

Qualitative Research With Users and Non-users of Telefile



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Qualitative Research with Users and Non-users of TeleFile

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Executive Summary

At the request of Post & Partners on behalf of the Internal Revenue Service (IRS), Schulman, Ronca, and Bucuvalas, Inc. (SRBI) conducted a series of eight focus groups in four locations across the United States during the week of March 19, 2001. The objective of the research was to determine reaction to the current TeleFile package and to test an alternative TeleFile package for 2001. In each of the four locations, one group was conducted with TeleFile users and another with non-users, with participant recruitment conducted by SRBI from lists provided by the IRS. A total of 38 TeleFile users and 32 non-users participated in the focus groups.

Primary findings from the focus groups included the following:

- Most TeleFile users are pleased with using this method of filing their tax returns. TeleFiling is viewed as quick, easy, and free, and most users are impressed by the quick refunds they receive.
- Although the non-users in the focus groups received the TeleFile package for the 2000 tax year, many were unfamiliar with TeleFile. The non-users turn to a variety of ways to file their taxes, including 1040EZ, 1040, paid preparers, online filing, and visiting the IRS in person to have their tax calculated.
- Unnecessary information in the twelve-page TeleFile package included TeleTax topics, the marketing pages (pages 2 and 3), and the pie charts showing categories of Federal income and spending.
- Except in the Atlanta TeleFile users group, all of the focus groups preferred the proposed eight-page TeleFile package to the currently-used twelve-page package. Desirable features of the redesigned package included shorter length, improved cover design and layout, and streamlined instructions. There were, however, negative reactions to the reduced font size, modified Tax Record, EIC information, and location of the check example to determine routing and account information. Participants disagreed about the desirability of changes in the format of “who can use TeleFile”, elimination of information about online tax filing and the marketing pages, and fewer graphics in the package.
- Among TeleFile users, the major reasons for hanging up prior to submitting a TeleFile return are the perception that the computed tax seems incorrect, the desire to determine the computed tax prior to actually filing, and being unprepared to file a state return at the same time as TeleFiling the Federal return.
- A majority of focus group participants said that they would prefer an IRS-assigned customer service number to a self-selected personal identification number (PIN), primarily because they say they have so many PINs to remember. However, virtually all of the respondents said that they retain records with their previous year’s tax information, so they would have available adjusted gross income and total tax information required to select a PIN. However, a few respondents said it might take them some time to locate their records.

- The vast majority of focus group participants said they would be unwilling to pay long distance charges for filing TeleFile. Generally, respondents said that a toll-free filing number is a service they expect from the IRS, particularly since toll-free numbers are available from many types of businesses. A few focus group participants said they would be willing to pay for the call if it were very short or they were receiving a refund.

Some of the non-users in the focus groups indicated that they might use TeleFile in the future, since they were more knowledgeable about it as a result of attending a focus group.

Background and Objectives

In 1992, the Internal Revenue Service (IRS) instituted the TeleFile program, which allows taxpayers who use a 1040EZ to file their return using a touch-tone telephone. The program has been proven successful in allowing qualified taxpayers to file electronically, providing faster refunds to taxpayers and savings to the IRS in processing costs.

However, TeleFile packages are sent to millions of potential filers each year who do not take advantage of the program. The objective of the research was to gather insights from users and non-users of TeleFile concerning the following:

- Suggestions for improvements to TeleFile;
- Reaction to a smaller, redesigned TeleFile package; and
- Reaction to implementation of a self-selected Personal Identification Number (PIN) for TeleFile.

Also of interest were taxpayer willingness to pay for the long-distance telephone call for TeleFile, the reasons why some TeleFile users terminate their call prior to completing their return, and the maximum and ideal amounts of time that eligible taxpayers want to spend placing the TeleFile call.

Methodology

At the request of Post & Partners on behalf of the Internal Revenue Service (IRS), Schulman, Ronca, and Bucuvalas, Inc. (SRBI) conducted a series of eight focus groups in four locations across the United States during the week of March 19, 2001. The objective of the research was to determine reaction to the current twelve-page TeleFile package and to test an alternative eight-page TeleFile package for 2001 tax filing. In each of the four locations, one group was conducted with TeleFile users and another with non-users, with participant recruitment from lists provided by the IRS. The locations, dates, and number of participants in each group are indicated in the following table:

Summary of Focus Groups

| Location | Date | Number of TeleFile Users | Number of TeleFile Non-Users |
|-----------------|-------------|---------------------------------|-------------------------------------|
| New York | March 19 | 9 | 12 |
| Seattle | March 21 | 11 | 5 |
| St. Louis | March 22 | 9 | 7 |
| Atlanta | March 23 | 9 | 8 |
| Total | | 38 | 32 |

The users group in New York was moderated by Kevin Sharp and the remaining groups were moderated by Carla Jackson.

Focus group participants were recruited by SRBI telephone interviewers using the screeners contained in Appendix A, based on listings of TeleFile users and non-users provided by the IRS. There were separate screeners for users and non-users of TeleFile. The moderator's guides for the sessions are contained in Appendix B and the twelve-page and eight-page TeleFile packages that were tested in the sessions are provided in Appendices C and D, respectively. Each focus group was audio-recorded, and verbatim transcriptions were subsequently prepared. Appendices E through L contain the verbatim transcripts from the eight separate focus group sessions.

Overall Reactions to TeleFile

Among focus group participants, habit seemed to play a significant role in determining how TeleFile-eligible participants file their tax returns, whether they use TeleFile, 1040 EZ, 1040, or a paid practitioner. Using a familiar way of filing seems to be associated with a sense of personal control in dealing with tax returns. Fear of making an error on a tax return and having their return audited were also concerns for many TeleFile users and non-users alike. The security of the tax return was also an issue for some focus group participants, with several TeleFile users noting that the telephone is a very secure means of filing (as long as a cordless or cellular telephone is not used). Finally, quick receipt of tax refunds is important to many TeleFile-eligible taxpayers.

There was also some confusion, particularly with non-users, but also with some users, about e-file and TeleFile. TeleFile was not, for the most part, recognized as a way of filing electronically. Instead, e-filing was equated by non-users and most users with online filing. As one non-user in St. Louis asked, *“does (e-file) have anything to do with filing on the telephone, or is it two different things?”*

Current Users. Overall reaction to TeleFile by current users was extremely positive. A number of the participants in the user groups said they had used TeleFile for several years and had been very pleased with TeleFile as a means of filing their taxes. Users cited the following advantages of TeleFile:

- Fast – It is very quick to prepare for and file tax returns using TeleFile.
- Easy – TeleFile is easy to complete because the IRS does most of the work. As a Seattle user noted, *“it is not brain surgery.”*
- Free – TeleFile makes it unnecessary to pay a tax practitioner or to purchase online software for filing tax returns.
- Error-free – TeleFile is error-free once the correct numbers are inputted because the IRS does all the calculations. As an Atlanta user noted, *“...you do not have to do the math or anything or worry about the calculations and (making an error).”* A user in St. Louis said, *“(It) beats doing all the math.”* Most users also appreciated having the opportunity to confirm each entry they made during the TeleFile call.
- Secure – There is no worry about an unauthorized person obtaining personal information from a TeleFile return.
- Provides quick refunds – Most refunds were received by users within ten days to two weeks (the exception was a participant who experienced a problem with an incorrect routing and account number for direct deposit of a refund).
- Offers the ability to file the state tax return at the same time as the Federal return in some states.

Some participants recognized that a taxpayer needs to live at the same address as in the previous year to receive a TeleFile package. The main disadvantage of TeleFile cited by users was the fact that several had not received a TeleFile packet some years in the past because they had changed addresses. These taxpayers enjoyed the convenience of TeleFile in the past and were displeased when they were unable to use it. The worst thing about TeleFile, several participants remarked, is not getting a TeleFile package when you want to use it.

Most TeleFile users said that they recognized the TeleFile packet when it arrived this year, since they had been expecting a mailing from the IRS. However, several respondents noted that they nearly discarded their TeleFile package this year: *“it came folded like a piece of junk mail”* (New York user) and another remarked, *“it looked like a coupon package”* (New York user). Many respondents said they sort quickly through their mail, discarding anything that looks like an advertisement, and there was some confusion this year because of the appearance of the package and the perception that it had not been folded for mailing in previous years.

