

**IRS Oversight Board
Taxpayer Customer Service and
Channel Preference Survey
Special Report**

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Executive Summary

In October 2005, the IRS Oversight Board commissioned Roper Public Affairs to conduct a study of United States taxpayers. The purpose was to gain a better understanding of:

The IRS Oversight Board commissioned a study to gain a better understanding of U.S. taxpayers' customer service needs and expectations.

- Taxpayers' customer service needs and expectations
- Taxpayers views of major customer service programs offered by the IRS
- Relative taxpayer preferences for the various IRS service channels
- Ways to improve services and deliver them more effectively and efficiently and
- How to tailor services to meet taxpayers' needs.

The primary IRS service channels currently available to U.S. taxpayers and examined in this study were: service by phone; in-person visits to IRS offices; visits to the IRS website; e-mail communications; and correspondence by letter.

Around 41 percent of U.S. taxpayer households contacted the IRS within the last two years.

The Roper study consisted of a telephone survey of a random sample of 1,000 taxpayer households that were representative of the country, along with a supplemental sample of 101 individuals who had visited an IRS Taxpayer Assistance Center (TAC). The telephone interviews were conducted from March 19 through April 13, 2006.¹ As part of the study, Roper also conducted a market segment analysis of the survey responses. Importantly, this analysis identifies unique groupings of taxpayers with similar characteristics, which in turn offers the IRS opportunities for delivering more effective customer service tailored to each distinct group.

Four most common reasons:
(1) Tax law questions
(2) Request tax forms and publications
(3) Help preparing returns
(4) Tax dispute or error

The survey revealed that around 41 percent of U.S. taxpayer households had contacted the IRS at least once within the last two years. Relative to each service channel, 22 percent of the taxpayer households indicated that they had telephoned the IRS, three percent said they had visited an IRS office in-person, 25 percent said they had visited the IRS website; four percent said they had sent the IRS an e-mail, and six percent said they had sent the IRS a letter in the mail. The data also revealed a large diversity of taxpayers contacting the IRS, including virtually all ages, income levels and life circumstances.

The four most common reasons taxpayers gave for contacting the IRS were help with: (1) tax law questions, (2) requesting forms and publications, (3) preparing a tax return, and (4) a tax dispute or error. Most contacts with IRS were initiated by the taxpayer for matters such

as tax law questions and forms, although some were IRS-induced, such as the need to respond to an IRS notice sent to them. In addition, there were some distinct differences across the channels as to the reason taxpayers make contact. Around 70 percent of taxpayers who visited the IRS website attributed their contact to the need to seek assistance, such as obtaining forms, preparing a return or answering a tax law question. Only two percent of the website visitors indicated IRS-induced reasons, such as responding to a notice. For the other service channels, the split between taxpayers seeking assistance versus responding to an IRS contact were: 37 percent and 23 percent for those who called IRS; 58 percent and 15 percent for those who visited an IRS office; 46 percent and 16 percent for those who e-mailed the IRS; and 11 percent and 60 percent for those who sent the IRS a letter (indicating that the mail service channel is mainly a product of IRS initiated actions).

There could be a difference between the level of service taxpayers prefer and the level of support they receive from IRS.

In terms of potential demand for IRS customer service, nearly two-thirds of the taxpayers were “very likely” or “somewhat likely” to contact IRS for assistance if they needed help with tax law questions or to obtain forms. Around 50 percent indicated they would contact IRS for help in preparing a return. Currently, only around 40 percent of taxpayers contact the IRS for assistance, with some of those needing to do so in response to prior IRS actions. Getting behind the numbers, this disparity suggests that there could be a difference between the level of service taxpayers prefer and the level of support they currently receive from IRS.

By a wide margin, those taxpayers likely to use IRS customer service channels would prefer to receive service from a person rather than from automated system, particularly over its toll-free telephone lines.

Also, by a wide margin, those taxpayers would prefer to receive service from a person rather than an automated system, particularly over its toll-free telephone lines. For help in resolving a tax dispute or error, 61 percent of taxpayers identified calling the IRS as their most preferred service channel, while another 22 percent selected visiting an IRS office as their first choice. For help in preparing a return, 45 percent identified the phone as their most preferred service channel while another 24 percent selected the IRS office visit as their first preference. When it came to help with tax law questions and for assistance in securing forms and publications, many taxpayers preferred the IRS website. However, even in these scenarios, the preference for speaking to an IRS customer service representative over the telephone was at, or near the top. This includes the first choice of 51 percent of the taxpayers when it came to assistance with tax law questions and 27 percent for help getting IRS forms and publications.

The survey also revealed taxpayer willingness to consider less costly on-line, self-service solutions.

However, while the survey revealed a strong taxpayer preference for personal service, it also revealed some encouraging findings when it came to taxpayer willingness to consider less costly on-line, self-service solutions. Indeed, of the taxpayers who either called the IRS, visited an IRS office or sent the IRS a letter within the past two years, approximately 50 percent indicated that they would be willing to consider using an on-line alternative to resolve their tax matter.

Taxpayer Customer Service and Channel Preference Survey

Taxpayers who currently use IRS customer service generally rate their experiences in a positive light.

The Board believes that the “big picture” painted by the Roper study is favorable and reflects the commitment and years of hard work by the IRS to improve customer service since the passage of the IRS Restructuring and Reform Act of 1998. The survey results indicate that taxpayers who currently use IRS customer service generally rate their experiences in a positive light. Well in excess of 80 percent of respondents in nearly all service channels rated their satisfaction with IRS service as better than, or the same as other government agencies. And for those who specifically visited an IRS office, over three-fourths gave positive ratings as to their ability to resolve their tax matter and for the helpfulness of IRS staff.

However, the Board also believes that IRS customer service is still very much a work in progress.

However, the Board also believes that IRS customer service is still very much a work in progress; the job is far from done. The survey bears out these concerns and points to some worrisome areas in customer satisfaction and taxpayer expectations. The responses to several questions suggested that sizable proportions of taxpayers felt the IRS had not taken steps to make filing easier and was not doing a good job of making the tax system fair. However, these results may reflect a broader negative assessment of federal tax laws in general, rather than the IRS in particular. Still, it was clear from the results that there remains a difference — typically in the 10 to 20 percentage points range — between the rate at which taxpayers expect to resolve a tax issue with just one contact with IRS, and the extent to which that actually happens. The data also point to the need to reduce wait times if the IRS wants to raise taxpayer satisfaction with its customer service operations.

The survey is also quite informative about the diversity of taxpayers who contact the IRS for help. Nevertheless, the Board believes that the survey points to signs that more and better service to these taxpayers is still needed. The data also reveal some flexibility on the part of many taxpayers as to how that service might be provided. All of these findings speak to the tremendous challenges the IRS faces today in administering its taxpayer service programs in an efficient and effective manner.

The Board suggests that the IRS continue to develop new customer service products and strategies that better target unique groups of taxpayers with similar needs and profiles.

To meet these challenges, the Board suggests that the IRS continue to develop new customer service products and strategies that better target unique groups of taxpayers with similar needs and profiles. To help in this strategy, Roper applied statistical market segmentation techniques to the survey responses. Its subsequent segmentation analysis distilled the U.S. taxpayer population down to six distinct groups, each with its own unique traits and customer service needs. These segments, in turn, can serve as a basis to help the IRS develop targeted strategies and products for them, thereby increasing both efficiency and effectiveness.

In particular, two of the taxpayer segments identified — *Confident and In Control* and *Tech Adopters* — are prime candidates for increased on-line IRS customer service offerings. Many of these taxpayers would welcome more on-line options. In contrast, two groups of taxpayers labeled *Seeking Assistance* and *Intimidated by the Process* are not as helped by self-assistance and on-line methods. Yet, they are also some of the

most vulnerable taxpayers in terms of their financial situation and other circumstances. Two other segments were identified — *Life in Transition* and *Concerned About Privacy* — the former, relatively young and going through major life changes, such as marriage or divorce, and the latter relatively senior and secure but less confident about the Internet and the security of their personal tax information. Each reflects a distinct taxpayer group in need of IRS customer service, but which needs to be approached using tailored strategies given the substantially different challenges and opportunities each represents.

“One size does not fit all” when it comes to IRS customer service.

The Board believes that there is a lot of “value added” in the Roper survey. The information gleaned from it will help the IRS Oversight Board, Congress, federal policy-makers, the IRS and other stakeholders to shape an effective and efficient IRS customer service operation. The study should help inform deliberations on IRS budget proposals and provide other strategic direction to the IRS as it endeavors to balance customer service and enforcement. In addition, the six segments identified by Roper provide a much fuller and nuanced view of the diverse taxpayer groups the IRS must serve. And they dramatically illustrate that “one size does not fit all” when it comes to IRS customer service. However, the report only lightly touches upon possible IRS service improvement strategies that might be further developed from these and other data. As a result, further analysis and consideration will be needed.

One group in particular that will take advantage of the study is the Taxpayer Assistance Blueprint task group, established in response to Congressional appropriations committee report language ². This team of representatives from the IRS, the Oversight Board and the National Taxpayer Advocate has been tasked to conduct a comprehensive review of the current portfolio of IRS services and to develop a five-year plan for improving them.

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The IRS Oversight Board commissioned a study to gain a better understanding of U.S. taxpayers' customer service needs and expectations.

I. Introduction

In October 2005, the IRS Oversight Board commissioned Roper Public Affairs to conduct a study of taxpayers in the United States. The purpose of the study was to gain a better understanding of: taxpayer customer service needs and expectations; taxpayers views of major customer service programs offered by the IRS; the relative preferences taxpayers have for the various IRS service channels; ways to improve services and deliver them more effectively and efficiently; and how to tailor services to taxpayers' needs. The primary IRS service channels available to U.S. taxpayers and examined in this study were: service by phone; in-person service at IRS offices; visits to the IRS Internet website; e-mail communications; and correspondence exchanges by letter.

The IRS service channel study conducted by Roper consisted of a computer-assisted telephone survey of a random sample of 1,000 taxpayers, along with an "oversample" (i.e., supplemental sample) of 101 individuals who had specifically visited an IRS Taxpayer Assistance Center (TAC) in person. The telephone interviews were conducted from March 19 through April 13, 2006. Respondents were sampled using random digit dialing and screened so as to reach the individual in the household most responsible for overseeing the preparation of its federal income taxes. The results for the main sample of 1,000 taxpayers were weighted using Census Bureau figures to reflect the U.S. households of tax filers.¹ As part of the study, Roper also conducted a segment analysis of the data. This analysis identifies unique groupings of taxpayers with similar characteristics that offers the IRS opportunities to consider in devising targeted communications for these distinct groups. The Appendix provides a complete list of interview questions covered in the survey, along with the corresponding distribution of responses in percentages.

The information from the study will help the Board, Congress, federal policymakers, the IRS and other stakeholders to shape an effective and efficient IRS customer service operation.

The information gleaned from the study will help the IRS Oversight Board, Congress, federal policymakers, the IRS and other stakeholders to shape an effective and efficient IRS customer service operation. The Roper study should help inform deliberations on IRS budget proposals and provide other strategic direction to the IRS as it endeavors to balance customer service and enforcement. One group in particular that will take advantage of the study's results is the Taxpayer Assistance Blueprint task group, established in response to Congressional appropriations committee report language². This team of representatives from the IRS, the Oversight Board and the National Taxpayer Advocate has been tasked to conduct a comprehensive review of the current portfolio of IRS services and to develop a five-year plan for improving them.

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II. Taxpayer Return Characteristics and Preparation Decisions

The taxpayers in the survey were asked various questions about the characteristics of the federal income tax return they filed last year, i.e., their tax year 2004 return filed during calendar year 2005. For the most part, the return characteristics from the survey respondents closely matched the comparable figures reported by the IRS for the total population of individual return filings.

Among the key return characteristics for the taxpayer households in the survey were the following:

- 57 percent used a paid preparer;
- 48 percent filed their returns electronically;
- 80 percent used tax preparation computer software in preparing their returns (which reflected 54 percent of those who self-prepared their returns plus 100 percent of the respondents who used a paid preparer);
- 62 percent claimed the filing status “married filing jointly”; while 25 percent filed as “single;”³
- 17 percent claimed the earned income tax credit;
- 95 percent filed their return by April 15th;
- 12 percent opted to receive a refund anticipation loan (as arranged through a return preparer or e-file transmitter); and
- 73 percent expected to receive a refund when they filed their tax year 2004 return.

In addition to the above return characteristics, 17 percent of the taxpayer households indicated that they had received a notice or letter from the IRS in the last two years regarding a tax filing.

Additional detail on the return filing characteristics of the taxpayer households in the survey and their associated demographic profile can be found in the Appendix (see responses to questions S3, S4, Q1–Q10, Q21 and D1-D16).

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III. Current and Potential Taxpayer Use of IRS Service Channels

1. Current Use

Around four-in-ten taxpayer households in the United States have contacted the IRS during the last two years.

