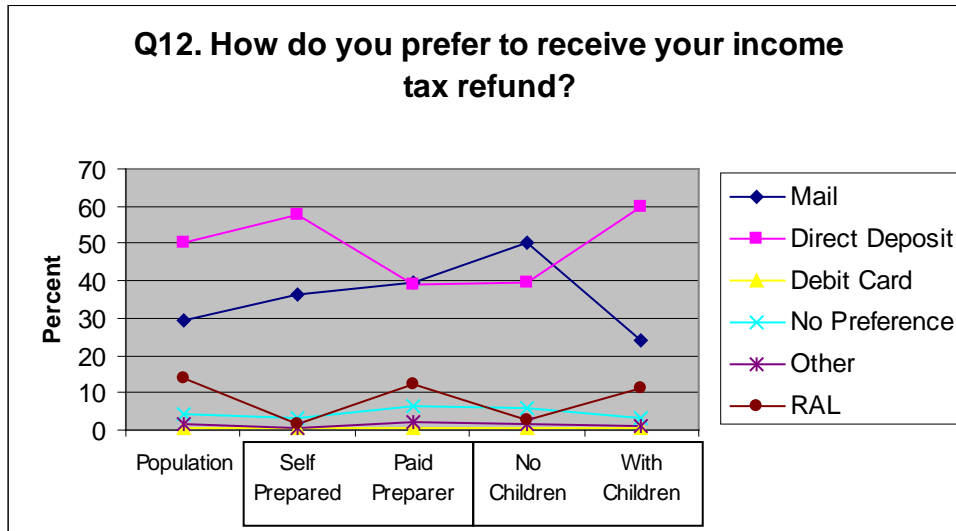
Figure 36: Q10. Do you have the following equipment/services at home?



Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

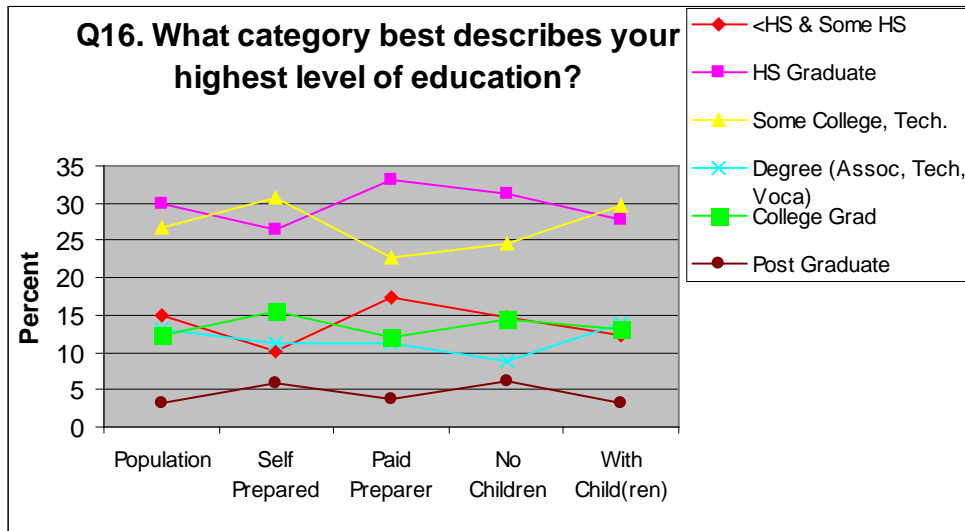
Regarding method of refund preference ‘Direct Deposit’ was selected by over 50 percent of the Self Preparers and With Children groups. Over 50 percent of the No Children group prefer ‘Mail.’ ‘RAL’ is selected by EITC taxpayers in the Paid Preparer or With Children groups. There was very little interest in ‘Debit Card.’

Figure 37: Refund Preference



Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

Figure 38: Education



Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

Multiple/Cross Channel Usage

Table 34: Do taxpayers use multiple channels?

	Survey Respondents (n=2,375)		Total - Weighted to Population (n=22,484,172)	
	Q4, Q5, Q6, Q7 respondents	Q5, Q6, Q7 respondents - exclude Q4 (Instructions & Publications)	Q4, Q5, Q6, Q7 respondents	Q5, Q6, Q7 respondents - exclude Q4 (Instructions & Publications)
They did not use at least <i>one</i> of the customer service methods	2,295 96.6%	2,280 96.0%	21,854,675 97.2%	21,694,903 96.5%
They used at least <i>one</i> of the customer service methods	1,242 52.3%	939 39.5%	10,940,597 48.7%	9,088,520 40.4%
They did not use <i>any</i> of the customer service methods	975 41.1%	1,263 53.2%	10,057,376 44.7%	11,862,966 52.8%
They used all customer service methods	15 .006%	19 .008%	147,510 .007%	169,792 .008%

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

We also ran crosstabulations on those who used one method to determine what other methods they used. Taxpayers who used IRS Instructions and Publications had higher usage of the Website. Taxpayers who used Toll-Free Telephone Assistance had higher usage of IRS Instructions and Publications. See Table 35.