Most of the users, especially those who had previously used TeleFile, went directly to the tax record page in their package:

- *“I read the tax record first and then what I don’t understand, I find the instructions and read it”* (New York user).
- *“I think the first year I got it, I read everything. This year I just went straight to the worksheet.”* (Seattle user)
- *“You just want to fill out the form. (You) don’t want to read.”* (New York user)

One Seattle user did not open the packet until sitting down to make the telephone call to TeleFile, but he had used TeleFile in previous years and said he knew exactly what to do.

Among the TeleFile users, many had elected to use electronic deposit of their refunds. There remained, however, distrust of electronic refunds on the part of focus group participants. One user said his bank frequently makes errors, so he preferred to have his refund by paper check. The possibility of error in check routing and account numbers for refunds was also a concern for some respondents. As one St. Louis user noted, *“I was just fearful that ...someone would put down the wrong number and I would be trying to figure out where my money went one day.”* In contrast, one of the other participants in the St. Louis user group noted that her refund check had once been lost in the mail, which encouraged her to use direct deposit.

Non-users. Many of the participants in the non-user sessions were unfamiliar with TeleFile prior to the focus group discussion. The non-users said they used a variety of means to file their income taxes: 1040EZ, 1040, paid preparers, going to the IRS building, and even online filing. A few respondents had attempted online filing but found it too difficult.

Some participants recalled receiving the TeleFile package, although many did not. One participant in the New York non-users group who uses a paid preparer said that she did not pay any attention to the booklet when it arrived because she knew she would not be using it. Others recognized that the TeleFile package came from the IRS, although several non-users in New York said it looked like a newsletter they receive from their State Senator. Similarly, another respondent remarked *“it should say that it is a tax return because I think a lot of people see the IRS and they are automatically scared so they don’t even bother to open it”* (New York non-user). A few non-users thought that this was the first year of TeleFile since they were unfamiliar with it.

Aside from unawareness of its availability, reasons mentioned by non-users for not using TeleFile include the following:

- *"I never used it because if I have a question that that they can't answer, then I can't get answers over the telephone electronically. ...I would rather speak to a live person."* (New York non-user)
- *"The IRS is big and scary and I don't want to make a mistake (using TeleFile)."* (New York non-user)
- *"I don't think I would feel comfortable doing it the first time. I would need somebody to help me through it the first time and maybe next time I would be able to do it."* (St. Louis non-user)
- *"I just like to be sure about things. Until it has been proven amongst other people... I wouldn't use it. I am a little skeptical."* (Atlanta non-user)

Some of the non-users were uncomfortable with the idea that it is unnecessary to mail a W-2 with a TeleFile return, and several thought that this would lead to potential fraud. A Seattle non-user remarked, *"it seems... it would be easier to cheat on this than it would the old way, 1040 EZ."*

In the St. Louis and Atlanta groups in particular, respondents seemed very unfamiliar with TeleFile, and they had to be led through the 2000 package page-by-page to have it explained to them. In contrast, a Seattle non-user looked through the package and observed *"my guess is that a sixth grader could fill this out with these directions."*

Especially among non-users, TeleFile was viewed as particularly attractive to younger people, new taxpayers, and those in the military. *"It is really appealing to somebody who doesn't have a lot of things to deduct"* (St. Louis non-user).

A few non-users said that they had used TeleFile in previous years but their income or interest precluded them doing so for the 2000 tax year. At the end of the discussion, some of the eligible non-users indicated that they might be willing use TeleFile in the future if they received a packet, since they understand how to use TeleFile and its potential benefits as a result of participating in the focus groups.

Suggested Improvements to the TeleFile 2000 Package

Most of the participants in the user groups indicated that the twelve-page TeleFile package included everything they needed to file their tax return using TeleFile. Many who had used the product in previous years indicated that they turned directly to the filing page, completed the information, and then proceeded to place their telephone call. However, some suggestions for improvement of TeleFile were offered by TeleFile users and by non-users after they looked through the current TeleFile package.

- **Appearance of the TeleFile Package.** Several participants in the user groups said they had originally thought that this year's TeleFile package was "junk mail" and had nearly discarded it. In the non-users groups, several respondents indicated that they definitely or probably had discarded the package. Respondents said that the package came folded just like "junk mail" and the contents were not clearly indicated on the cover. Some respondents said it reminded them of a mailing from their State Senator or the Red Cross. In the Atlanta users group, however, most respondents said that they were expecting to receive tax filing materials from the IRS, so it came as no surprise to receive the TeleFile package.
- **Tax Tables.** Particularly in New York and Seattle, participants in the user groups suggested that the Tax Tables be included in the TeleFile package so that users could estimate the amount of their refund or payment prior to calling. Several respondents indicated that they had no other way to estimate this information. However, several relatively young taxpayers in the Seattle group said they had used the tax tables from their parents' tax packages to estimate their tax before calling. Other respondents said that they had obtained copies of the tax tables from the post office, local library, by writing the IRS, or from the IRS Website. A few respondents also indicated that they wanted to have information about the amount of the standard deduction, which was not provided in the TeleFile package. Several focus group participants who had not obtained copies of the tax tables said they had terminated a call to TeleFile because they wanted to determine the amount of their tax before actually filing. One TeleFile user in Atlanta may have expressed the underlying motivation for wanting the tax tables even when using TeleFile when she noted, "...*The natural instinct for a taxpayer is...to sit down and figure out what my taxes are and then I tell the IRS, it is not...the IRS is going to give you what you owe...because that has never been the case.*"
- **Marketing Pages.** Relatively few respondents said that they read the marketing pages (page 2 presenting bulleted information about e-filing and page 3 with a testimonial about using e-filing) in the process of filing TeleFile. Many just turned to the Tax Record page without reading these pages. A few first-time TeleFile users and others had read the pages, but generally had not found them very helpful. Many participants volunteered that the marketing pages could be eliminated from the TeleFile package. Their comments included:
 - *"The IRS doesn't need to say stuff like this."* (New York user)
 - *"...You are selling a product on the front page and then you are contradicting the product right inside..."* (New York non-user).
 - *"I would have never read it in a million a years"* (New York non-user).

- *“This does not deserve a whole page because it is making me not even want to continue the TeleFile.”* (New York non-user).
- *“This is kind of cheesy.”* (St. Louis non-user)
- *“I am not really interested in her story. I am interested in the message her story is trying to deliver. So give me the message.”* (Atlanta non-user)
- *“This picture would be more helpful if (it) depicted the positive things (about TeleFile). She is smiling and she filed by phone and got a refund in 10 days.”* (Atlanta non-user)

There was confusion in several groups about page 2, since it addressed both TeleFile and online filing. As one respondent remarked, *“I remember thinking ...there might be a difference involved because it talked about e-file”* (New York user), while another noted that *“one question is which form is appropriate for you as taxpayer”* (New York non-user). Another non-user in New York summarized the thinking of many participants when he asked, *“What is the difference between TeleFile and e-file? When I see the ‘e’ in front of anything, I think computers.... I see ‘tele’ and I think phones.”* Some respondents felt that online filing should not be included in the TeleFile package, while others suggested that the various electronic filing options could be made clearer to filers.

- ***TeleFile and TeleTax.*** Many participants in the user groups did not notice the TeleTax section in the TeleFile packet when they filed, and most users and non-users did not immediately perceive the difference between TeleTax and TeleFile even when the section was pointed out to them. *“Too many names for things”* is one way that a New York non-user characterized TeleFile and TeleTax. However, some participants remarked that TeleTax topics might be useful if they had a question about their taxes, and for many participants, the telephone (rather than the Internet) is the preferred means of accessing tax information.
- ***Concerns about Incorrect Routing and Account Numbers for Electronic Deposit of Refunds.*** Several participants noted that the TeleFile packet did not include instructions in case taxpayers entered the incorrect routing and account number for direct deposit of their refund or debiting of their payment. One participant said that she had provided the incorrect numbers and then had to telephone the IRS to determine what to do. There was some concern in the New York non-users group that it was unclear what to do in case of other errors that TeleFilers might make.
- ***TeleFile Filing Telephone Number.*** Some respondents felt that the telephone number for filing TeleFile should be larger and more prominently displayed in the package.
- ***Telephone Number for Assistance.*** Several participants suggested that there should be specific number where they could call for assistance in using TeleFile and that this telephone number should be prominently displayed on the filing package. For the most part, respondents were unimpressed with the telephone numbers provided in the section *“Calling the IRS for Tax Help”*. This section was considered non-specific to TeleFile users and was also difficult for some users to find in the TeleFile package. As one respondent noted, *“...getting tax help is one thing, but getting help with your actual TeleFile form (is not) quite the same*

thing.... I am not so sure that if you call any IRS number that they are going to be able to help you with something in TeleFile ” (New York TeleFile user). One Seattle user suggested that “maybe TeleFile should be connected to an operator. So, ...if you mess up or you have a question, you can hit a prompt like the bank does.”