A highly diverse and substantial number of taxpayers have used one or more of the IRS service channels over the past two years. Based on the survey, around four-in-ten taxpayer households in the United States (i.e., 41 percent) have contacted the IRS through one or more of its major service channels sometime during the last two years. In terms of the particular methods of contacting the IRS within the last two years:

- 22 percent indicated that they called the IRS on the telephone;
- 3 percent said they visited an IRS office in-person;
- 25 percent said they visited the IRS website (other than to file taxes);
- 4 percent said they sent the IRS an e-mail; and
- 6 percent said they sent the IRS a letter in the mail (other than to file taxes).

The study shows the demographic diversity of taxpayers who have contacted the IRS.

The large diversity of taxpayers contacting the IRS is illustrated by the data in Table 1. These data summarize the percent of taxpayer households contacting the IRS (by method of contact) for major demographic characteristics such as income, age and method of return preparation. For example, the Roper study reveals that:

- over 20 percent of households in all the age brackets, except the oldest (65 and older), recently called the IRS — indicating that taxpayers of virtually all ages regularly contact the IRS by phone;
- a sizable portion of taxpayers who use a paid preparer (17 percent) also use information on the IRS website (www.irs.gov), although not nearly to the extent of those who self-prepare their return (i.e., 38 percent);
- in terms of income, the data indicate that those with annual incomes under \$20,000 are more than twice as likely to visit an IRS office in-person compared to the overall average for all taxpayers (8 percent versus 3 percent, respectively); meanwhile those with annual income over \$100,000 are nearly twice as

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likely than the average to send the IRS a letter (11 percent versus 6 percent); and

- taxpayers tend to e-mail the IRS at about the same rate (i.e., 3 to 5 percent) whether living in urban, suburban or rural areas.

Table 1.
Percent of U.S. Taxpayer Households Contacting IRS Within the Last Two Years
by Income*

Method of Contact with IRS	Total All Taxpayer Households	Total Income Claimed on Return					
		less than \$20K	\$20K <\$35K	\$35K <\$50K	\$50K <\$75K	\$75K <\$100K	\$100K or more
Called the IRS	22%	29%	23%	24%	19%	17%	18%
Visited an IRS Office	3	8	4	3	1	3	1
Sent an e-mail to IRS	4	6	3	5	4	3	4
Sent the IRS a Letter	6	2	7	9	4	8	11
Visited the IRS Website	25	13	16	22	23	39	41

by Age of Primary Taxpayer*

Method of Contact with IRS	Age of Primary Taxpayer					
	34 or younger	35 to 44	45 to 49	50 to 54	55 to 64	65 or older
Called the IRS	28%	23%	21%	23%	21%	14%
Visited an IRS Office	2	4	3	2	6	4
Sent an e-mail to IRS	6	4	3	2	4	1
Sent the IRS a Letter	3	7	5	9	8	7
Visited the IRS Website	28	29	24	33	26	10

by Method of Return Preparation and by Census Area*

Method of Contact with IRS	Method of Return Preparation		Census Area		
	Self-Prepared	Paid- Preparer	Urban	Suburban	Rural
Called the IRS	26%	19%	22%	18%	29%
Visited an IRS Office	4	3	6	3	2
Sent an e-mail to IRS	5	2	5	3	3
Sent the IRS a Letter	8	5	7	7	4
Visited the IRS Website	38	17	29	26	19

* Column percentages are not mutually exclusive.

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2. Reasons for Contacting IRS

Taxpayers use the various service channels to contact the IRS for a wide range of reasons. The top reasons taxpayers contact the IRS vary by service channel, but the four most common reasons across all contact methods are help with:

- tax law questions;
- requesting publications and forms;
- preparing a tax return; and
- a tax dispute or error.

Most contacts with IRS are initiated by the taxpayer.

The data indicate that most contacts with IRS are initiated by the taxpayer, although some taxpayer contacts are clearly a result of actions originating with the IRS, such as a taxpayer responding to the receipt of an IRS notice. From the four most common reasons for contacting the IRS listed above, all but one (help with a tax dispute or error) are essentially taxpayer-initiated contacts. The survey data also indicate that around 41 percent of taxpayer households contacted the IRS at least once within the last two years, while only 17 percent of households reported receiving a notice or letter from the IRS during that same period. Even assuming that all 17 percent of these latter households that received an IRS notice/letter contacted the agency (which is an overstatement since some notices require no further action by the taxpayer), that would still imply 24 percent of the households (41 minus 17) initiated the IRS contact.

Taxpayers used different channels to contact the IRS for substantially different reasons. The data also provide additional insight into the degree to which taxpayers self-initiate contact with IRS, versus being prompted by an IRS action. These more detailed results further confirm that the majority of contacts with IRS are initiated by taxpayers. In particular, the most common reasons for taxpayer contact, by IRS service channel, are as follows:

The top three reasons taxpayers visited the IRS website were to:

- (1) secure forms and publications;
- (2) receive help with a tax law question; and
- (3) get assistance in preparing a return.

- Virtually all visits to the IRS website appear to be self-initiated. The top three reasons taxpayers visited the IRS website were to: (1) secure forms and publications (48 percent); (2) receive help with a tax law question (17 percent) and; (3) get assistance in preparing a return (6 percent). Only about two percent indicated IRS-induced reasons, such as a tax dispute or error. ⁴
- Taxpayers who e-mailed the IRS did so primarily for self-initiated reasons, including attempts to secure forms and publications (21 percent), help in preparing a return (17 percent), and help with a tax law question (8 percent). Only around 16 percent who e-mailed the IRS appeared to do so in response to IRS action, including 13 percent who indicated it was a result of a tax dispute or error.

- For those taxpayers who called the IRS, nearly three-quarters did so for self-initiated reasons, including: 15 percent seeking help with tax law questions; another 15 percent looking for assistance in securing forms and publications; nine percent wanting to check on the status of a refund; and seven percent needing help preparing a return. However, around 23 percent cited reasons that indicated they were IRS-induced contacts including 11 percent with a tax dispute or error, seven percent who were making a payment and three percent who were responding to a notice.
- Taxpayers who sent a letter to the IRS were far more likely to have done so in response to prior IRS action or contact. Nearly 60 percent of taxpayers sending the IRS a letter did so for IRS-induced reasons with the most common being tax payment dispute or error (32 percent), followed by responding to an IRS notice or letter (12 percent) and making a payment (12 percent). In contrast, only around 40 percent of the taxpayers who sent the IRS a letter appeared to do so at their own initiative, including eight percent seeking forms and publications, seven percent seeking employment, and six percent needing to make a correction.
- About 85 percent of taxpayers who visited an IRS office did so on their own initiative. This includes over a third (34 percent) who said they did so to get a form or publication. The next two most common reasons given were assistance in preparing a return (16 percent) and help with a tax law question (8 percent). Only around 15 percent of those visiting an IRS office appeared to do so in response to IRS action, including four percent who were responding an IRS notice or letter, another four percent making a payment and three percent who were involved in an audit ⁵.

For more detail from the survey on frequency of contacting IRS and reasons for that contact, by IRS service channel, see the Appendix (Q17 and Q18).

3. Taxpayer Preferences and Potential Use of IRS Service Channels

Operational decisions, such as toll-free telephone hours or the number and location of walk-in assistance centers, affect whether and how much taxpayers can use the various IRS service channels.

Operational decisions, such as toll-free telephone service hours or the number and location of walk-in assistance centers have an impact on whether and how much taxpayers can use the various IRS service channels. As a result, the rates at which taxpayers currently make use of IRS customer service options does not necessarily reflect the true preferences taxpayers have for such services. For example, the survey data show that only three percent of taxpayers visited an IRS office in person over the past two years, even though 49 percent of all taxpayers either “strongly agreed” or “somewhat agreed” with the statement, “I would go to the IRS for help in filing my taxes if there was an assistance office close by.”

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Still, the IRS must function within budget constraints and could never expect to meet all taxpayer customer service expectations. Nevertheless, it is important to have some sense as to the degree taxpayers would be likely to contact IRS for help on significant tax matters, along with the service options they prefer. This information provides insight into the size and nature of the differences in taxpayer service that may currently exist between what services taxpayers prefer, and what services they receive. The data can also shed light on possible strategies for shrinking those differences in a customer-centric fashion.

One of the survey questions explored the issue of potential customer demand for IRS assistance. It offered the taxpayers a series of tax situations in which the IRS could help (similar to the current reasons taxpayers contact the IRS) and asked them how likely they would be to contact the IRS for assistance on these matters. Considering the four most common reasons for contacting the IRS currently across all the service channels, the percentage of taxpayer households who indicated that they would be “very likely” or “somewhat likely” to contact the IRS were as follows:

- 66 percent for help with tax law questions;
- 65 percent for help in requesting publications and forms;
- 51 percent for help in preparing a tax return; and
- 79 percent for help with a tax dispute or error.

The overwhelming taxpayer customer service preference was to call the IRS.

Among taxpayers indicating that they were “very” or “somewhat” likely to contact the IRS for assistance under the various tax situations were then asked to identify their most preferred way of contracting the IRS. While there were some differences based on the reason for contacting the IRS, the overwhelming taxpayer customer service preference was to call the IRS in virtually all of the situations offered. Presented below is a summary of the top two most preferred service channel options (based on those respondents very likely or somewhat likely to contact the IRS), by the most common reasons taxpayers have for contacting the IRS:

- For help with tax law questions — 51 percent selected “call the IRS toll-free number” as their most preferred option, while another 21 percent selected “visit the IRS website” as their most preferred.
- For help in securing tax forms and publications — 30 percent selected “visit the IRS website” as their most preferred option, followed by 27 percent who selected “call the IRS toll-free number” as their most preferred.
- For help in preparing a tax return — 45 percent selected “call the IRS toll-free number” as their most preferred option, while 24 percent selected “visit an IRS office in-person” as their most preferred.

- For help in resolving a tax dispute or error — 61 percent selected “call the IRS toll-free number” as their most preferred option, while 22 percent selected “visit an IRS office in-person” as their most preferred.

Potentially two-thirds of U.S. taxpayer households would be inclined to contact the IRS for customer service.

Currently, only around 40 percent of U.S. households do so.

This may suggest a difference between service preferred and service received.

Overall, the above data suggest that if needed, potentially two-thirds of U.S. taxpayer households would be inclined to contact the IRS for help with tax law questions or to secure copies of tax forms and publications. An even higher percentage of taxpayers would be inclined to contact the IRS if it involved a tax dispute or error. Around 50 percent would potentially contact the IRS for help in preparing a tax return. Currently, only around 40 percent of U.S. households contact the IRS for assistance. These results suggest that there could be a difference between taxpayer service preferences and the level of support they are currently receiving from IRS.

In addition, by a wide margin, the method most preferred by taxpayers for receiving IRS service is the telephone. Still, the diverse range of taxpayers that the IRS must serve, the varied nature of their service preferences, as well as cost-effectiveness considerations preclude the IRS from relying upon the telephone as its sole service channel. Simply put, one size just does not fit all.

4. Willingness to Consider Online Service Alternatives

For the foreseeable future, the IRS must provide some degree of personalized taxpayer service through its traditional phone and walk-in office channels. Nevertheless, in the long run making more service options available to taxpayers over the IRS website and through other on-line solutions is one highly effective strategy for substantially improving customer service in a cost-effective and efficient manner. Creating on-line solutions that truly meet customers’ needs and steering taxpayers to these options creates the potential for tremendous gains in customer satisfaction and furthers the IRS’ strategic goals.

The survey was used to gain some additional insight into the degree taxpayers who contacted the IRS through traditional means would be willing to consider using an on-line alternative. For the most part, the responses were encouraging with at least four-in-ten saying they would be willing to do so. In particular:

At least four-out-of-ten taxpayers indicated they would be willing to consider an on-line service alternative.

- 52 percent of taxpayers who had contacted the IRS by phone indicated they would instead be willing to consider contacting the IRS on-line to find information or resolve an issue;
- 49 percent who sent the IRS a letter indicated that they would consider using an alternative on-line solution; and
- 42 percent who visited an IRS office stated that they would consider an on-line alternative.⁵

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Many taxpayers contact the IRS in person to receive tax forms and publications.

However, the IRS website is usually the easiest and fastest way to do so.

The caveat: many low-income and elderly taxpayers do not have Internet access, are not computer literate, or have language barriers.

The above results point to opportunities for improving customer service within the existing IRS service channel framework. One opportunity in particular stands out. Sizable percentages of taxpayers who contact the IRS through traditional service channels do so to get copies of tax forms and publications. This includes: 15 percent of the taxpayers who called the IRS; eight percent who sent the IRS a letter; and 34 percent who visited an IRS office. However, in most instances, the IRS website is the easiest and quickest way for taxpayers to secure forms and publications. But there is a caveat. As the Oversight Board noted in previous reports, many low-income and elderly taxpayers do not have any Internet access and many more are not computer literate. Some have language barriers. Their needs must be addressed too. Nevertheless, it seems worthwhile for the IRS to pursue new strategies to shift willing taxpayers in traditional service channels who are seeking forms and publications over to the IRS website.