Table 35: Cross Channel Usage

	Q4. Used IRS Instructions and Publications?		Q5. Called IRS Toll-Free Telephone Assistance?		Q6. Visited an In-Person Assistance Site?		Q7. Visited the IRS Website (www.irs.gov)?	
	Yes	No	Yes	No	Yes	No	Yes	No
Q4. Did you use IRS Instructions and Publications? (YES) % within Q4			26.7	73.3	17.9	82.1	46.7	53.3
Q5. Did you call IRS Toll-Free Telephone Assistance? (YES) % within Q5	46.9	53.1			27.7	72.3	34.8	65.2
Q6. Did you visit an In-Person Tax Assistance Site? (YES) % within Q6	27.9	72.1	22.2	77.8			13.5	86.5
Q7. Did you visit the IRS Website (www.irs.gov)? (YES) % within Q7	54.8	45.2	23.2	76.8	10.8	89.2		

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

Taxpayers that Used Only One Service Channel

We isolated users of the various service channels (Toll-Free Assistance, In-Person, and IRS Website) to identify those who used only one channel and ran crosstabulations with some key questions (see Tables 36-39).

- o Toll-Free Assistance *only* taxpayers:
 - have the lowest incidence of computer ownership and Internet Access.

- preferred 'Mail' as their method to receive a refund.
- 50 percent stated the reason they paid for return preparation was fear.²⁸
- IRS Website *only* taxpayers:
 - have the highest computer ownership and Internet Access.
 - preferred 'Direct Deposit' as their method to receive a refund.
- In-Person *only* taxpayers:
 - were almost evenly split between 'Mail' and 'Direct Deposit' as their method to receive a refund.
 - showed more interest in RALs than the Phone only or IRS Website only taxpayers.

Table 36: T/Ps that used only one channel - Q10a & Q10b

		Respondents				
		1,480	14,385,169	55	100	328
Q10a. Have PC at home	Population (Pct)	67.0		48.2	54.1	92.1
	Population (Pct) Weighted		68.8			
	Phone Only (Pct)					
		Respondents				
		1,311	12,496,411	43	82	316
Q10b. Have Internet Access at home	Population (Pct)	60.8		39.1	45.8	88.3
	Population (Pct) Weighted		61.2			
	Phone Only (Pct)					

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

Table 37: T/Ps that used only one channel - Q12

		Respondents				
		2,239	21,244,368	112	187	358
Q12. Prefer to receive refund ...	Population (Pct)					
	Population (Pct) Weighted					
Mail		37.9	29.5	47.3	39.6	24.0
Direct Deposit		49.0	50.0	39.3	39.0	69.8
Debit Card		0.6	0.8	0.9	0.5	0.3
No Preference		4.6	4.2	3.6	4.8	2.2
Other		1.3	1.6	1.8	2.1	0.3
RAL		6.7	13.9	7.1	13.9	3.4
Total		100.1	100.0	100.0	100.0	100.0

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

²⁸ This is considerably higher than the respondent population, which chose 'afraid' 35 percent.

Table 38: T/Ps that used only one channel - Q15

Q15. The primary reason	Respondents				
	1,329	16,011,259	70	129	111
	Population (Pct)	Population (Pct) Weighted	Phone Only (Pct)	In-Person Only (Pct)	IRS Website Only (Pct)
Easier	20.7	19.6	15.7	17.1	18.9
Afraid	35.4	35.6	50.0	31.0	39.6
Takes too long	1.1	0.5	0.0	0.0	3.6
Larger Refund	1.0	1.4	0.0	1.6	0.0
Refund faster	7.3	9.7	7.1	14.0	6.3
Too difficult	19.9	17.4	14.3	20.9	8.1
File Electronically	7.1	8.0	4.3	10.9	14.4
Refund Loan	1.0	1.1	1.4	1.6	1.8
Other	6.5	6.7	7.1	3.1	7.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)

Table 39: T/Ps that used only one channel - Q16

Q16. Highest level of education	Respondents				
	2,311	22,484,172	114	194	362
	Population (Pct)	Population (Pct) Weighted	Phone Only (Pct)	In-Person Only (Pct)	IRS Website Only (Pct)
Less than HS	5.5	6.1	4.4	7.2	2.5
Some HS	8.0	8.8	8.8	14.9	2.8
HS Grad/GED	29.6	29.8	27.2	30.4	19.3
Some College or Technical School	27.0	26.6	37.7	25.3	30.7
Associates Degree	7.0	8.3	4.4	7.7	11.0
Technical or Vocational Degree	4.3	4.8	6.1	4.1	3.3
College Graduate	13.8	12.4	7.9	9.3	21.3
Post Graduate	4.8	3.2	3.5	1.0	9.1
Total	100.0	100.0	100.0	100.0	100.0

Source: Survey EITC Taxpayers, 2006 (Project 6-06-12-2-015E)