- **Obtaining a Copy of the Tax Return.** Many TeleFile users were unaware that they could obtain a copy of their TeleFile return, although instructions for doing so were provided in the package. Participants felt that they might need this information when they applied for a home mortgage or (in the case of one respondent in New York) for immigration purposes. Some participants also suggested that all TeleFile users (or those who requested it) should be able to obtain a hard-copy showing how their tax was calculated. *“I would prefer ...some sort of official-looking receipt. I always let New York State figure out my taxes and they always send out a little computer printout as to what they took out as deductions and what my refund was”* (New York user). In Seattle, TeleFile users commented that *“I think that a printout of exactly how the computer calculated (the tax) would be really helpful”* and that *“I still am the kind of person that I want paper documentation.”*

Unnecessary Information in the TeleFile 2000 Package

After reviewing the TeleFile 2000 package, both TeleFile users and non-users were asked if it contained any unnecessary information. Participants suggested that the following items were unnecessary:

- **TeleTax Topics** – Participants believed that information about TeleTax could be provided in other IRS documents and was generally not needed by taxpayers using TeleFile. It should be remembered that most focus group participants had not noticed TeleTax until the page-by-page review of the TeleFile package.
- **“Marketing” pages** (pages 2 and 3) - As described in the previous section of this report, many focus group participants had already mentioned that these pages were not very useful or were confusing. Accordingly, both TeleFile users and non-users thought that the pages could be dropped from the TeleFile package with no significant impact on potential filers.
- **Pie Charts** - Not realizing that the pie charts showing major categories of Federal income and spending are required by law in tax filing documents, some participants suggested that they could be eliminated. In St. Louis, one TeleFile user remarked, *“It doesn’t make me feel any better knowing where (my taxes are) going”* and an Atlanta user said, *“This part with the pies is totally over my head... I would rather see something here saying this is the quickest, easiest way to file your taxes.”* However, some participants countered by saying that the pie charts were useful: *“It shows where your money goes”* (New York non-user) and *“I like ...the pie charts ...because I think it is important for citizens to know how tax dollars are spent”* (Atlanta user). A New York user commented, *“Social programs and national defense...just envelope the entire pie. I just get a little aggravated, but I smile. It is fun to look at.”* Finally, another respondent in the

New York users group remarked that the pie charts evoked memories of Ross Perot.

Reaction to the Redesigned TeleFile 2001 Package

Participants in both the user and non-user groups were asked about their reaction to a redesigned eight-page version of the TeleFile package, which is contained in Appendix D. Within the exception of the Atlanta users group, reactions to the redesigned TeleFile package were very favorable overall. There was consensus among the groups in terms of desirable and undesirable features in the redesigned TeleFile package, but also some disagreement about specific content.

Desirable Features of the Redesigned TeleFile package

Participants in the user and non-user focus groups noted the following improvements in the eight-page package, compared with the twelve-page package used in 2000:

- ***Shorter length.*** The package was considered less intimidating and more inviting than the twelve-page package. One user in New York said, *"...lots of people when they see a big thick book, they don't want to go through it."* A non-user in Seattle said, *"If I received this in the mail, just by looking at it, it looks simple."* A non-user in New York characterized the revised package as *"simpler and to the point,"* while another participant in the group said that it did not appear as intimidating as the twelve-page package.
- ***Cover design.*** There was nearly unanimous agreement in all of the groups that the redesigned cover saying "2001 TeleFile" was an improvement over the 2000 cover because it allows taxpayers to identify the TeleFile package at a glance and eliminates the risk of mistaking it for junk mail. Participants felt that the new cover identified the contents of the package and made TeleFile look simple to complete. A non-user in St. Louis summarized by saying that the new cover *"looks more important and makes you pay attention."* However, there were several respondents in various groups who felt that the white space on the back of the folded cover page was essentially wasted. There were suggestions that abbreviated marketing information, including the benefits of TeleFile, might be included on the back cover.
- ***Improved layout.*** Participants especially liked having the Tax Record moved forward to page 3 in the TeleFile. Consolidating the bulleted list of who can file and the instructions for the Tax Record on page 2 was viewed as an improvement by many, although not all, in both the users and non-users focus groups. Most participants felt that it was easier to follow the flow of the items in the redesigned package than in the twelve-page package.
- ***Streamlined instructions.*** Specific instructions for completing TeleFile remained across from the Tax Record, with other instructions provided after the Tax Record, as was the case in the twelve-page package. However, one TeleFile user in New York noted *"...On page two there is this little piece (of) instructions. And you look at that, it makes you think (these) are all the*

instructions to fill out the form... and really it is not. It could even say ... for further instructions, turn to page four.” Alternatively, it was suggested that the “general instructions” following the Tax Record could be renamed “general information” for clarity.

- **Ending with the Privacy Act.** One New York non-user said *“I like how they end it with the Privacy Act, like you could go to sleep and not worry about who is going to have... my Social Security number. I like that.”* Other participants in the group agreed with this view. There was also discussion in most of the groups about the security of personal information, and this statement speaks to those concerns.

Undesirable Features of the Redesigned TeleFile Package

Most of the participants in both the user and non-user focus groups preferred the smaller, streamlined look of the eight-page TeleFile package. In contrast, the participants in the Atlanta users group preferred the twelve-page package. As summarized by one Atlanta user, *“The old form does have its limitations, but at least it is in big print and it is easier to find what you are looking for. (When) I look at the new proposed form, I feel like I am hunting to find what I need.”* Similarly, another user in Atlanta commented, *“I think they are trying to make (the form) more inviting by cutting stuff out and making it shorter, where I think they kind of are defeating the purpose where it doesn’t flow.... I think it would be better just to make the information they have flow better.”* There was also a concern that the new form would cause taxpayer errors in TeleFiling, ultimately leading to being audited.

Despite the generally positive reaction to the redesigned form, there were some features of the eight-page package that focus group participants characterized as undesirable. These included:

- **Reduced font size.** While most focus group participants recognized that the use of smaller font size contributed to the reduction in the size of the TeleFile package, many participants felt that it was almost too small. As one New York user commented, *“the type is so small and I get really tired of reading things.”* In particular, participants felt that size of the 800-number for TeleFiling as shown in two places on the Tax Record was too small: as one St. Louis non-user noted, *“the number needs to be big at the top. When you register for your classes or something at school, the number is everywhere. It should be easy to find.”* A user in New York emphasized *“the phone number is the most important thing.”* Also, the various toll-free telephone numbers for the IRS on pages 4 and 5 of the redesigned package were viewed as somewhat difficult to see: *“...there are a lot of different 800 numbers here, which really confuse you. You have to really read things in detail to be sure”* (St. Louis user).
- **Changes to the Tax Record.** While participants approved the relocation of the Tax Record to page 3 of the redesigned package, many said that it had been reduced too much in size, preferring the full-page Tax Record in the twelve-page package. There was also some concern that the Tax Record page in the redesigned package is not as *“idiot proof”* (New York non-user) as the version in the twelve-page package. The Atlanta users group suggested that the Tax

Record could be redesigned as a checklist or road map so that people would know what to expect.