Additional data on the likelihood of contacting the IRS, service channel preferences and opportunities for online alternatives can be found in the Appendix (Q13-Q16, Q19, Q20 and Q24-Q28).

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IV. Taxpayer Attitudes and Their Assessment of Current IRS Service

This study was also designed to help identify unique taxpayer segments to which service could be improved through targeted strategies.

93% felt confident in their ability to solve their everyday financial problems, but only 77% felt confident about filing their taxes correctly.

14% worried they would be taken advantage of by those helping them file their taxes.

As noted in the Introduction, this study was also designed to help identify unique taxpayer segments to which service could be improved through targeted strategies. To accomplish that segmentation objective, the survey included a number of questions that probed taxpayer attitudes on matters concerning personal finance, life experiences, the Internet, taxes in general, and the IRS in particular. The full list of topics covered and the attitudes expressed by the survey respondents are presented in the Appendix under questions Q11 through Q12b. Among some of the more interesting findings on taxpayer attitudes (and ones that helped in the formation of the segments) are the following — based on the percentage of taxpayers who either “strongly agreed” or “somewhat agreed” with the attitude expressed:

- 93 percent of taxpayers felt confident in their ability to solve their financial problems in their everyday life;
- 17 percent wished they had better English reading and writing skills;
- 73 percent did not feel secure sharing personal financial information over the Internet, even with a government agency;
- 30 percent did not feel comfortable filing their taxes electronically (with about half attributing their discomfort to a lack of confidence their privacy could be protected, particularly over the Internet);
- 77 percent felt confident in their ability to file their federal taxes correctly;*
- 14 percent worried that people will take advantage of them when they get help with filing their taxes;
- 55 percent felt that the IRS has taken steps to make filing federal taxes easier;

*The confident taxpayers were divided into two groups: 95 percent of taxpayers who self-prepare their returns felt confident and 66 percent of those who use a paid preparer felt confident.

- 74 percent felt they knew how to get in touch with the IRS if they needed help filing their taxes;*
- 94 percent felt it was their civic duty to pay their fair share of taxes; and
- 31 percent felt that the IRS was doing a good job making the tax system fair to everyone.

32% who contacted the IRS rated IRS service as “better” than other government agencies. Another 53% rated IRS service as the “same” as other agencies.

Some of the taxpayer “attitude” responses that touch upon IRS performance are worrisome. For example, only 55 percent of taxpayer households felt that the IRS has taken steps to make filing easier, and only 31 percent felt the IRS was doing a good job of making the tax system fair. However, recognizing that taxpayers may be interpreting the questions differently, it is hard to be certain whether the taxpayers were commenting on the performance of the IRS as the tax administrator, or instead rendering a broader assessment of the ease of compliance with and fairness of federal tax laws in general.

The survey did, however, contain a few specific questions that better defined taxpayer expectations and experiences with IRS customer service in particular. The results from these questions provide a clearer taxpayer evaluation of IRS service performance, as well as some insights into opportunities for improvement. Some particular results of interest are noted below.

For taxpayers who had contacted the IRS during the last two years through any of the service channels:

- 32 percent rated their satisfaction with IRS service as “better” than other federal or state agencies;
- 53 percent rated IRS service as the “same” as other agencies; and
- 8 percent said it was “worse” (with the majority of these taxpayers indicating the service was worse due to the wait time being too long or the tax matter not being resolved).

Taxpayers who visited an IRS office in person were also asked to rate various aspects of their recent experience on a one-to-five scale where “one” was poor and “five” was excellent. The resulting percentages for ratings of “4” or “5”, indicating a positive taxpayer assessment, were as follows:⁵

*This response was also characterized by two distinct groups: 84 percent of taxpayers who self-prepare their return and 68 percent who use a paid preparer felt they know how to get in touch with the IRS.

Taxpayer Customer Service and Channel Preference Survey

- 83 percent gave positive ratings for ease of locating office;
- 80 percent gave positive ratings for helpfulness of staff;
- 76 percent gave positive ratings for the ability to resolve an issue or get what was needed;
- 74 percent gave positive ratings for convenience of IRS office locations;
- 70 percent gave positive ratings for hours of operation;
- only 60 percent gave positive ratings for availability of staff;
- only 58 percent gave positive ratings for wait time; and
- only 43 percent gave positive ratings for ease of getting bilingual assistance.

In addition, the survey captured data that compared taxpayer expectations to resolve a tax matter in just one IRS contact, with the degree to which that actually happened. These data were captured by each of the major service channels. The results are presented in Table 2, along with corresponding taxpayer assessments as to whether the service they received was better than/as good as that of other government agencies.

Table 2.
Taxpayer Expectations and Satisfaction with IRS Service by Customer Service Channel*

Taxpayer Expectation or Satisfaction Level	Percent of Taxpayers Contacting IRS				
	By Phone	By Office Visit in Person ⁶	By e-mail	By Letter	By Visiting IRS Website
Expected tax issue to be resolved with just one contact with IRS	81%	86%	73%	71%	82%
Actually had tax issue resolved with just one IRS contact	65	70	51	58	78
Rated their satisfaction with IRS service as “better” or “same” as other agencies	86	84	90	72	87

* Based only on those taxpayers who contacted IRS within the last two years, by service channel listed.

Taxpayers who have contacted the IRS for service rate their experiences in a positive light.

Taken as a whole, taxpayers who have contacted the IRS for service appear to rate their experiences in a positive light. For example, well in excess of 80 percent of respondents in all service channels rated their satisfaction with IRS service as better or the same as other government entities. The only exception was service associated with correspondence exchanges with the IRS, wherein 72 percent rated their satisfaction with the IRS as better or the same as other agencies. In addition, for customers of IRS walk-in service offices, 80 percent gave positive ratings for the helpfulness of IRS staff and 76 percent gave positive ratings for the ability to resolve their tax issue or get the information they needed.

Still, there are opportunities for improvement, such as reducing customer wait time and providing true “one-stop” service.

Still, there are a couple areas where the taxpayer assessment of IRS service was a bit low — pointing to opportunities for improvement. These are related to instances of taxpayers having to wait too long to get service from the IRS and not being able to resolve a tax matter more expeditiously. Indeed, the results in Table 2 indicate a difference between taxpayer expectations to resolve a tax matter with just one contact and the degree to which they were able to do so. This difference is roughly 10 and 20 percentage points among all service channels with the exception of service through the IRS website, where the difference is noticeably smaller. Thus, it would appear that some of the traditional challenges for IRS customer service operations, such as reducing customer wait time and providing true “one-stop” service still remain.

For more complete information from the survey as to taxpayer assessments of IRS performance and their service expectations, see the Appendix (Q18a–18d and Q22-Q23a).

V. Taxpayer Assistance Centers

In an attempt to be more efficient and reduce costs, the IRS is trying to move more taxpayers to other customer service options, such as those offered on its website and toll-free lines.

This study provides a finer-grain picture of TAC users.

Over the past few years, there has been an important discussion about Taxpayer Assistance Centers (TACs). In an attempt to reduce costs, the IRS is trying to move more taxpayers to other customer service options, such as those offered on its website and toll-free lines. However, some observers have noted that the taxpayers who use the TACS are better served by in-person service.

The Roper study, which included the supplemental sample of recent TAC visitors, provided a much finer-grain picture of TAC users. As previously noted, three percent of the taxpayers surveyed had visited a TAC in the past two years. The most common reasons cited for doing so were “Help in Receiving Forms and Publications/Getting Forms or Publications” (34 percent), followed by “Help in Preparing a Return” (16 percent).

TAC users stand out from the general population of tax filers in several attitudinal areas that bear noting. For example:

- 32 percent wish they had better English reading and writing skills, compared with 17 percent of the general taxpayer population;
- 36 percent feel comfortable with shopping/purchasing online, compared with 51 percent of the general taxpayer population; and
- 40 percent say they would be more likely to file their tax return on time if they had help from the IRS, compared to 19 percent of the general taxpayer population.

The Roper Study also found some additional important characteristics about those individuals visiting TACs. Compared to the overall taxpayer population, they are more likely to be single/never married and to speak another language at home. In addition, they are somewhat less likely to be employed; to have a computer at home; and to have a checking or personal savings account. Most TAC users fit into the *Seeking Assistance*, *Concerned About Privacy*, and *Life in Transition* segments (see Section VI).

However, these taxpayers are generally pleased with the service they receive and see a number of advantages and value in using the IRS Tax Assistance Centers — although there were areas that could merit improvement. Some of the more significant findings were:

- TAC users give the highest ratings to Helpfulness of Staff, Issue Resolution, and Convenient Location.
- They give the lowest ratings to Wait Time, Availability of Personnel, and Ease of Getting Bilingual Assistance.
- Few TAC users report problems, with only 11 percent saying they had a problem in their most recent visit. The most common problem cited was Assistors Needed Training/Knowledge.
- TAC users are evenly split on whether they prefer scheduling an appointment (48 percent), or the option to walk in at their convenience (49 percent).
- Most are also willing to travel 30 minutes or less to get to a TAC and most say they would wait in line 30 minutes or less once they actually got there.

Readers interested in a more detailed contrast of TAC users versus the overall taxpayer population should review the Appendix, where all the results are presented in a side-by-side comparison basis.

The Board believes that the Roper study provides the IRS with opportunities to both improve customer service to these taxpayers while also improving its effectiveness and efficiency. For example, there appears to be an opportunity for reducing walk-in traffic for the distribution of tax forms and publications while better serving those taxpayers who need the face-to-face interaction for filing and payment issues or problem resolution.

There are opportunities for the IRS to help some taxpayers to migrate to self-serve options if their sole purpose for visiting the IRS office is to obtain a form or publication.

Today, the website is the preferred channel for receiving this type of service (30 percent) followed by telephone (27 percent). From this data, it could be inferred that some of the taxpayers who visit a TAC to get a form or publication do so because they do not know the number or name of the form they need and therefore cannot locate it on the website, or do not call the toll-free customer service number because they do not know how to request the document. There are definitely opportunities for the IRS to help some of these taxpayers to migrate to the self-serve options if their sole purpose for visiting the IRS office is to obtain a form or publication.

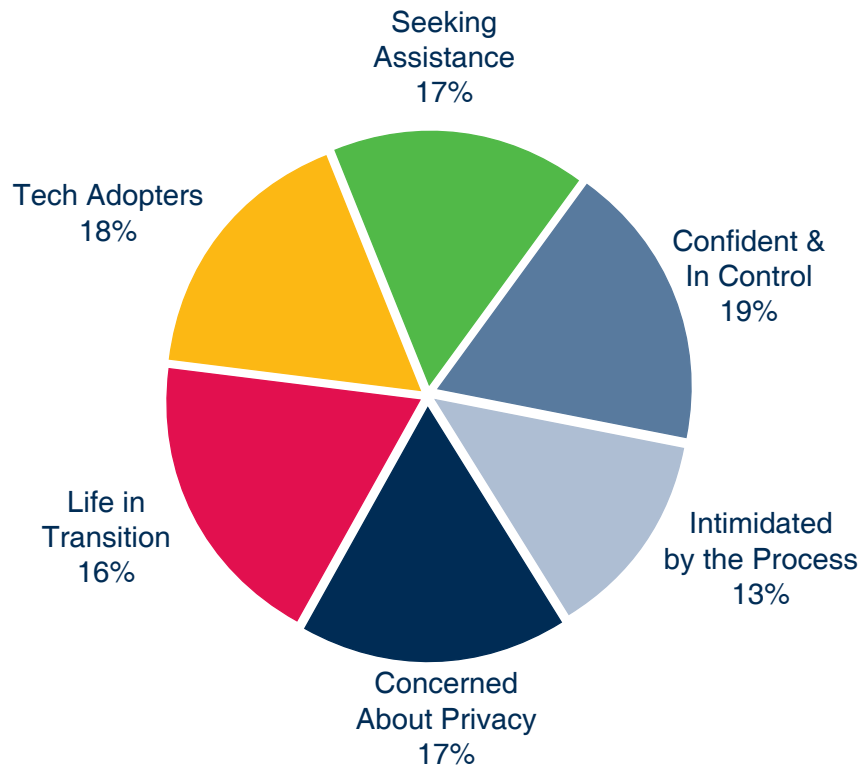
In addition to better and targeted communications strategies and efforts, the IRS could benefit from further developing partnerships with stakeholders such as tax professionals, low-income taxpayer clinics, volunteer tax preparation organizations, and community-based assistance organizations to define and expand ways to reach and assist the demographic groups that make up TAC visitors.

VI. Taxpayer Segments and Opportunities for Targeted IRS Approaches

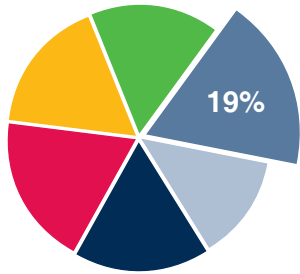
Roper also completed a statistical analysis and identified six distinct taxpayer segments which offer opportunities for targeted IRS strategies and actions to improve customer service.