- **Earned Income Credit (EIC) Information.** While participants generally felt that too much space was devoted to the EIC in the twelve-page package, they believed that it was confusing to have EIC information on both pages 2 and 3 of the redesigned package. Instead, they suggested that the information be consolidated on a single page. At the same time, they recognized that there was insufficient space on page 2 for all of this information, which would place it prior to the Tax Record so that taxpayers qualifying for EIC could identify the appropriate form for filing.
- **Location of Check Example.** In the twelve-page package, instructions for locating the routing and account numbers on a check for direct deposit were provided on page 4 opposite the Tax Record. In the eight-page packet, the check example was behind the Tax Record at the bottom of page 6. At first, some participants thought that the check example was omitted from the revised package: *“it looks like they don’t give you that little diagram that shows you how to figure out ...your routing and account number...”* (New York user). Even after the check example was pointed out to them by other participants or the moderator, many participants still thought it was located in the wrong place. As a respondent in the St. Louis user group noted, *“I think the picture (of check routing and account numbers) is important ...on that page (opposite to the worksheet). You are not going to be flipping through to see what numbers you want to give them and to insure that you...get your money.”* Providing the correct routing and account numbers for direct deposit of refunds was viewed as critical by most of the focus group participants.
- **Tax Tables.** Several respondents noted that Tax Tables were missing from the eight-page form. As discussed in an earlier section of this report, some participants wanted the Tax Tables included in the TeleFile package so they could determine their tax liability before filing TeleFile. There seemed to be no recognition that Telefilers would end up figuring their own tax if they used the Tax Tables.
- **Benefits of TeleFiling.** There was some discussion about the fact that the redesigned package did not convey the benefits of TeleFiling. While there was disagreement about the desirability of eliminating the marketing pages, there was consensus that the redesigned package failed to convey the benefits of TeleFile, especially that it is fast and easy and offers quick refunds. As one Atlanta non-user noted, *“I am not sure that these things...on page two are the best things to represent the (benefits) of filing this way. The free filing and the fast refund. I think it is the ease of having to complete these eleven lines that makes this benefit and not necessarily that it is fast or ...paperless... I think you are emphasizing the wrong thing.”* There was some discussion that a brief listing of the benefits of TeleFiling might be added in place of the white space on the redesigned cover. One user in Atlanta suggested, *“I would take these marketing aspects of why this service is so great and put that on the outside.”* Several respondents in the groups characterized the blank area on the cover as wasted

space, although some conceded that it might be undesirable to cram too much information on the cover.

- **IRS Web Address.** Some participants had difficulty finding the Web address for the IRS in the redesigned TeleFile package, and believed that it was easier to find in the twelve-page package.
- **Supplementary Information.** Additional information on pages 4 through 6 of the redesigned TeleFile package was viewed favorably by most respondents. They felt that this information might be useful to some filers, but that it belonged after the all-important Tax Record.
- **Opening to the Last Page of the Package.** A number of participants who liked the redesigned TeleFile package overall noted that it opens to the back page when it is unfolded. They wondered if there were a way to change the cover, while retaining its desirable features, to encourage Telefilers to open to page 2 rather than to the last page.
- **“Do Not Mail” Logo.** Some participants felt that the “do not mail” logo on the Tax Record page of the twelve-page package was helpful to Telefilers, but noted that it was eliminated in the eight-page package.

Mixed Reactions to Features of the Redesigned TeleFile Package

While there was general agreement among the focus group participants about many of the desirable and undesirable aspects of the redesigned TeleFile package, there were also some disagreements about some of the modifications:

- **Who can use TeleFile.** In the twelve-page package, this information required an entire page and was presented as a series of boxes to be checked. As one New York user noted, *“it doesn’t need to be a whole page”*. One participant in the Atlanta users group said that this page caused him some anxiety, because as he got near the end of the checklist, he was afraid that he wouldn’t be able to use TeleFile. Another Atlanta user said *“it is almost like a game... it makes you feel special if you made it through, but if you don’t, it is like, sorry, guy.”*

A New York user responded to the shortened version by saying, *“this looks like the adult version”* and a St. Louis non-user noted, *“I think that I could figure it checking in a yes/no box.”* Participants in the Seattle non-user group also wanted additional information included with respect to TeleFile eligibility, such as what to do if you are a homeowner and need to itemize, or are a taxpayer repaying educational loans. As one Seattle non-user noted, *“it took me a while to realize that I couldn’t use this, and man, I want to use it.”*

In contrast, an Atlanta participant who preferred the checklist in the twelve-page version said *“when it is the first time you are doing it, it kind of forces you to find the information out. Here it is just something else I will pass over”*. In New York a non-user noted, *“I like the flow chart layout... It is definitely simplistic... it is more or less like a point and click would be on a browser.”* Similarly, a St. Louis user said, *“I actually prefer the checklist...it’s obviously a worksheet to make sure you*

read through it and qualify, whereas the other one on the new version you might not read through....”

- **Elimination of Information about Online Tax Filing.** There was discussion in most of the groups as to whether online filing should be mentioned in the TeleFile package. As previously described, there was some confusion whether TeleFiling was a type of e-filing. Many respondents equated e-filing with the Internet. Some participants felt that the elimination of the discussion of e-filing included on page 2 of the twelve-page brochure was an advantage of the eight-page package, since the possibility of confusion between TeleFile and online filing was reduced. There were other participants, however, who felt that there should be some discussion of online filing so that taxpayers were aware of all of their potential choices in filing their returns.
- **Elimination of Marketing Pages.** Many respondents identified the marketing pages as something that could be readily dropped from the twelve-page TeleFile package, and some of them were gratified to see that these pages were not included in the redesigned eight-page package. One respondent in the Seattle non-user group said that the real life example in the marketing pages of the older package might have been intimidating to some potential taxpayers. However, other participants felt that the marketing pages served a useful purpose in encouraging young taxpayers to TeleFile. In Atlanta, one user noted that the marketing pages in the 2000 TeleFile package gave it an unofficial look which *“does not scare you... what the IRS does is scare you....”* Another said, *“As much as this girl is worthless and not necessary, what it does is makes it more inviting... There’s nothing (in this new version) that makes it inviting.”*
- **Fewer graphics.** In the Atlanta users group, respondents liked the graphics in the twelve-page package and criticized their reduction in the redesigned eight-page package. In contrast, a user in New York noted that *“fewer graphics (is good) because that is wasting our space.”*

Reasons for Hanging up Prior to TeleFiling

Based on the focus group discussions, there appeared to be several reasons why respondents terminated their TeleFile sessions prior to filing:

- Some TeleFilers felt that the computed tax did not seem correct, and they wanted a chance to check their numbers before submitting their returns.
- Some respondents said they wanted to determine the tax owed prior to filing. For example, one respondent said, *“If you owe like a million dollars or something you might want to wait until April 15th”* (New York user).
- Some respondents were unprepared to file their state tax at the same time as their Federal return.
- One participant with call waiting was interrupted in the middle of filing.

In virtually all of the cases, respondents called back to file, sometimes almost immediately. There was some mention of the advantage of being able to file from any telephone, even when at a friend’s home or on a vacation.

Recording the Calculated Tax Information and Confirmation Number for TeleFile

Virtually all of the TeleFile users said that they recorded the tax information for items I through M of the Tax Record. There was particular interest in the amount of the refund or payment. All of the TeleFile users also said that they recorded and saved the confirmation number (Item N). As one TeleFile user in Seattle said, *“You need (the confirmation number) to call and check on something... If you need to call and talk to a person, they are going to ask you what that number was.”*

Reaction to a Self-Selected Pin

The preponderance of focus group participants had a negative reaction to a proposed self-selected Personal Identification Number (PIN), compared with the IRS-provided Customer Service Number, for TeleFile. Focus group participants noted:

- *“It is just one more PIN. I have ... a million pins.”* (New York TeleFile user).
- *“I have so many PINS... and passwords for every little thing. If it’s on the label, I think it would be a lot easier and you wouldn’t forget it.”* (St. Louis non-user)
- *“I don’t care enough about choosing my own PIN to go dig it out.”* (St. Louis user)

In other words, most respondents felt that they already have enough PINs to remember and did not want another one. One non-user who had filed online last year was unable to find her PIN, and her calls to the IRS about obtaining her PIN had been unsuccessful. She had recently sent in a written form to request her PIN.

In contrast, some respondents said they preferred a self-selected PIN:

- *“I use the same PIN for all my stuff... I use the same numbers just to keep it easy.”* (New York non-user)
- *“I would much rather have a number I picked than to try and remember some number they gave me.”* (New York non-user)
- *“I want the self-selected (PIN) because if I have to remember it, I want to make my own.”* (St. Louis non-user)

Overall, non-users seemed somewhat more interested in the self-selected PIN than were current TeleFile users.

Most respondents said they would have access to their tax return for the previous year to obtain their adjusted gross income and total tax, which would be required to obtain a PIN. One respondent in the New York non-users group noted, however, *“I retain ungodly amounts of junk... I would probably be in a panic or day-long search through my personal records to find my taxes from last year.”* A few others indicated that a lengthy search might be required to find their tax records, although they were confident that they had retained the needed information somewhere.

Willingness to Pay for the TeleFile Call

When asked about their willingness to pay for the long-distance call for TeleFile, reaction was strongly negative in both the user and non-user groups. A Seattle non-user noted, *"It would peeve me (to pay). I mean, I am paying taxes and why should I pay for the phone call? And "I think that we should get this as a service."* In St. Louis, a TeleFile user noted that having to pay for a long distance telephone call would discourage some potential filers from using TeleFile. There was concern, particularly in the St. Louis user group, that potential filers could have to pay long-distance rates for being on hold. And as one non-user in St. Louis noted, *"everybody has an 800 number these days."* TeleFile users in Seattle and Atlanta noted that not everyone has long distance service.

A few participants in the user groups said that they might be willing to pay for the call. A TeleFile user in New York said, *"If they said your refund is \$2,000, I would say 'okay, I will pay for the call.'" A Seattle user noted, "In my opinion, it is kind of worth it ... to know what (the refund) is and... to get it back quickly. ...that is what I would pay for," while a user in Atlanta said "I would do it but I would resent it."* Some respondents provided a context in which to consider paying for the long-distance call by noting that taxpayers have to affix a stamp to their mail tax returns and that others pay a practitioner to prepare their taxes, or purchase special tax preparation software.

Maximum and Ideal Amount of Time to Complete TeleFile Call

Both users and non-users were asked to provide the maximum and ideal times they thought it should take to complete the actual telephone call for TeleFile. The average time to complete a TeleFile call is actually 11 minutes. Several respondents noted that the time would depend upon how many W-2 forms a filer had, as well as the number of times a filer wanted confirmation of one of the entries in TeleFile. Maximum times to complete TeleFile mentioned by respondents ranged from 5 to 60 minutes, with a majority of respondents saying 10 or 15 minutes. Ideal times were somewhat shorter, with 10 minutes most often mentioned.

Appendix A: Participant Screeners

**TeleFile Users and Non-users Focus Group Study
Telephone Screener**

READ IN:

**RESPONDENT NAME
RESPONDENT ADDRESS/CITY/ST/ZIP
RESPONDENT MARITAL STATUS
FOCUS CITY
FACILITY NAME
FACILITY ADDRESS/CITY/ST/ZIP
DATE
TIME**

Hello, I'm _____ with SRBI, the national survey research firm, and we are assisting the Internal Revenue Service in a research study.

FOR INDIVIDUAL FILERS: May I speak with NAME FROM LIST OF INDIVIDUAL FILERS?

FOR MARRIED-FILING-JOINT FILERS: May I speak with NAME FROM LIST OF MARRIED-FILING-JOINT FILERS or the spouse who is responsible for preparing and filing NAME FROM LIST OF MARRIED-FILING-JOINT FILERS's Federal income tax return?

AFTER REACHING THE APPROPRIATE PERSON, RESTATE THE FIRST SENTENCE AND CONTINUE WITH:

The IRS is trying to improve its electronic filing program. Specifically, IRS is trying to learn what it can do to make its TeleFile program more attractive to taxpayers who were eligible to use it this filing season. We are arranging a series of focus groups to discuss TeleFile issues with taxpayers. If you qualify, we will pay you \$50 to compensate you for your time and travel.

A.1 May we begin?

| | |
|-------------------|--------------------------|
| Yes.....1 | SKIP TO S.1 |
| Bad time.....2 | SCHEDULE CALLBACK |
| No, Refused.....3 | GO TO A.2 |

IF RESPONDENTS ASK HOW THEIR NAME WAS OBTAINED:

THE IRS PROVIDED SRBI WITH A LIST OF THE NAMES AND ADDRESSES ONLY, OF TELEFILE ELIGIBLE TAXPAYERS IN THE AREA. BY THE TERMS OF OUR CONTRACT, WE ARE NOT ALLOWED TO DISCLOSE THE NAMES, ADDRESSES, OR TELEPHONE NUMBERS TO THE IRS OF ANYONE WHO AGREES OR REFUSES TO PARTICIPATE IN THE STUDY. ALL INFORMATION YOU PROVIDE IS KEPT STRICTLY CONFIDENTIAL.

IF CONCERNED ABOUT ANONYMITY:

YOU WOULD BE REFERRED TO BY YOUR FIRST NAME ONLY, AND YOU MAY USE A SUBSTITUTE NAME IF YOU LIKE.

We are required by law to report to you the OMB control number for this public information request. That number is OMB #1545-1349.

First, I need to ask you a few questions to see if you qualify for the focus groups. These questions will take less than five minutes of your time.

S.1 Within the last three months, did you receive a TeleFile Package from IRS in the mail for filing your 2000 tax return?

- Yes.....1
- No.....2 **THANK AND END**
- Don't remember.....3 **THANK AND END**
- Refused.....4 **THANK AND END**

S.2 Have you filed your tax return for 2000?

- Yes.....1 **SKIP TO S.3**
- No.....2 **GO TO S.2a**
- Don't remember.....3 **THANK AND END**
- Refused.....4 **THANK AND END**

S.2a When you file your tax return for 2000, do you plan to use TeleFile, a Form 1040-EZ, some other means of filing, or are you not required to file a tax return?

- TeleFile.....1 **SKIP TO S.6 (MAX=2)**
- Form 1040-EZ.....2 **SKIP TO S.5 (MAX=2)**
- Other (Specify): _____...3 **THANK AND END**
- Not eligible to file in 2000.....4 **THANK AND END**
- Refused.....5 **THANK AND END**

S.3 Did you use TeleFile to file your 2000 tax return? **[CHECK ONE]**.

- Yes (To be recruited for Group A, TeleFile Users).....1 **SKIP TO S.7**
- No, used some method other than TeleFile (To be recruited for Group B, TeleFile Non-users).....2 **GO TO S.4**
- Don't remember/refused.....3 **THANK AND END**

GROUP "B" NON-USERS

S.4 Did you use Form 1040EZ instead of TeleFile to file your 2000 taxes?

- Yes.....1
- No, used some other form.....2 **THANK AND END**
- Don't remember/don't know.....3 **THANK AND END**
- Refused.....4 **THANK AND END**

S.5 When you [filed/plan to file] your 2000 tax return, [did/will] you use a paid tax professional to either prepare or file your tax return?

- Yes.....1 **MAX=3**
- No, filed return yourself.....2 **MIN=5**
- Don't remember/don't know.....3 **THANK AND END**
- Refused.....4 **THANK AND END**

S.6 Did you receive a TeleFile Package for 1999? (Not this year's 2000 return)

- Yes.....1
- No.....2
- Don't remember.....3
- Refused.....4

S.6a In 1999, did you use TeleFile when you filed your 1999 return?
(Not this year's 2000 return)

- Yes.....1
- No.....2
- Don't remember.....3
- Refused.....4

CONDITIONAL:

- Did not receive TeleFile Package
for 1999 and did not use TeleFile in 1999.....1 **MAX=4**
- Received TeleFile Package for 1999
but did not use TeleFile in 1999.....2 **MAX=4**
- Received TeleFile Package for 1999
and used TeleFile in 1999.....3 **MAX=4**
- (Vol.) Don't remember/Refused.....4 **MAX=2**

**CONDITIONAL: IF Q.2A=2 OR 3 AND ABOVE CONDITIONAL=1, 2, OR 4
THEN THANK AND END**

EVERYONE

S.7 Which of the following best describes your age?
[READ CHOICES AND CHECK ONE ANSWER BELOW]

- 18 to 24.....1 **MAX=5**
- 25 to 39.....2 **MAX=5**
- 40 or over.....3 **MAX=5**
- Refused.....4 **MAX=2**

S.8 Which of the following best describes your 2000 income? (READ CHOICES AND CHECK ONE ANSWER BELOW.)

- Less than \$10,000.....1 **MAX=5**
- At least \$10,000 but less than \$25,000.....2 **MAX=5**
- \$25,000 or more.....3 **MAX=5**
- Refused.....4 **MAX=2**

S.9 Which of following best describes how you consider yourself...?
[READ CHOICES AND CHECK ONE ANSWER BELOW]

NOTE: MAXIMUM OF 6 FOR ANY SINGLE CATEGORY

- Black or African-American.....1
- White or Caucasian.....2
- Hispanic or Latino.....3
- Asian.....4
- American Indian or Alaska Native.....5
- Native Hawaiian or Other Pacific Islander, or.....6
- Something Else (specify): _____7
- (Vol.) Mixed.....8
- (Vol.) Don't Know/Refused.....9

S.10 Gender (BY RECRUITER OBSERVATION)

- Male.....1
- Female.....2 **MAX=5**

S.11 We are asking a group of about 8-10 taxpayers who were eligible to use TeleFile to participate in an informal round table discussion commonly know as a focus group. Have you ever participated in a focus group before?