As part of the study, Roper also completed a segmentation analysis of the survey data. Using statistical clustering and hierarchical segmentation techniques, the analysis separated respondents into distinct groups based on their attitudes and behaviors. It was then possible to identify distinct groups of taxpayers for whom the IRS could devise strategies and actions to better meet their preferences, such as making e-filing more attractive, or otherwise effect changes that could improve the IRS service to them. Six unique taxpayer segments were ultimately identified and are presented in Figure 1, along with their approximate percentage share of total taxpayer households.

Figure 1. Taxpayer Segments



The unique attitudes and other characteristics that comprise each of these taxpayer segments, along with some of the challenges and opportunities they might present the IRS in terms of targeted customer service strategies, are summarized.



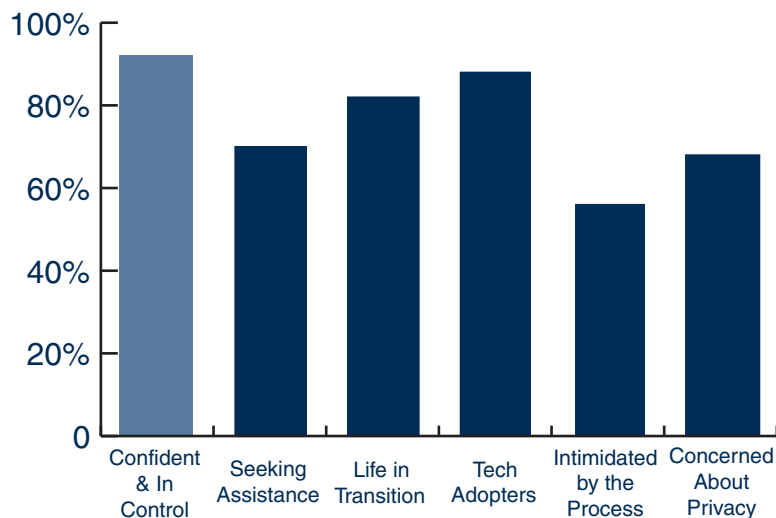
- Most confident in their ability to file their taxes correctly.
- More likely to prepare their returns themselves.

1. Confident and In Control

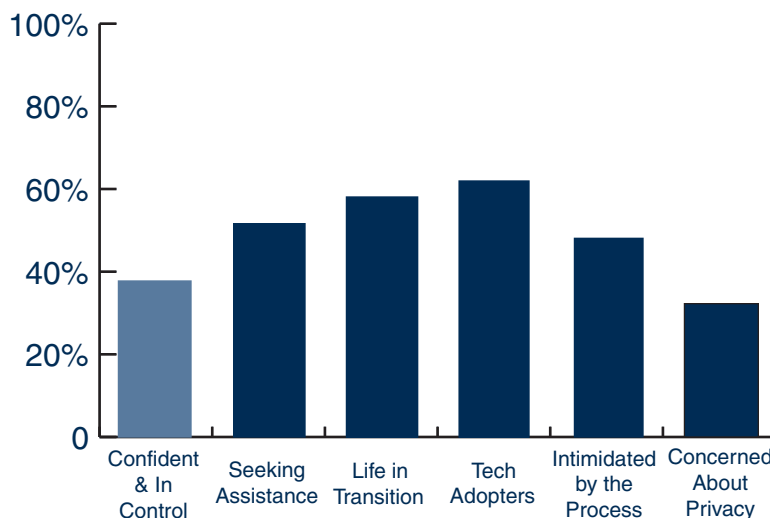
This group feels the most confident about their ability to file their taxes correctly and is more likely than average to prepare their returns themselves. Compared to the average taxpayer, the individuals in this segment are more likely to be married, older and male with about average education and income. They are generally less likely to have contacted the IRS for service, except for visiting the website, where they are more likely to have done so. This segment is also more likely to prepare their returns by hand (i.e., without the assistance of tax preparation software) and also less likely to file electronically.

The Board believes that this group presents the IRS with opportunities for expanded self-assistance offerings through its website and for marketing products such as Free-File that might raise the level of e-file participation among this segment.

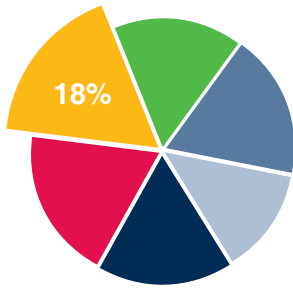
Confident in Ability to File Taxes Correctly



Filed Taxes Electronically



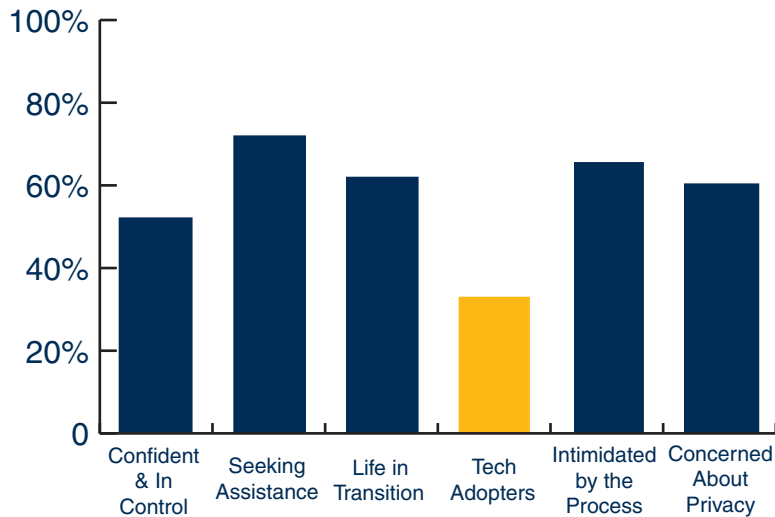
2. *Tech Adopters*



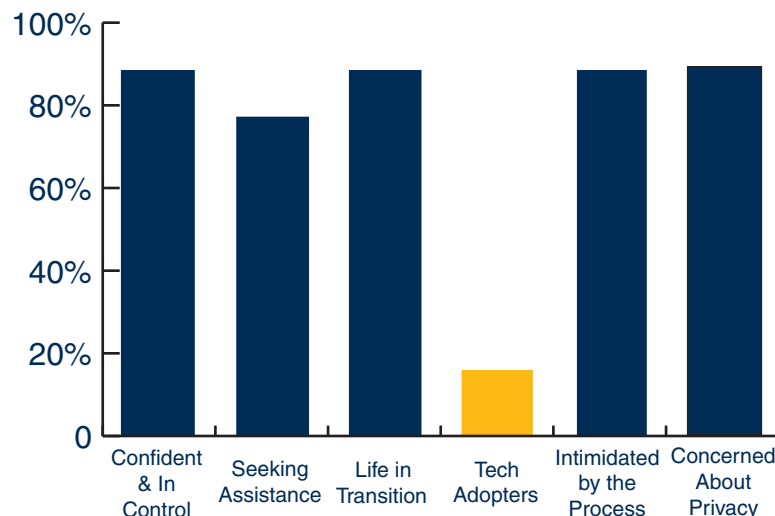
- Technologically savvy.
- Comfortable using the Internet and sharing information on-line.

This segment of taxpayers is technologically savvy, willing to try new things, and quite comfortable using the Internet including the sharing of their personal information on-line. From a demographic perspective, these taxpayers tend to be younger than the average, and with the highest levels of education and income among the six segments. They are much more likely to prepare their federal tax return themselves compared to the average, and the most likely taxpayer segment to use tax assistance software (among those who self prepare their returns) and to file their returns electronically. Compared to overall averages, these taxpayers are more likely to say they would contact the IRS for assistance and much more likely to prefer self-assistance over in-person help. Not surprisingly, they are also much more likely to have visited the IRS website or sent an e-mail to the IRS. Like the *Confident and In Control* segment, the *Tech Adopters* are also prime candidates for increased on-line IRS customer service offerings.

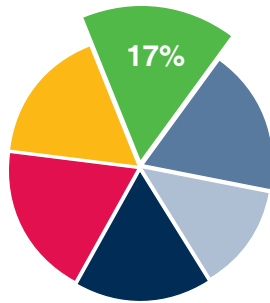
Used Paid Preparer to Complete Tax Return



Not Secure Sharing Personal Information Over Internet



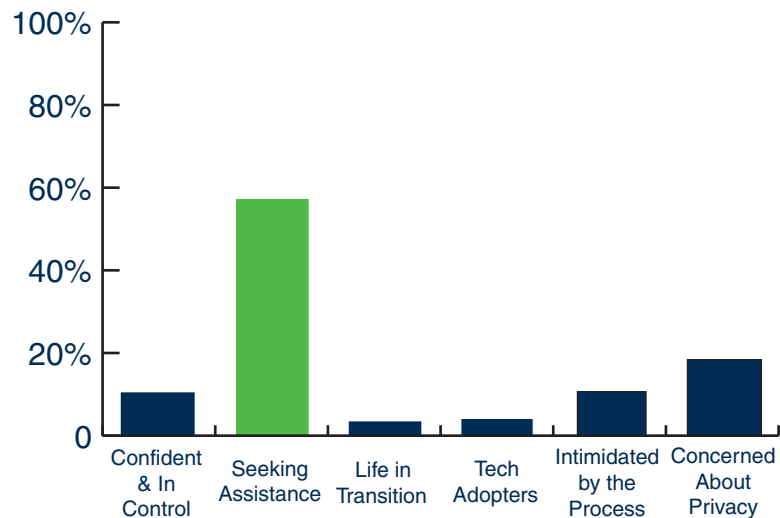
3. Seeking Assistance



- Most likely to use a paid preparer.
- One of the most likely to take out a refund anticipation loan.

These taxpayers are the most likely to use a paid preparer and one of the most likely to have taken out a refund anticipation loan. They have the least understanding of their own finances and generally do not feel confident in their ability to preparer their own tax return. Of the six taxpayer segments, these taxpayers are the most likely to speak a language other than English in the home. They are also more likely to be single, with the least education and lowest income of all the segments. By a wide margin, these taxpayers worry that those who help them prepare their returns will take advantage of them. They also value getting in-person help with their tax questions, and are the most likely to have called the IRS or visited an IRS office for help within the last two years. They are also the least likely segment to have Internet access at home or to have a checking or savings account.

Wish Had Better English Language Skills

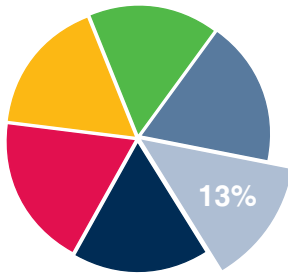


This segment is particularly reliant on others for assistance in navigating tax matters. The Board suggests that the IRS plan to address these taxpayers' needs in two ways: (1) by meeting their service requirements directly; and (2) by offering expanded services to them through volunteer tax preparers. To the extent it works to meet these service needs directly, the IRS may have to expand its efforts to inform taxpayers of the availability of IRS service channels; make the service experience as simple as possible; and evaluate how to most effectively use languages other than English. This segment will likely continue to favor in-person service options over on-line solutions until they have an increased level of comfort with telephone and Internet channels.

Taxpayer Customer Service and Channel Preference Survey

Because this segment is characterized by higher use of tax preparers, the Board also recommends that the IRS increase its services to tax preparers, such as increasing the availability and scope of services available to them through electronic channels. And since these taxpayers are concerned that preparers might take advantage of them, they would likely benefit and be in favor of some method of regulating professional tax preparers. Options for appropriate partnerships with third parties to better serve this segment should also be considered by the IRS.

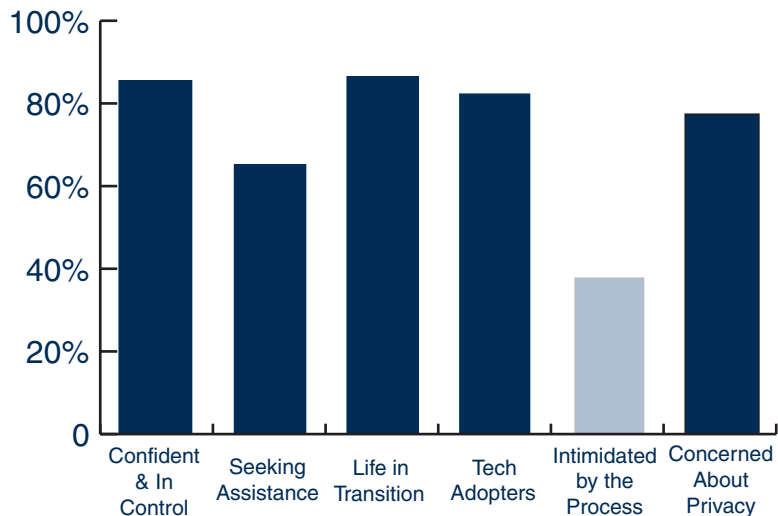
4. Intimidated by the Process



- Least confident in their ability to file returns by themselves.
- Least familiar with how to contact the IRS.
- Highest difficulty understanding tax forms and requirements.