- Yes.....1 **MAX=3**
- No.....2
- Don't know/Refused.....3

S.12 IF "YES" ABOVE, ASK: Was this participation within the past twelve (12) months?

- Yes.....1 **THANK AND END**
- No.....2 **EXTEND INVITATION TO PARTICIPATE**

**IMPORTANT:
NO MORE THAN 3 PARTICIPANTS WITH PRIOR FOCUS GROUP EXPERIENCE
WILL BE RECRUITED FOR EACH FOCUS GROUP.**

Congratulations, you qualify for the study. If you participate, you will be part of a focus group discussion with 8 to 10 other taxpayers who were eligible to file their 2000 income tax return by using TeleFile. You will be paid \$50 for your time and travel upon conclusion of the focus group session. There will also be complimentary snacks and beverages for you during the session.

S.13 The focus group discussion will be held at **[LOCATION NAME AND ADDRESS]** on **[DATE]** at **[TIME]**. Will you be able to attend?

- Yes.....1
No.....2 **THANK AND END**
Not sure.....3 **ARRANGE CALLBACK**

We will need to re-contact you 48 hours prior to the session to confirm that you still plan to participate.

S.14 Let me confirm, am I speaking to **[RESPONDENT NAME]**?

- Yes.....1 **SKIP TO S.15**
No.....2
Refused.....3

S.14a What is the name we should use when we call you back. Just give me your first name only, or a name that you would like to be known by.

NAME _____

Refused.....2

S.15 Is this the best telephone number to reach you at?

- Yes.....1 **SKIP TO S.16**
No.....2
Refused.....3

S.15a What is the best telephone number to call?

TELEPHONE NUMBER 1 _____

TELEPHONE NUMBER 2 _____

Refused.....3

S.16 When is the best time to call?

S.17 We'd like to send you detailed directions on how to get to the facility where the discussion will occur. We can either mail you the instructions or, if you prefer, fax them to you. How would you like the directions sent to you?

Mail.....1 **GO TO S.18**
Fax.....2 **SKIP TO S.19**
Other (specify): _____3 **SKIP TO S.20**
Neither.....4 **END**

S.18 Let me confirm, is your mailing address **[READ ADDRESS]**?

Yes.....1 **SKIP TO END**
No.....2
Refused.....3

S.18a What is your correct mailing address?

Refused.....2

S.19 What is your fax number?

Refused.....2

S.20 Record Information

Refused.....2

END:

Finally, if you would like, I can give you a name and address where you can send comments and questions regarding the time estimates for this phone call.

READ ONLY IF RESPONDENT ASKS FOR ADDRESS OF WHERE TO SEND COMMENTS:

SEND COMMENTS TO: Tax Forms Committee
Western Areas Distribution Center
Rancho Cordova, CA 95743-0001

Your comments should reference this project by the OMB control number. That number is OMB #1545-1349.

Thank you for participating in the study.

Appendix B: Moderator's Guides

TeleFile Users Focus Group Study

MODERATOR'S GUIDE

Hi! My name is _____ and I'm a focus group moderator from Schulman, Ronca, & Bucuvalas, Inc. The Internal Revenue Service has asked us to speak with you today/tonight. The IRS wants to improve the way it deals with people. As the nation's tax collection agency, they feel they should be responsive to taxpayers by providing the best electronic filing products possible. To better serve the public and to have a more efficient tax system, the IRS needs the input of taxpayers, like your-selves, on some changes the IRS is considering for the TeleFile product. How many of you have ever participated in a focus group before? For those of you who have not and as a refresher for those of you who have, we have some ground rules that I would like to go over.

- The IRS contracts with a Research Facility, like this one, to arrange for people to speak with us. Part of that contract states that we are required to ensure that they only know you by your **first name**. Therefore, you remain anonymous to the IRS and are free to tell me what you think.
- There are no **wrong answers**. I'd like everyone to participate, so speak one-at-a-time, loudly, and clearly.
- Because it's hard to listen to your comments and write, we are taping this session. The tape will be used only by me to write our report. ?A copy of the tape will be provided to IRS.? **(NO NAMES WILL BE USED IN THE REPORT)**
- I have several colleagues observing from behind the one-way mirror. The observers are here to hear your comments and see your visual expressions only. We will use the tapes and visual expressions from this group, along with 7 other focus groups that we are conducting, with people like yourself, across the country to write our report.
- I will be watching our time and directing our conversation. We will be here about 2 hours. There will be no formal break. However, if you need to stretch, go to the restroom, or walk around a little, please feel free to do so but please come back quickly. Your comments are very important to us. Also, please no smoking.
- We are required by law to report to you the OMB control # for this public information request. That number is OMBxxxx-xxxx.
- Before we start, let me point out that our discussion will be focused on **the TeleFile Package that you received from IRS this year (and possibly in prior years)**. We may touch on related issues, but the real reason we're here is to talk about the TeleFile Package and use of the TeleFile electronic filing product.

Warm Up

Let's begin! Please give me your first name only, how long you've lived in this area, and what motivated you to come talk to the IRS? Note: Go around the table.

General Information

- What is the TeleFile Package? (PROBE: what they know about the contents of the package and how it is used.)
- Did anyone notice any changes in this year's Package over last year's? If so, how?

We are going to be discussing changes to the TeleFile package itself first. Later, we will be asking other questions about the TeleFile product and how it is used.

TeleFile Package

The TeleFile Package that was mailed to TeleFile eligible taxpayers this year was a condensed version of the 1999 TeleFile Package. To refresh your memory, here is a copy of the 2000 TeleFile Package. (PASS AROUND COPIES OF THE 2000 TELEFILE PACKAGE, AND GIVE PARTICIPANTS A FEW MINUTES TO REFRESH THEIR MEMORIES.)

1. IRS wants to determine the minimum amount of information needed by taxpayers to complete their TeleFile returns. Did this version of the TeleFile Package contain everything you needed to complete your return? (GET COUNT OF PARTICIPANTS WHO DID NOT NEED ANY ADDITIONAL INFORMATION TO COMPLETE THEIR TELEFILE RETURNS.)

For those of you who needed additional information...

2. What information was missing from the TeleFile Package? (CAPTURE IDEAS ON A FLIP CHART. AFTER ALL MISSING ITEMS ARE LISTED, GET A COUNT OF HOW MANY PEOPLE NEEDED EACH ITEM. IF THERE WAS NO MISSING INFORMATION, PLEASE SKIP TO QUESTION NUMBER FIVE.)

3. Now that we have identified items that were missing from the package, where did you go to get the information you needed to complete your return? (ASK EACH PARTICIPANT WHO SAID THAT THE TELEFILE PACKAGE WAS MISSING INFORMATION THEY NEEDED TO COMPLETE THEIR RETURN. SOME POSSIBLE SOURCES OF INFORMATION ARE LISTED BELOW. PROMPT WITH THESE CHOICES, IF NECESSARY:

IRS Toll-free Customer Service: (800) 829-1040

IRS Web Site: www.irs.gov

IRS TaxFax Service: (703) 368-9694

TeleTax Information (recorded information): (800) 829-4477

Ordered IRS forms and publications by phone: (800) 829-3676

Walk-In to local IRS Office to either pick up forms and publications or talk to IRS service representative

Wrote to IRS for forms and publications

Other? (Please specify.)

For all...

4. Did you notice pages 2 and 3? Did this marketing information have any influence on your decision to use TeleFile? (GENERATE A DISCUSSION OF THE IMPACT OF THE MARKETING PAGES ON PARTICIPANT'S DECISION TO USE TELEFILE. DID THEY HAVE NO INFLUENCE, SOME INFLUENCE, OR A SUBSTANTIAL INFLUENCE?)
5. Is there anything other than the marketing pages (pages 2 and 3) that the TeleFile Package contained that was not necessary? (CAPTURE ANY IDEAS ON FLIP CHART. MAKE SURE TO CAPTURE SPECIFIC PAGE AND/OR SPECIFICALLY WHAT WAS NOT NEEDED.)

Now lets look at the specific features of the new (twelve-page) package.