Among the six segments identified, this group of taxpayers is the least confident in their ability to file returns by themselves, the least familiar with how to contact the IRS, and reports the highest difficulty in understanding tax forms and requirements. They are also more likely than average to use a paid preparer, but least likely to file by the April 15th deadline for individual tax returns. Demographically, these taxpayers are generally about average in education, slightly below average in income, and also slightly more likely than average to be disabled or impaired. Compared to overall averages, the taxpayers in this segment indicated they would be less likely to contact the IRS in all situations, except to make a payment; they also had contacted the IRS less frequently than average in the last two years, except to write a letter. It is possible that these two noted exceptions are related if their more frequent instances of sending the IRS a letter are because they need to make tax payments on pass due accounts (as some of the survey results suggest in Table 10 in Section VII, *Data Tables Relating to Taxpayer Segments*).

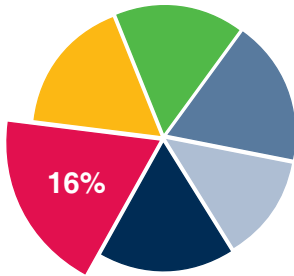
Know How to Reach IRS to Get Help



This group is particularly challenging for the IRS to serve since by inclination and behavior they tend not to see the IRS as a source for service, other than to make tax payments. However, if the higher than average frequency with which they send the IRS letters is a function of their need to make payments, then they also reflect a particularly inviting opportunity for the IRS. Providing enhanced pre-filing services may reduce the need for them to contact the IRS in the post-filing environment (i.e., to make tax payments on unpaid assessments). Thus, the opportunity is to possibly provide these particular taxpayers more effective customer service on the “front-end.”

Taxpayer Customer Service and Channel Preference Survey

This segment may present more challenges to the IRS than the *Seeking Assistance* segment, as they are not naturally inclined to contact the IRS for assistance, although they do generally require help. However, there are some similarities. Like the *Seeking Assistance* group, the IRS can help this group by meeting their service needs directly and by offering expanded service to tax preparers. The IRS may need to expand its efforts to inform taxpayers of the availability of IRS service channels and make the service experience as simple as possible. This segment will likely continue to favor in person service options over online solutions until they have increased their level of comfort with telephone and Internet channels.

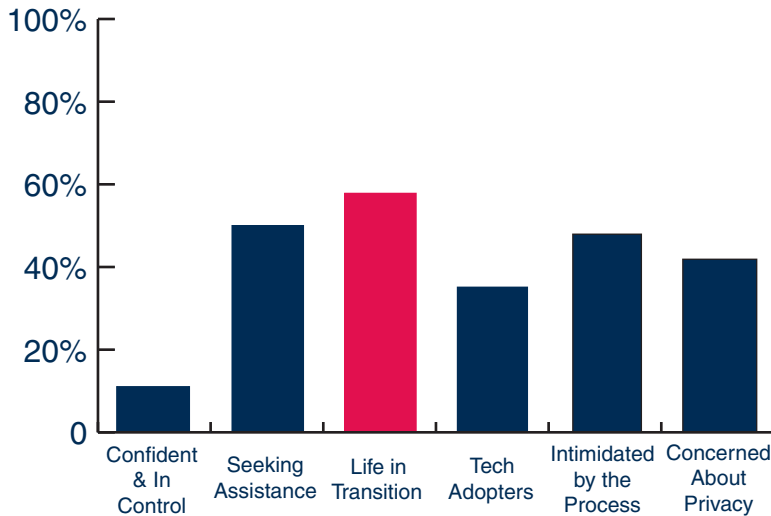


- Most likely to say they have a lot of significant changes in their life recently.
- Least likely to agree it is their civic duty to pay their fair share of taxes.

5. Life in Transition

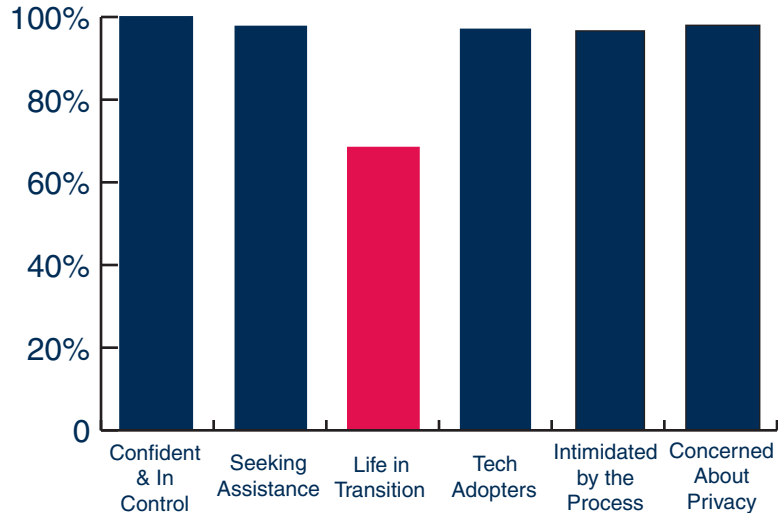
These taxpayers are more likely than average to use a paid preparer and are one of the groups most likely to have received a refund anticipation loan. They are also the most likely group to say they have had a lot of significant changes in their life recently, more likely than average to say they are living paycheck-to-paycheck, and by a large margin (see Table 8), the least likely to agree that it is their civic duty to pay their fair share of taxes. They are also the most likely segment to say they know how to get in touch with the IRS for help and are more likely than average to have done so over the last two years for help with tax law questions, earned income tax credit issues, and responding to an IRS notice or letter. They are slightly more likely than average to prefer in-person service over self assistance.

Significant Life Change Recently



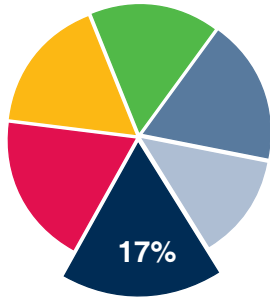
The taxpayers in this segment are the youngest of the six, below average in income, but slightly more likely to be college educated. This segment also reflects the highest concentration of women and the most likely segment to have recently married. These taxpayers not only need services from the IRS; they also have the most financial difficulties of any taxpayer segment.

Paying One's Taxes is a Civic Duty



This group of taxpayers is particularly challenging for the IRS. One strategy might be to provide better outreach and education so that these taxpayers are more fully aware of the range of available tax assistance. This might include various options to help them address any balance due tax situations, both in the short term (such as installment agreement or credit card alternatives) and in the long run (such as changes to their withholding amounts). In addition, this group of taxpayers indicates a slightly stronger preference for in-person service over self-service. Nevertheless, given their younger age profile and higher education levels, there may be opportunities for the IRS to move these taxpayers more toward Internet-based solutions.

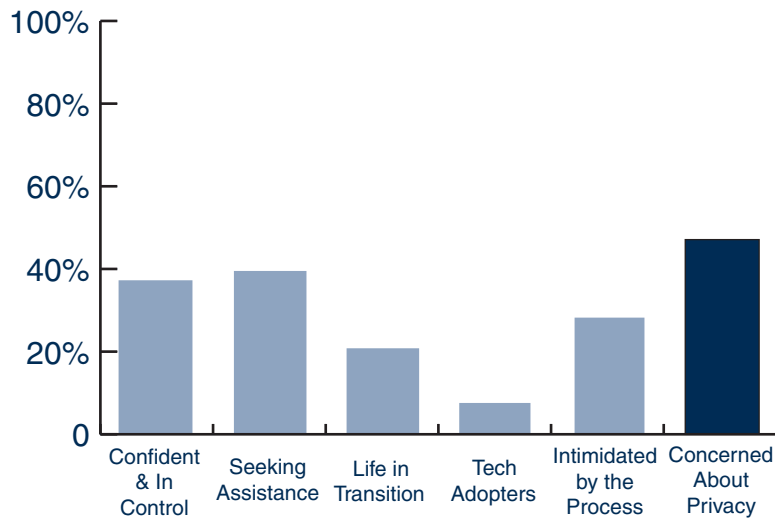
6. Concerned About Privacy



- Strong dislike for sharing personal information on-line.
- Most likely to use paper and pencil to self-prepare their returns.

This segment of taxpayers is generally confident in their ability to manage their finances, but not as confident when it comes to filing their taxes correctly. They have a strong dislike for sharing personal information over the Internet and they are the least likely group to file their returns electronically. Their use of paid preparers is slightly above the overall average, but they are the most likely segment to use paper and pencil (not tax preparation software) when they self prepare their own returns. This segment is the oldest group, most likely to be retired, most likely to report being disabled, and with the highest concentration of single filers. Overall, they are generally the least likely to say they would contact the IRS in any given situation, yet they are the second most likely group to have visited an IRS office in the last two years. They are also the segment that most prefers in-person assistance and the least likely to pursue self-assistance methods.

Uncomfortable Filing Taxes Electronically



Meeting the needs of this particular segment will be very challenging for the IRS, as their attitudes and behavior tend to rule out most Internet-based service delivery options. As a result, direct IRS customer service to this particular group will likely need to encourage the use of telephone services to resolve their issues, with in-person services reserved for the most difficult of problems. Taxpayers in this segment could reduce their own burden if they relied more heavily on the telephone as a service channel instead of in-person service.

Like the *Seeking Assistance* segment, perhaps a two-step strategy may be most effective. First, encourage these taxpayers to rely more on the telephone than in-person visits for the near term. Second, the IRS should target a message to this segment that encourages taxpayers to call first before visiting an IRS office. This will help to reduce their burden while still meeting their service needs.

Taxpayer Customer Service and Channel Preference Survey

Summary of Taxpayer Segments

Implications of these segments for possible IRS improvement strategies are only lightly touched upon. Further analysis is needed.

The six segments identified by Roper provide a much fuller and nuanced view of the diverse taxpayer groups the IRS must serve than can be gleaned by any single demographic profile, such as one by age or by income level. Still, the implications of these segments for possible IRS service improvement strategies have only been lightly touched upon in this report. Further analysis and consideration as to their value is needed.

In addition, the six taxpayer segments identified in this study are not the only meaningful groups that might be created in the pursuit of more targeted strategies to improve IRS customer service. Nevertheless, they should be a helpful point of reference in the process of developing strategies for a more efficient and effective IRS customer service operation; one that can meet the standards of leading businesses in the 21st century.

Since the composite survey responses presented in the Appendix do not present results by the taxpayer segments discussed in this report, Tables 3-10 are included in Section VII, *Data Tables Relating to Taxpayer Segments*. These tables provide some of the specific detail for the six taxpayer segments. Also, readers interested in finding out more about any aspect of this study are welcome to contact the IRS Oversight Board staff by e-mail at irsob@do.treas.gov, or by phone at (202) 622-2581.

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VII. Data Tables Relating to Taxpayer Segments

Table 3.
Percent of U.S. Taxpayer Households With Selected Actions Related to Federal Taxes
 by Taxpayer Segments

Selected Actions Related to Taxes	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
Used paid preparer to complete their returns	57	52	72	62	33	65	60
Filed their tax return electronically	48	37	51	59	61	47	33
Used tax software to prepare their return*	80	74	88	86	76	84	76
Took out a refund anticipation loan	12	9	20	18	5	8	11
Filed their tax return by April 15th	95	95	96	97	96	92	93
Received IRS notice regarding a return filing	17	16	11	18	21	16	17

* This question was only asked of those who self-prepared their return; in computing the above results, all returns from paid preparers were assumed to use tax software since this is the near universal practice today.

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Table 4.
Percent of U.S. Taxpayer Households Contacting the IRS Within the Last Two Years
 by Taxpayer Segments

Method of Contact with IRS	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
Any Contact with IRS	41	40	33	38	57	33	42
Called the IRS*	22	19	24	21	24	18	22
Visited an IRS Office in Person*	3	3	7	3	2	1	5
Sent an e-mail to IRS*	4	2	2	2	9	4	3
Sent the IRS a Letter*	6	4	2	3	9	12	8
Visited the IRS Website*	25	28	11	20	48	15	24

* These percentages are not mutually exclusive due to instances of multiple channel contacts by the same taxpayer.

Table 5.
Percent of U.S. Taxpayer Households Who Are VERY LIKELY or SOMEWHAT LIKELY to Contact the IRS for Assistance in Given Situations
 by Taxpayer Segments*

Situation Requiring Help	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
In securing tax forms or publications	65	67	67	68	64	61	60
With tax law questions	66	65	70	71	75	58	57
In preparing tax return	51	46	63	53	53	47	43
In securing copy of prior year return	61	58	69	62	65	55	55
In responding to an IRS notice/letter	80	75	80	83	89	76	75
In resolving a tax dispute or error	79	77	75	77	90	78	76
In making a tax payment	67	64	74	66	71	74	57

* Respondents had a choice of five responses to each situation: the above table reports only the share who responded “very likely” or “somewhat likely.”

Taxpayer Customer Service and Channel Preference Survey

Table 6.
Percent of U.S. Taxpayer Households Who STRONGLY AGREE or SOMEWHAT AGREE with the Following Statements About Personal Finances/Situations by Taxpayer Segments*

Statement about Personal Finances or Situations	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
I often feel like I live paycheck to paycheck.	42	18	63	56	28	62	33
I have had a lot of significant life changes recently.	40	11	50	59	35	49	41
I wish I had better English reading and writing skills.	17	10	57	4	4	10	18
I wish I had better understanding of my finances.	34	13	70	28	22	56	20
I feel confident in my own ability to solve financial problems that come up in my everyday life.	93	99	85	92	98	86	96

* Respondents had a choice of five responses to each statement: the above table reports only the share who responded “strongly agree” or “somewhat agree.”

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Table 7.

Percent of U.S. Taxpayer Households Who STRONGLY AGREE or SOMEWHAT AGREE with the Following Statements About Internet-Related Activities

by Taxpayer Segments*

Statement about Internet-Related Activities	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
I feel comfortable shopping and purchasing online.	51	46	16	56	89	58	43
I enjoy doing research on the Internet.	63	65	37	64	87	62	64
I like being the first in my group of friends to try new products.	40	44	53	36	45	33	27
I don't feel secure sharing personal financial info over the Internet, even with a government agency.	73	87	77	88	16	87	89

* Respondents had a choice of five responses to each statement: the above table reports only the share who responded "strongly agree" or "somewhat agree."

Table 8.

Percent of U.S. Taxpayer Households Who STRONGLY AGREE or SOMEWHAT AGREE with the Following Statements About Taxes in General

by Taxpayer Segments*

Statement about Taxes in General	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
I am confident in my ability to file my taxes correctly.	77	92	70	82	88	56	68
I like to stay up-to-date with changes in tax law that might affect me.	74	89	80	71	77	57	62
It's my civic duty to pay my fair share of taxes.	94	100	99	69	97	97	99
I worry that people will take advantage of me when I get them to help me file my taxes.	14	7	40	6	9	13	7
I have difficulty understanding tax forms/ requirements.	51	23	75	46	32	80	63
I don't feel comfortable filing my taxes electronically.	30	37	39	20	7	29	46
I like getting help in person with my tax questions.	71	54	92	75	50	84	79

* Respondents had a choice of five responses to each statement: the above table reports only the share who responded "strongly agree" or "somewhat agree."

Taxpayer Customer Service and Channel Preference Survey

Table 9.

Percent of U.S. Taxpayer Households Who **STRONGLY AGREE** or **SOMEWHAT AGREE** with the Following Statements About the IRS by Taxpayer Segments*

Statement about the IRS	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
The IRS has taken steps to make tax filing easier.	55	63	69	67	61	39	31
I know how to get in touch with the IRS if I need help.	74	86	66	88	81	38	77
I worry about being audited because of mistakes or complexity in my return.	22	17	33	16	21	41	6
I would go to the IRS for help in filing my taxes if there was an assistance office close by.	49	43	62	42	48	49	51
I would be more likely to file my return on time if I had help from the IRS in preparing my return.	19	11	37	21	14	19	13
My return would be more accurate if I could more easily contact IRS and get help in filing.	30	20	46	25	30	40	24
The IRS ensures all taxpayers pay their fair share.	39	57	67	36	31	25	13
The IRS is doing a good job of making tax system fair to everyone.	31	43	57	31	22	14	15
I would feel comfortable getting help with my taxes from the IRS over the phone.	53	48	38	54	75	46	55
If the IRS offered tools to empower me to answer my own tax questions or check the status of my refund, I would use them rather than seeking in-person help.	63	61	58	59	86	64	51

* Respondents had a choice of five responses to each statement; the above table reports only the share who responded “strongly agree” or “somewhat agree.”

IRS Oversight Board

Table 10.
Method, Frequency and Initiator of Contact with the IRS
 by Taxpayer Segments*

Method of Contact and Initiator	Percentage of Taxpayer Segments						
	Total All Taxpayers %	Confident & In Control %	Seeking Assistance %	Life in Transition %	Tech Adopters %	Intimidated by the Process %	Concerned About Privacy %
Section I:							
CALLED THE IRS	22	19	24	21	24	18	22
Self-Initiated Calls*	17	17	17	17	21	11	17
IRS-Induced Calls*	5	3	7	4	3	8	5
Section II:							
VISITED AN IRS OFFICE	3	3	7	3	2	1	5
Self-Initiated Visit*	3	2	7	2	2	1	4
IRS-Induced Visit*	1	2	0	1	0	0	1
Section III:							
SENT AN E-MAIL TO IRS	4	2	2	2	9	4	3
Self-Initiated e-mail*	3	1	2	2	8	2	3
IRS-Induced e-mail*	1	1	0	0	1	1	1
Section IV:							
VISITED THE IRS WEBSITE	25	28	11	20	48	15	24
Self-Initiated Web visit*	25	27	11	20	47	15	24
IRS-Induced Web visit*	1	1	0	1	1	0	0
Section V:							
SENT A LETTER TO THE IRS	6	4	2	3	9	12	8
Self-Initiated Letter*	3	1	1	1	5	5	3
IRS-Induced Letter*	4	3	1	2	5	8	5

* IRS-induced contacts were defined as those seeking help with a tax payment dispute or error; responding to an IRS notice; making a payment; or being audited. All other contact reasons captured by the survey (see Q18 in the Appendix) were treated as self-initiated. Detail may not add due to rounding.

Notes and References

1. The margin of error for the total sample of 1,000 is +/- 3.1 percentage points, and +/- 9.8 percentage points for the TAC oversample. The reported results for the TAC oversample were unweighted.
2. United States Congress, Report 109-307. *Making Appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and Independent Agencies for the Fiscal Year Ending September 30, 2006, and for Other Purposes*, November 18, 2005.
3. The interview screening process used to locate the adult in the household most responsible for preparing federal taxes and the weighting approach for the total sample based on Census household data tended to somewhat over represent those taxpayers with the filing status “married filing jointly” and somewhat underrepresent those with the filing status “single”—compared to the overall population of individual income tax returns. The “singles” being underrepresented in the survey are primarily the return-filing children (or other single adults) living in a household headed by a married couple.
4. For purposes of the analysis in this report, the IRS induced contacts were defined as those instances where the taxpayers indicated their reason for contacting IRS was (a) seeking help with a tax payment dispute or error; (b) responding to an IRS notice/letter; (c) making a payment; or (d) an audit. All other reasons for contact with the IRS captured by the survey were treated as self initiated. For a complete list of reasons given by taxpayers for contacting the IRS, see responses to Q18 in the Appendix.
5. Based on TAC oversample.
6. Results for taxpayer expectations and actual experience based on TAC oversample. Results for rating of “better” or “same” based on total sample due to data availability.

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Appendix:

Composite Responses to IRS Service Channel Survey Questions

Introduction:

Individuals reached in this Roper phone survey were initially read a statement explaining that the survey was being done on behalf of the Internal Revenue Service Oversight Board and that its purpose was to understand how to improve IRS service availability and accessibility. The individuals contacted were then asked a series of screening questions so as to end up with a respondent who was at least 18 years of age and was the person in that household primarily responsible for filing last year's federal tax return (i.e., the tax year 2004 return filed during calendar year 2005).

Results:

Notes: Percentages based on total respondents (n=1000) are weighted. Percentages based on TAC (n=135) are not weighted. These bases apply unless otherwise specified.

* = Less than .5%

S3. Which of the following best describes your filing status on last year's federal tax return?

	Total	TAC
Single	25%	33%
Married, filing jointly	62	45
Married, filing separately	2	3
Head of household (single with dependent parent or child)	9	18
Qualifying Widow(er) with dependents	2	1

S4. Who was the main individual that prepared your federal tax return?

	Total	TAC
You (SELF PREPARER)	38%	47%
Another family member in the household (ask to speak with that person and restart interview)	*	-
A paid tax preparer (if needed...such as an accountant, or tax service like H&R Block or Jackson-Hewitt)	57	43
The IRS	-	4
A volunteer, such as someone working at a VITA (Volunteer Income Tax Assistance center) or TCE (Tax counseling for the Elderly) volunteer	3	4
Other	3	1
Don't know	*	1

Q1. Which of the following forms did you use when you filed last year's tax return?

	Total	TAC
Short form 1040 EZ	11%	5%
Short form 1040 A	16	13
Long form 1040	50	57
Don't know	23	25
Refused	*	-

If "Long Form" in Q1, asked Q2-3c. All others skipped to Q4.

Q2. Did you file schedule A for itemized deductions, such as mortgage interest, state tax payments, charitable deductions?

	Total (n=535)	TAC (n=77)
Yes	80%	70
No	16	26
DK	3	4

Q3a. Did you file schedule C for a small business income?

	Total (n=535)	TAC (n=77)
Yes	27%	34%
No	73	66

Q3b. Did you file schedule E for supplemental income, such as rental income, royalties and trusts?

Among those who use long form

	Total (n=535)	TAC (n=77)
Yes	16%	16%
No	84	84

Q3c. Did you file schedule F for small farm income?

Among those who use long form

	Total (n=535)	TAC (n=77)
Yes	4%	1%
No	96	99

Taxpayer Customer Service and Channel Preference Survey

IF "Yes" to Q3a, Q3b OR Q3c, respondent = "SELF-EMPLOYED FILER"

Q4. Did you claim the EITC, otherwise known as the Earned Income Tax Credit, which is a refundable tax credit for low and middle income working families and individuals?

	Total	TAC
Yes	17%	24%
No	69	64
DK	14	12

Q5. Did you electronically file your federal taxes last year? Electronic filing lets individual taxpayers electronically file a return without sending any paperwork to the IRS.

	Total	TAC
Yes	48%	50%
No	49	47
DK	3	4

ASKED ONLY OF SELF PREPARERS FROM S4

Q6. Did you use tax assistance software, such as Turbo Tax, to prepare last year's tax return or did you prepare your return manually, using paper and pencil?

Among those who are self preparers

	Total (n=379)	TAC (n=63)
Used Tax assistance software	54%	43%
Used Paper and Pencil	43	52
Don't Know	3	5

ASKED ONLY THOSE WHO USED PAID PREPARER FROM S4

Q7. Did you get a tax refund anticipation loan or other kind of rapid refund from your preparer in the last two years? A tax refund anticipation loan is an immediate loan issued by your tax preparer against your anticipated tax refund.

Among those who used paid preparer

	Total (n=550)	TAC (n=56)
Yes	21%	27%
No	77	66
DK	3	7

ASKED OF ALL

Q8. Did you file last year's federal tax return on time, by April 15th 2005?

	Total	TAC
Yes	95%	92%
No	5	8
Don't know	* -	

If "No" in Q8, Asked Q8a and 8b. All others skipped to Q9.

Q8a. Did you request an extension to file with the IRS for last year's return?

Among those who did not file last year's return on time

	Total (n=51)	TAC (n=11)
Yes	87%	64%
No	11	36
DK	2	-

Q8b. Why didn't you file last year's tax return by April 15th 2005?

Among those who did not file last year's return on time

	Total (n=51)	TAC (n=11)
Didn't have all the necessary information to file	41%	36%
Procrastinated	8	36
Didn't know I needed to file	1	-
Could not pay what I owed	2	-
Tax preparer was not able to file in time	14	-
Didn't have time/Too busy	18	9
Other (specify)	14	9
None	-	9
Don't know	7	-

ASKED OF ALL

Q9. Did you owe money to the IRS, or did you expect a refund from the IRS last year? (your 2004 federal taxes)

	Total	TAC
Owed money (<i>skip to 11</i>)	21%	25%
Expected refund (<i>ask 10</i>)	73	69
Don't know	6	6

Q10. If you received a refund from the IRS, did you receive your refund through direct deposit to your bank account?

Among those who expected a refund

	Total (n=714)	TAC (n=93)
Yes	49%	43%
No	49	52
Did not Receive a refund	1	3
DK	2	2

Taxpayer Customer Service and Channel Preference Survey

Q11. Now I am going to read you some general statements about the way you might feel about your own personal situation. For each one, please tell me whether you agree strongly, agree somewhat, neither agree nor disagree, disagree somewhat or disagree strongly.