6. When you prepared your 2000 tax return, how many of you went directly to the TeleFile Tax Record (page 7) to prepare the TeleFile return? (USE THE FOLLOWING QUESTIONS TO GENERATE A DISCUSSION OF HOW PARTICIPANTS USED THE TELEFILE PACKAGE TO PREPARE THEIR TELEFILE TAX RECORD AND TO PREPARE FOR MAKING THE PHONE CALL TO FILE THEIR RETURN.)
7. Did any of you refer to any of the instructions at any point, to help you complete the Tax Record?

8. Which items did you refer to?
- | | | |
|-----------------------------------|-------|----------------|
| EIC Eligible Information? | _____ | (RECORD COUNT) |
| Balance Due Information? | _____ | (RECORD COUNT) |
| TeleTax topics? | _____ | (RECORD COUNT) |
| Pie Chart? | _____ | (RECORD COUNT) |
| Marketing Information for e-file? | _____ | (RECORD COUNT) |

Alternative TeleFile Packages

For next year (2001), IRS is considering further simplification of the TeleFile Package. Here is one version they are considering using. (PASS AROUND SEVERAL COPIES OF THE EIGHT-PAGE PROTOTYPE TELEFILE PACKAGE.)

9. What are the differences you notice between the 2000 (twelve-page) package and this eight-page version? (CAPTURE IDEAS ON A FLIP CHART. ONCE ALL PARTICIPANTS HAVE HAD AN OPPORTUNITY TO DESCRIBE DIFFERENCES, PROCEED TO THE NEXT QUESTION.)
10. Now that we have identified the differences, we would like to rank those from the most desirable to the least desirable. First, we will decide which are desirable and which are not. Next we will rank each group. (POLL PARTICIPANTS. TRY TO GET CONSENSUS ON WHICH DIFFERENCES ARE DESIREABLE AND WHICH ARE NOT.)

NEXT, RANK THE DESIREABLE LIST FROM MOST DESIREABLE TO LEAST AND THE UNDESIREABLE FROM LEAST UNDESIREABLE TO MOST. RECORD RANKINGS ON FLIP CHART(S).

Filing a Return Using TeleFile

11. How many of you made the phone call to file your TeleFile return?
- | | | |
|--------------------------------------|-------|----------------|
| Made TeleFile phone call personally? | _____ | (RECORD COUNT) |
| Had someone else make phone call? | _____ | (RECORD COUNT) |
- AND ASK EACH RESPONDENT WHO HAD SOMEONE ELSE MAKE THE PHONE CALL, WHOM THEY HAD MAKE THE CALL AND WHY. RECORD REASONS.)
12. Did any of you use the second part of the TeleFile Tax Record to enter the amounts provided during the TeleFile phone call (items I, J, K, L, and M)?
13. Did anyone not record their 10-digit confirmation number (item N) after completing their return?
14. What is the maximum amount of time you feel would be tolerable for completing a tax return on the telephone?
- | | | | |
|---------------|-------|---------|----------------------|
| Participant 1 | _____ | minutes | (RECORD TIME AMOUNT) |
| Participant 2 | _____ | minutes | (RECORD TIME AMOUNT) |
| Participant 3 | _____ | minutes | (RECORD TIME AMOUNT) |

Participant 4 _____ minutes (RECORD TIME AMOUNT)
Participant 5 _____ minutes (RECORD TIME AMOUNT)
Participant 6 _____ minutes (RECORD TIME AMOUNT)
Participant 7 _____ minutes (RECORD TIME AMOUNT)
Participant 8 _____ minutes (RECORD TIME AMOUNT)
Participant 9 _____ minutes (RECORD TIME AMOUNT)
Participant 10 _____ minutes (RECORD TIME AMOUNT)
Participant 11 _____ minutes (RECORD TIME AMOUNT)
Participant 12 _____ minutes (RECORD TIME AMOUNT)

15. The IRS says that the current average amount of time for completing the TeleFile return phone call is eleven minutes. What amount of time would you consider to be ideal? (POLL PARTICIPANTS. TRY TO GET CONSENSUS ON WHAT THE IDEAL AMOUNT OF TIME IS. RECORD CONSENSUS TIME.)
16. Often, taxpayers hang up the phone before completing the filing of their return. There are three points in the TeleFile script at which taxpayers most often hang up. The questions that are asked by the script at these points are shown on this sheet that I am handing out. (HAND OUT SHEET 1 TO ALL PARTICIPANTS.)
17. Regarding the first question (Flow point #2000), what are the possible reasons for hanging up? (RECORD LIST ON FLIP CHART.)
18. Regarding the second question (Flow point #2040), what are the possible reasons for hanging up? (RECORD LIST ON FLIP CHART.)
19. Regarding the third question (Flow point #5090), what are the possible reasons for hanging up? (RECORD LIST ON FLIP CHART. THIS CONCLUDES THE QUESTIONS REGARDING THE TELEFILE SCRIPT.)

Additional Questions

20. Currently, the IRS provides a toll-free phone number for filing TeleFile returns. Would you be willing to pay for this, approximately ten-minute, long-distance phone call? (POLL PARTICIPANTS. DETERMINE HOW MANY WOULD BE WILLING TO PAY AND HOW MANY WOULD NOT.)

21. This current filing season, IRS introduced the “Self-selected PIN” for all electronic returns except TeleFile. The Self-selected PIN would eliminate the need for IRS to send taxpayers a Customer Service Number (CSN). Additionally, taxpayers would not need a TeleFile Package to file via TeleFile. In order to use the Self-selected PIN taxpayers must know two pieces of confidential information from their prior year’s tax return, Adjusted Gross Income, and Total Tax. Do you retain copies of your prior year tax returns or Tax Records to access the confidential information necessary to use the Self-selected PIN? (POLL PARTICIPANTS. DETERMINE HOW MANY KEEP RECORDS OF THEIR PRIOR YEAR’S TAX RETURN INFORMATION AND HOW MANY DO NOT.)
22. What would be your preference for a PIN for TeleFile, the current IRS provided “Customer Service Number” (CSN) or, the Self-selected PIN? (POLL PARTICIPANTS. TRY TO DETERMINE HOW MANY WOULD PREFER THE CURRENT METHOD (CSN) AND HOW MANY WOULD PREFER THE SELF-SELECTED PIN.)

Conclusion

I need to go into the backroom to see if I forgot to ask you anything important or if other questions have come up.

While I’m gone, please talk about how IRS can improve the TeleFile program. (GET VOLUNTEER TO LIST ON FLIP CHART.)

(AFTER YOUR RETURN, ASK ANY ADDITIONAL QUESTIONS NECESSARY AND RECORD INFORMATION WHERE APPROPRIATE.)

Thank you for all your help. Is there anything else you’d like to add? Thanks again and please don’t forget to see the hostess (host) on the way out.

GOODNIGHT!

SHEET 1

TELEFILE SCRIPT POINTS WHERE TAXPAYERS ARE MOST LIKELY TO HANG UP

- Flow point #2000, " Your TeleFile Tax Record has been preprinted with your name and address. Your refund will be mailed to the address preprinted on the Tax Record. If the name and address on your Tax Record are correct, press1. If not, press2."
- Flow point #2040, "To use TeleFile, you will need your completed TeleFile Tax Record and W-2s from all jobs held in 2000. The TeleFile system will accept up to 10 W-2s and allow up to \$50,000 of taxable income. Please enter the 9-digit Social Security Number for the first person listed on the Tax Record now."
- Flow point # 5090, If you wish to file a return at this time press 1. If not press 2.

TeleFile Non-users Focus Group Study

MODERATOR'S GUIDE

Hi! My name is _____ and I'm a focus group moderator from Schulman, Ronca, & Bucuvalas, Inc. The Internal Revenue Service has asked us to speak with you today/tonight. The IRS wants to improve the way it deals with people. As the nation's tax collection agency, they feel they should be responsive to taxpayers by providing the best electronic filing products possible. To better serve the public and to have a more efficient tax system, the IRS needs the input of taxpayers, like your-selves, on some changes the IRS is considering for the TeleFile product. How many of you have ever participated in a focus group before? For those of you who have not and as a refresher for those of you who have, we have some ground rules that I would like to go over.