	Strongly/Somewhat Agree		Neither Agree nor Disagree		Strongly/Somewhat Disagree		Don't Know/Refused	
	Total	TAC	Total	TAC	Total	TAC	Total	TAC
RANDOMIZE								
a. I often feel like I live paycheck to paycheck	42%	44%	4%	7%	53%	49%	2%	1%
b. I have had a lot of significant changes in my life recently	40	49	5	2	54	47	1	2
c. I wish I had better English reading and writing skills	17	32	4	4	78	63	1	1
d. I wish I had a better understanding of my finances	34	44	7	3	58	50	2	4
e. I feel comfortable shopping and purchasing online	51	36	5	6	40	54	4	4
f. I enjoy doing research on the Internet	63	58	6	6	27	32	4	4
g. I don't feel secure sharing personal financial information over the Internet, even if it is with a government agency	73	73	4	4	21	21	2	2
h. I usually pay my bills on time	97	96	1	1	2	3	*	-
i. I feel confident in my own ability to solve financial problems that come up in my everyday life	93	92	2	-	5	7	1	1
j. I enjoy managing my household finances	78	78	6	4	15	17	1	1
k. I like being the first in my group of friends to try new products and services	40	38	20	17	39	42	1	3
l. Generally, I prefer to do things myself, such as self-check out at the grocery store, or self check-in at the airport, rather than getting someone to give me in-person help.	57	62	8	7	34	30	1	-

Q11a. Earlier you said you that you strongly [or somewhat] agreed that you don't feel secure sharing personal financial information over the Internet, even if it is with a government agency? Can you please tell me why you feel that way? Please be as specific as possible.

Among those who don't feel secure sharing personal financial information over the Internet, even if it is a government agency

	Total (n=742)	TAC (n=98)
Not confident my privacy is protected	37%	42%
Not confident the Internet is secure	46	41
Internet is too complicated	3	-
Don't have Internet access	3	5
Afraid of identity theft	6	2
Don't like giving out personal information	4	5
Afraid of hackers	3	1
Afraid of scams or fraud	3	2
Don't trust the Internet	2	3
Not computer savvy	2	3
Other	12	12
None	1	-
Don't know	3	4

Taxpayer Customer Service and Channel Preference Survey

Q12. I'm going to read you some statements regarding how you might feel about your recent federal tax filing experience. For each one, please tell me whether you agree strongly, agree somewhat, neither agree nor disagree, disagree somewhat or disagree strongly.

	Strongly/Somewhat Agree		Neither Agree nor Disagree		Strongly/Somewhat Disagree		Don't Know/Refused	
	Total	TAC	Total	TAC	Total	TAC	Total	TAC
RANDOMIZE								
a. I am confident in my ability to file my federal taxes correctly	77%	79/%	4/%	4/%	17/%	16/%	2/%	2/%
b. I like to stay up-to-date with changes in the tax laws that might affect me or my family	74	80	8	6	16	11	2	3
c. The IRS has taken steps to make federal tax filing easier for taxpayers	55	60	12	10	26	25	7	5
d. I know how to get in touch with the IRS if I needed help filing my taxes	74	82	3	2	21	13	2	3
e. I feel comfortable asking my friends questions about how to file my taxes	39	39	11	4	49	56	1	1
f. Its my civic duty to pay my fair share of taxes	94	93	3	1	3	4	1	2
g. I worry that people will take advantage of me when I get them to help me file my taxes	14	24	10	13	75	57	2	7
h. I have difficulty understanding tax forms and tax requirements	51	52	7	7	40	39	1	2
i. I don't feel comfortable filing my taxes electronically	30	41	10	7	58	48	3	4
j. I like getting help in person with my tax questions	71	76	10	7	17	15	2	1
k. I worry about being audited by the IRS because of mistakes or complexity in my return	22	24	7	11	70	62	1	2
l. I would go to the IRS for help in filing my taxes if there was an assistance office close by	49	60	9	9	40	30	1	1
m. I would be more likely to file my return on time if I had help from the IRS in preparing my return	19	40	17	15	60	42	5	3
n. My tax return would be more accurate if I could more easily contact the IRS and get help in filing my return	30	43	16	13	51	40	3	4
o. The IRS ensures that all taxpayers pay their fair share of taxes	39	47	9	9	48	40	4	4
p. The IRS is doing a good job of making the tax system fair to everyone	31	42	13	13	50	43	6	2
q. I would feel comfortable getting help with my taxes from the IRS over the phone	53	53	8	7	37	38	2	2
r. If the IRS offered tools to empower me to answer my own tax questions or check on the status of my refund, I would use them rather than seeking in-person help	63	70	8	7	26	21	2	2

If 4 or 5 to item "i" from Q12, asked 12a. All others skipped to Q12b.

Q12a Earlier you said you that you strongly [or somewhat] agreed that you don't feel comfortable filing your taxes electronically? Can you please tell me why you feel that way? Please be as specific as possible.

Among those who don't comfortable sharing filing their taxes electronically

	Total (n=314)	TAC (n=56)
Not confident my privacy is protected	20%	27%
Not confident the Internet is secure	25	21
Easier to do it in person	4	7
Internet is too complicated	9	7
Don't have Internet access	5	4
Like to use paper method	7	7
Never done it before	5	-
Not computer/internet savvy	5	5
I use a tax preparer	4	4
I like the way I currently file	4	2
Don't want to pay the fee	4	-
Don't like computers/Internet	3	5
Afraid of making mistakes	3	5
Other	14	13
None	1	-
Don't know	6	5

If 4 or 5 to item "m" from Q12, asked 12b. All others skipped to Q13.

Q12b Earlier you said you strongly [or somewhat] agreed that you would be more likely to file your return on time if you had help from the IRS in preparing your return? Can you please tell me what type of assistance you would like from the IRS in preparing your return? Please be as specific as possible.

Among those who would be more likely to file return on time if they has help from the IRS in preparing their return

	Total (n=178)	TAC (n=54)
In person assistance	20%	28%
Telephone assistance	16	9
Understandable more simple instructions	10	-
Online assistance	5	4
Help in selecting the proper form/schedule	6	6
Assistance	6	15
Be available for access	4	7
Help with a tax-law question	7	4
Help in getting the right tax form	4	9
Help in understanding eligibility or help in filing for the Earned Income Tax Credit	3	4
Help with a tax payment dispute or error	1	4
Other	9	11
None	1	-
Don't know	20	9

Taxpayer Customer Service and Channel Preference Survey

Q13. How likely would you be to contact the IRS for help in the following situations? By help, I mean not simply filing but asking for help in how to file or get information for that specific situation. Would you say you would be very likely, somewhat likely, not very likely or not at all likely?

	Very/Somewhat Likely		Strongly/Somewhat Disagree		Don't Know/Refused	
	Total	TAC	Total	TAC	Total	TAC
RANDOMIZE						
Making a payment to the IRS	67%	75%	30%	24%	3%	1%
Receiving tax forms and publications	65	77	33	22	3	1
Getting a prior year's tax return	61	70	35	30	4	1
Help with a tax-law question	66	77	31	21	3	1
Help in preparing a tax return	51	64	47	36	2	-
Help with responding to an IRS notice or letter	80	83	18	14	3	3
Help in understanding eligibility or help in filing for the Earned Income Tax Credit, a refundable tax credit for low and middle income working families and individuals	47	56	49	39	4	6
Help with a tax payment dispute or error	79	85	19	12	3	3
Applying for an Individual Taxpayer Identification Number (ITIN)	56	56	33	36	10	8
Among those who are self employed (n=209 for Total, n=33 for TAC)						
Help with payroll taxes	30	39	65	55	5	6
Help with making deposits of estimated taxes	51	48	47	52	2	-
Applying for an Employer Identification Number (EIN)	52	58	46	36	2	6

IRS Oversight Board - Appendix

Q14. What would be your first and second most preferred ways of contacting the IRS for:

FIRST CHOICE

Among those who would be somewhat/very likely to contact the IRS for help in the following areas

	Payment		Tax Forms		Past Return		Tax Law	
	Total (n=657)	TAC (n=101)	Total (n=649)	TAC (n=104)	Total (n=592)	TAC (n=94)	Total (n=657)	TAC (n=104)
Call the IRS toll free number	40%	38%	27%	16/%	43/%	35/%	51/%	47/%
Visit an IRS office for in-person help	14	29	13	34	15	33	14	29
Write an e-mail to the IRS	9	4	8	1	10	2	9	3
Visit the IRS website	16	6	30	19	22	13	21	18
Regular mail to the IRS	16	21	8	14	7	13	2	2
Visit a free, community based tax site, such as a local library or local school, sometimes called a VITA	4	1	12	13	2	2	2	1
Don't know	1	1	1	3	2	2	1	-

	Tax Return		Notice		EITC		Dispute/Error		ITIN	
	Total (n=505)	TAC (n=87)	Total (n=786)	TAC (n=112)	Total (n=465)	TAC (n=75)	Total (n=782)	TAC (n=115)	Total (n=551)	TAC (n=76)
Call the IRS toll free number	45%	29%	64%	55%	48%	45%	61%	45%	43%	41%
Visit an IRS office for in-person help	4	48	17	34	15	29	22	42	14	33
Write an e-mail to the IRS	6	3	6	2	6	3	5	3	11	5
Visit the IRS website	16	9	6	4	21	5	6	1	22	8
Regular mail to the IRS	2	5	4	4	3	4	3	4	6	9
Visit a free, community based tax site, such as a local library or local school, sometimes called a VITA	5	3	2	-	3	5	1	1	2	1
Don't know	3	2	1	-	4	8	2	4	1	3

Taxpayer Customer Service and Channel Preference Survey

Q15. SECOND CHOICE:

	Payment		Tax Forms		Past Return		Tax Law	
	Total (n=657)	TAC (n=101)	Total (n=649)	TAC (n=104)	Total (n=592)	TAC (n=94)	Total (n=657)	TAC (n=104)
Call the IRS toll free number	27%	24%	26%	23%	27%	20%	27%	22%
Visit an IRS office for in-person help	18	29	15	24	19	24	19	32
Write an e-mail to the IRS	16	10	14	7	18	11	19	17
Visit the IRS website	12	7	13	12	12	7	14	9
Regular mail to the IRS	13	12	13	10	14	17	9	2
Visit a free, community based tax site, such as a local library or local school, sometimes called a VITA	8	10	14	16	4	9	6	11
Don't know	6	9	5	9	6	12	5	8

	Tax Return		Notice		EITC		Dispute/Error		ITIN	
	Total (n=505)	TAC (n=87)	Total (n=786)	TAC (n=112)	Total (n=465)	TAC (n=75)	Total (n=782)	TAC (n=115)	Total (n=551)	TAC (n=76)
Call the IRS toll free number	30%	33%	21%	20%	30%	23%	23%	26%	29%	24%
Visit an IRS office for in-person help	20	18	22	29	23	31	22	27	18	28
Write an e-mail to the IRS	14	13	20	15	17	13	20	12	20	11
Visit the IRS website	11	8	13	7	9	4	11	6	11	8
Regular mail to the IRS	8	3	14	11	9	8	14	13	13	11
Visit a free, community based tax site, such as a local library or local school, sometimes called a VITA	8	14	4	8	5	7	4	4	4	11
Don't know	7	10	5	10	7	15	5	11	5	9

Q16. And, in general, when you seek help from the IRS would you...*[READ LIST, ROTATED]*?

	Total	TAC
Prefer in-person help, like on the phone or in an IRS office	70%	84%
Prefer helping yourself, such as an automated system, like a telephone menu or the Internet	27	14
Don't know	3	1

If yes to Q17a, asked Q18 for that item right after. Then, went back to Q17b and so on.]

Q17. Did you contact the IRS in any of the following ways in the last two years for any reason?

ROTATED

a. Called the IRS on the telephone

	Total	TAC
Yes	22%	51%
No	78	47
Don't know	1	2

b. Visited an IRS office for in-person help

	Total	TAC
Yes	3%	100%
No	96	-
Don't know	*	-

c. Written an e-mail to the IRS

	Total	TAC
Yes	4%	5%
No	96	95
Don't know	*	-

d. Visited the IRS website, other than to file taxes

	Total	TAC
Yes	25%	33%
No	75	67
Don't know	1	-

e. Sent the IRS a letter in the mail, other than to file taxes

	Total	TAC
Yes	6%	15%
No	93	85
Don't know	*	-

For "Yes" in Q17a-e, asked Q18.

Q18. What was the main reason that you contacted IRS [from Q17]? *[READ LIST] ACCEPTED ONLY ONE RESPONSE AND CLARIFIED AS NECESSARY THAT ONLY ASKING ABOUT THE MOST RECENT EXPERIENCE*

Among those who have done the following for any reason in the past two years

	Called		Visited Office		E-mailed		Visited Website		Sent Letter	
	Total (n=203)	TAC (n=69)	Total (n=34)	TAC (n=135)	Total (n=33)	TAC (n=7)	Total (n=245)	TAC (n=44)	Total (n=67)	TAC (n=20)
Making a payment	7%	9%	6%	4%	-%	-%	*%	-%	12%	15%
Help in receiving tax forms and publications	14	17	52	29	12	14	38	45	5	15
Help in getting a prior year's tax return	6	4	7	4	7	-	2	2	3	-
Help with a tax-law question	15	12	7	8	8	29	17	11	-	-
Help in preparing a tax return	7	12	-	16	17	14	6	5	3	-
Check if payment/forms were received	3	3	-	-	2	14	1	-	-	-
For work	2	-	-	-	6	-	2	-	7	-
Filing for an extension	1	-	2	1	3	-	-	-	4	5
Death notification questions	*	-	3	2	-	-	1	-	-	-
General information	1	4	3	2	3	-	4	7	-	10
Getting forms or publications	*	-	-	5	9	-	10	11	3	-
Help with responding to an IRS notice or letter	3	4	2	4	3	-	-	2	12	30
Information on changes	-	-	-	-	-	-	4	2	-	-
Help with a tax payment dispute or error	11	10	3	2	13	-	2	2	32	15
Audit	2	3	-	3	-	-	-	-	4	-
Help with payroll taxes	1	3	-	2	-	-	1	2	-	5
Applying for an Individual Taxpayer Identification Number (ITIN)	-	1	-	1	-	14	-	2	-	-
Check on refund status	9	3	-	1	-	-	5	2	2	-
To make a correction	1	1	-	-	-	-	-	-	6	-
Address	2	3	-	-	-	-	*	2	-	-
Instructions	1	-	-	1	-	-	2	2	-	-
Deposits	1	-	-	-	-	-	-	-	-	-
EITC	2	-	-	-	-	-	-	-	-	-
EIN	1	-	-	1	-	-	1	-	1	-
Social Security	1	-	1	1	2	-	1	-	-	-
Other	3	6	4	4	8	-	4	7	6	5
None	-	-	-	4	-	14	-	-	-	-
Don't know	7	4	9	7	5	-	2	2	2	-

If “No” to Q17a, 17b, 17c, 17d AND 17e Skipped to Q22. All others continued to Q18a.

Q18a. Thinking overall, how satisfied were you with your contact with the IRS in relation to other contacts you have had with other federal or state government agencies? Would you say it was better, the same, or worse?

Among those who had any contact with the IRS in the last 2 years

	Total (n=393)	TAC (n=135)
Better	32%	35%
Same	53	47
Worse	8	10
Don't Know/Refused	6	8

If “Worse” in Q18a, asked Q18b. All others skipped to Q18c. MULTIPLE RESPONSES ACCEPTED

Q18b. Why was it worse (pre-code)?

Among those who had contact with the IRS that was worse than other governmental agencies

	Total (n=34)	TAC (n=14)
Took too long/waited too long	29%	29%
Unfriendly/unhelpful staff	13	21
Hard to find right person/department to help	15	7
Problem wasn't resolved	24	36
Telephone problems	13	-
Lack of follow-through	2	-
Taxes are too complicated	5	-
Process to resolve is too complicated	4	-
No one has authority to help	2	-
Unknowledgeable	17	-
Don't know	5	-
Other	20	29

For each “Yes” in Q17a-e, asked Q18c and 18d.

Q18c. When you [contacted] IRS by (response from 17) for [reason noted from 18], did you expect to resolve this issue with just one contact to the IRS?

Among those who called gave an answer to Q18 and said the following

	Called		Visited office		Emailed		Visited website		Sent letter	
	Total (n=189)	TAC (n=66)	Total (n=31)	TAC (n=126)	Total (n=31)	TAC (n=7)	Total (n=241)	TAC (n=43)	Total (n=66)	TAC (n=20)
Yes	81%	7%	94%	86%	73%	71%	82%	67%	71%	65%
No	17	23	3	11	27	14	16	23	26	35
Don't Know	2	5	3	3	-	14	3	9	3	-

Taxpayer Customer Service and Channel Preference Survey

Q18d And did you resolve this issue with just one contact to the IRS?

Among those who called gave an answer to Q18 and said the following

	Called		Visited office		Emailed		Visited website		Sent letter	
	Total (n=189)	TAC (n=66)	Total (n=31)	TAC (n=126)	Total (n=31)	TAC (n=7)	Total (n=241)	TAC (n=43)	Total (n=66)	TAC (n=20)
Yes	65%	56%	83%	70%	51%	71%	78%	65%	58%	35%
No	32	41	17	26	47	14	19	30	37	60
Don't Know	2	3	-	4	2	2	3	5	5	5

For each "Yes" in Q17a,b,e asked Q19.

Q19. Earlier you said you had [contacted IRS by (response from Q17a,b,e) for [reason noted from Q18]. Would you consider contacting the IRS online instead to find the information needed or resolve the situation?

	Called		Visited office		Sent Letter	
	Total (n=189)	TAC (n=66)	Total (n=31)	TAC (n=126)	Total (n=66)	TAC (n=20)
Yes	52%	47%	23%	42%	49%	50%
No	45	47	77	55	42	45
Don't Know	3	6	-	3	9	5

If "No" to Q19, asked Q20. All others skipped to Q21.

Q20. Why wouldn't you visit the website to get the information?

Among those who would not go online instead of the following

	Called		Visited office		Sent Letter	
	Total (n=86) 12%	TAC (n=31) 26%	Total (n=23) 9%	TAC (n=69) 14%	Total (n=26) -%	TAC (n=9) -%
Don't have Internet access						
Internet too complicated	15	13	11	14	4	11
Hard to find the information on IRS website	8	-	5	4	2	-
Convenience of personal contact	2	13	22	9	4	-
Privacy not protected online	5	6	7	3	6	-
Data not secure online	6	-	4	1	-	11
Prefer personal contact	22	16	8	14	23	44
Want to be sure my concerns were heard in person	3	6	-	3	-	-
Better able to resolve situation another way	3	3	-	1	34	11
Don't know how	5	6	7	4	-	-
Don't have computer	8	3	12	9	-	-
Don't like computers or the Internet	5	6	8	6	4	11
Other	4	-	7	13	23	11
Don't know	3	-	-	3	-	-

ASKED ALL

Q21. Have you received a notice or letter from the IRS in the last two years regarding a tax filing?

	Total	TAC
Yes	17%	28%
No	83	72

If "Yes" in Q17b asked Q22 – Q28. All others skipped to D1.

Taxpayer Customer Service and Channel Preference Survey

Q22. On a scale of 1 to 5 where one is poor and 5 is excellent, please rate the following aspects of your most recent visit to the IRS office for in-person help.

Among those who have visited an IRS office for in person for any reason in the last 2 years
(n=34 for total and n=135 for TAC)

	Top 2 Box (5/4)		3		Bottom 2 Box (2/1)		Don't Know/ NA	
	Total	TAC	Total	TAC	Total	TAC	Total	TAC
Convenience of location	74%	71%	5%	11%	20%	14%	-	4%
Wait time	58	56	26	23	10	16	5	6
Helpfulness of staff	80	76	11	11	6	7	3	5
Ability to resolve issue or get what was needed	76	71	11	13	10	11	3	5
Accuracy of help from IRS representative	75	63	14	20	6	7	5	10
Availability of personnel	60	53	20	27	17	13	3	6
Adequate parking and accessibility	70	63	9	13	18	22	3	7
Reasonable hours of operation	70	63	16	19	8	12	5	6
Ease of locating the office	83	75	3	9	11	12	3	4
Ease of getting bilingual assistance	43	37	5	10	3	6	49	47

Q23. Did you experience any problems at the IRS office?

Among those who have visited an IRS office for in person for any reason in the last 2 years

	Total (n=34)	TAC (n=135)
Yes	8%	11%
No	92	87
Don't know	-	1

Q23a. What problems did you experience at the IRS office?

Among those who experienced any problems at the IRS office

	Total (n=3)	TAC (n=15)
Not enough assistors	-%	-%
Waited too long	-	20
Hours were too short	-	7
Assistors needed more training and knowledge	-	33
Difficult to contact office	-	-
Difficult to locate office	-	-
Difficult to get bi-lingual assistance	-	-
Office and facilities need improvement	-	-
Other	100	40

Q24. If you were to use an IRS office for in-person help in the future would you...?

Among those who have visited an IRS office for in person for any reason in the last 2 years

	Total (n=34)	TAC (n=135)
Prefer to schedule an appointment to speak with a representative at a specific time	37%	48%
Prefer to walk in at your convenience and wait for the next available representative	63	49
Don't know	-	3

Q25. If you voluntarily visited an IRS office again for assistance, for how long would you be willing to travel, in minutes, to visit a local IRS office?

Among those who have visited an IRS office for in person for any reason in the last 2 years

	Total (n=34)	TAC (n=135)
Mean	21.5 min	23.8 min

Q26. If you voluntarily visited an IRS office again for assistance, how much time, in minutes, would you be willing to spend waiting in line once you arrived?

Among those who have visited an IRS office for in person for any reason in the last 2 years

	Total (n=34)	TAC (n=135)
Mean	37.2 min	30.2 min

Taxpayer Customer Service and Channel Preference Survey

Q27. If in-person assistance from the IRS were no longer available in your area, what would you do?

Among those who have visited an IRS office for in person for any reason in the last 2 years

	Total (n=34)	TAC (n=135)
Use an alternative way to contact the IRS (phone, online)	62%	64%
File without seeking assistance	-	1
Seek assistance from another person, like a preparer	17	18
Not file	3	1
Other	11	8
Don't know	7	9

Q28. If telephone assistance from the IRS couldn't effectively meet your needs, what would you do?

Among those who have visited an IRS office for in person help in the last 2 years

	Total (n=34)	TAC (n=135)
Use an alternative way to contact the IRS (phone, online)	44%	58%
File without seeking assistance	3	1
Seek assistance from another person, like a preparer	34	19
Delay filing	-	-
Not file	-	-
Other	8	6
None	-	1
Don't know	12	16

The following questions were just for statistical purposes. Individual data will not be shared with anyone outside of ROPER.

D1. Are you...

	Total	TAC
Married	64%	50%
Divorced	11	12
Separated	3	4
Living with a partner	3	1
Single, never married	12	24
Widowed	6	9
Refused	1	1

D2. In which of the following age groups do you fall?

	Total	TAC
18-24	5%	3%
25-34	17	12
35-44	22	20
45-49	10	13
50-54	11	17
55-64	16	17
65 or older	19	19
Don't know/Refused	*	-

D3. What is the highest level of education you have completed?

	Total	TAC
Grade school	1%	1%
Some High School	3	7
High School Diploma	21	21
Some College	26	24
College Degree	30	29
Graduate Study	18	16
Don't know	*	-
Refused	1	1

D4. Are you currently employed full-time or part-time, a homemaker, a student, retired, unemployed or something else?

	Total	TAC
Full time	59%	52%
Part time	10	10
Homemaker	5	1
Full time Student	1	3
Retired	19	19
Unemployed	2	9
Other	3	7
Refused	*	-

D5. What was the total income you claimed on your 2005 tax return?

	Total	TAC
Less than 20,000	14%	21%
\$20,000 to less than \$35,000	15	15
\$35,000 to less than \$50,000	15	13
\$50,000 to less than \$75,000	19	13
\$75,000 to less than \$100,000	10	8
\$100,000 or more	10	4
DK	7	7
Refused	10	20
Mean	\$58,000	\$44,200

Taxpayer Customer Service and Channel Preference Survey

D6. Are you of Hispanic or Latino origin?

	Total	TAC
Yes	4%	10%
No	94	88
Don't know/Refused	2	1

D7. Which of the following best describes you? [CHECK ONLY 1 RESPONSE]

	Total	TAC
American Indian or Alaska Native	2%	7%
Black or African-American	7	26
Asian	1	6
Native Hawaiian or Other Pacific Islander	1	-
White	85	55
DON'T KNOW/REF	4	6

D8. Is English your primary language?

	Total	TAC
Yes	97%	90%
No	3	10

D9. Besides English, do you speak any other language at home?

	Total	TAC
Yes	12%	30%
No	88	70

D10. People experience major changes – both good and bad – at various stages of their lives. For each of the following changes please indicate if you have experienced them in last 2 years?

	Total	TAC
Bought or sold your home	16%	15%
Moved to a new residence	24	21
Got married	5	4
Became a parent for the first time	4	2
Had your last child move out of the house	7	9
Lost your job	7	16
Got a divorce	3	4
Had a spouse/partner/significant other die	3	4
Retired	9	9
Stayed home to take care of a family	9	13
Incurred major medical expenses unexpectedly	16	20
Declared bankruptcy	2	1

D11. Do you have a computer at home?

	Total	TAC
Yes	84%	75%
No	16	25
Don't know	-	-

D12. Do you have Internet access at home?

Among those who have a computer at home

	Total (n=834)	TAC (n=101)
Yes	92%	93%
No	8	7
Don't know	-	1

If "Yes" in D12, asked D13. All others skipped to D14.

D13. What kind of internet access do you have?

Among those who have Internet access at home

	Total (n=774)	TAC (n=94)
Broadband (cable, dsl, high speed internet)	66%	61%
Dial-up (telephone)	32	38
Refused	2	1

D14. Do you have a personal checking or personal savings account?

	Total	TAC
Yes	95%	87%
No	4	8
Refused	1	5

D15. Do you have any disabilities or impairments that limit your travel or movement inside or outside of the home?

	Total	TAC
Yes	6%	7%
No	94	92
Don't know/Refused	1	1

D16. Gender

	Total	TAC
Male	46%	52%
Female	54	48

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IRS Oversight Board

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