- The IRS contracts with a Research Facility, like this one, to arrange for people to speak with us. Part of that contract states that we are required to ensure that they only know you by your **first name**. Therefore, you remain anonymous to the IRS and are free to tell me what you think.
- There are no **wrong answers**. I'd like everyone to participate, so speak one-at-a-time, loudly, and clearly.
- Because it's hard to listen to your comments and write, we are taping this session. The tape will be used only by me to write our report. ?A copy of the tape will be provided to IRS.? **(NO NAMES WILL BE USED IN THE REPORT)**
- I have several colleagues observing from behind the one-way mirror. The observers are here to hear your comments and see your visual expressions only. We will use the tapes and visual expressions from this group, along with 7 other focus groups that we are conducting, with people like yourself, across the country to write our report.
- I will be watching our time and directing our conversation. We will be here about 2 hours. There will be no formal break. However, if you need to stretch, go to the restroom, or walk around a little, please feel free to do so but please come back quickly. Your comments are very important to us. Also, please no smoking.
- We are required by law to report to you the OMB control # for this public information request. That number is OMBxxxx-xxxx.
- Before we start, let me point out that our discussion will be focused on **the TeleFile Package that you received from IRS this year (and possibly in prior years)**. We may touch on related issues, but the real reason we're here is to talk about the TeleFile Package and use of the TeleFile electronic filing product.

Warm Up

Let's begin! Please give me your first name only, how long you've lived in this area, and what motivated you to come talk to the IRS? Note: Go around the table.

General Information

- What is the TeleFile Package? (PROBE: what do they know about the contents of the package and how it is used.)
- Did anyone notice any changes in this year's Package over last year's? If so, how?

We are going to be discussing changes to the TeleFile package itself first. Later, we will be asking other questions about the TeleFile product and how it is used.

TeleFile Package

The TeleFile Package that was mailed to TeleFile eligible taxpayers this year was a condensed version of the 1999 TeleFile Package. To refresh your memory, here are copies of the 2000 TeleFile Packages. (PASS AROUND SEVERAL COPIES OF THE 2000 TELEFILE PACKAGE, AND GIVE PARTICIPANTS A FEW MINUTES TO REFRESH THEIR MEMORIES.)

23. IRS wants to determine the minimum amount of information needed by taxpayers to complete their TeleFile returns. Does this version of the TeleFile Package contain everything you would need to complete your return? (GET COUNT OF PARTICIPANTS WHO FEEL THEY DID NOT NEED ANY ADDITIONAL INFORMATION TO COMPLETE THEIR TELEFILE RETURNS.)

For those of you who feel you would need additional information...

24. What information was missing from the TeleFile Package? (CAPTURE IDEAS ON A FLIP CHART. AFTER ALL MISSING ITEMS ARE LISTED, GET A COUNT OF HOW MANY PEOPLE NEEDED EACH ITEM. IF THERE WAS NO MISSING INFORMATION, PLEASE SKIP TO QUESTION NUMBER FIVE.)

For All...

25. Did any of you use an electronic filing method besides TeleFile to file your return this year? (IF NO PARTICIPANTS USED AN ELECTRONIC FILING METHOD, SKIP TO QUESTION 4.) For those of you who did, Did you notice pages 2 and 3? Did this marketing information have any influence on your decision to use an electronic method? (GENERATE A DISCUSSION OF THE IMPACT OF THE MARKETING PAGES ON PARTICIPANT'S DECISION TO USE SOME OTHER FORM OF ELECTRONIC FILING SUCH AS TAX PREPARER *e-file* or ON-LINE FILING. DID THEY HAVE NO INFLUENCE, SOME INFLUENCE, OR A SUBSTANTIAL INFLUENCE.)
26. Is there anything that the TeleFile Package contained that you feel was not necessary? (CAPTURE ANY IDEAS ON FLIP CHART. MAKE SURE TO CAPTURE SPECIFIC PAGE AND/OR SPECIFICALLY WHAT WAS NOT NEEDED.)

Alternative TeleFile Packages

For next year (2001), IRS is considering further simplification of the TeleFile Package. Here is one version they are considering using. (PASS AROUND SEVERAL COPIES OF THE EIGHT-PAGE PROTOTYPE TELEFILE PACKAGE.)

27. What are the differences you notice between the 2000 (twelve-page) package and this eight-page version? (CAPTURE IDEAS ON A FLIP CHART. ONCE ALL PARTICIPANTS HAVE HAD AN OPPORTUNITY TO DESCRIBE DIFFERENCES, PROCEED TO THE NEXT QUESTION.)
28. Now that we have identified the differences, we would like to rank those from the most desirable to the least desirable. First, we will decide which are desirable and which are not. Next we will rank each group. (POLL PARTICIPANTS. TRY TO GET CONSENSUS ON WHICH DIFFERENCES ARE DESIREABLE AND WHICH ARE NOT.)

NEXT, RANK THE DESIREABLE LIST FROM MOST DESIREABLE TO LEAST AND THE UNDESIREABLE FROM LEAST UNDESIREABLE TO MOST. RECORD RANKINGS ON FLIP CHART(S).

Filing a Return Using TeleFile

29. You received the TeleFile Package but decided to file your return by some means other than TeleFile. What are the reasons that you did not use TeleFile? (POLL ALL PARTICIPANTS. LIST ALL REASONS GIVEN ON A FLIP CHART. DETERMINE HOW MANY PARTICIPANTS EACH REASON GIVEN PREVENTED THE USE OF TELEFILE. ALSO RECORD THE NUMBER OF PERSONS FOR WHOM EACH REASON APPLIES.)
30. What would it take for you to use TeleFile in the future? (POLL ALL PARTICIPANTS. RECORD ALL IDEAS THAT WOULD INCREASE USE OF TELEFILE.)

NEXT, RANK THE IDEAS FROM MOST DESIREABLE TO LEAST. RECORD RANKINGS ON FLIP CHART.

31. If you had used TeleFile for your 2000 tax return, what is the maximum amount of time you feel would be tolerable for completing a tax return on the telephone?
- Participant 1 _____ minutes (RECORD TIME AMOUNT)
 - Participant 2 _____ minutes (RECORD TIME AMOUNT)
 - Participant 3 _____ minutes (RECORD TIME AMOUNT)
 - Participant 4 _____ minutes (RECORD TIME AMOUNT)
 - Participant 5 _____ minutes (RECORD TIME AMOUNT)
 - Participant 6 _____ minutes (RECORD TIME AMOUNT)
 - Participant 7 _____ minutes (RECORD TIME AMOUNT)
 - Participant 8 _____ minutes (RECORD TIME AMOUNT)
 - Participant 9 _____ minutes (RECORD TIME AMOUNT)
 - Participant 10 _____ minutes (RECORD TIME AMOUNT)
 - Participant 11 _____ minutes (RECORD TIME AMOUNT)
 - Participant 12 _____ minutes (RECORD TIME AMOUNT)

32. The IRS says that the current average amount of time for completing the TeleFile return phone call is eleven minutes. What amount of time would you consider to be ideal? (POLL PARTICIPANTS. TRY TO GET CONSENSUS ON WHAT THE IDEAL AMOUNT OF TIME IS. RECORD CONSENSUS TIME.)

Additional Questions

33. Currently, the IRS provides a toll-free phone number for filing TeleFile returns. Would you be willing to pay for this, approximately ten-minute, long-distance phone call? (POLL PARTICIPANTS. DETERMINE HOW MANY WOULD BE WILLING TO PAY AND HOW MANY WOULD NOT. GENERATE DISCUSSION OF REASONS PARTICIPANTS WOULD/WOULD NOT BE WILLING TO PAY.)
34. In addition to its TeleFile product, IRS, through partner companies, offers On-Line filing of tax returns. How many of you have access to a computer and the Internet? (POLL PARTICIPANTS. DETERMINE HOW MANY HAVE ACCESS TO BOTH A COMPUTER AND THE INTERNET. GENERATE DISCUSSION OF POSSIBLE PLACES TO ACCESS COMPUTER AND INTERNET, BESIDES PERSONAL

OWNERSHIP, I.E. PUBLIC LIBRARY, HIGH SCHOOL OR COLLEGE, PARENTS, FRIENDS, ETC.)

35. Some of the companies that IRS partners with to provide On-Line filing offer their On-Line filing free. How many of you were aware that, free, On-Line filing is available? (POLL PARTICIPANTS. DETERMINE HOW MANY ARE AWARE OF THE AVAILABILITY OF FREE, ON-LINE FILING. GENERATE DISCUSSION OF HOW TO FIND FREE, ON-LINE FILING THROUGH IRS WEB SITE. POLL PARTICIPANTS TO DETERMINE HOW MANY ARE INTERESTED IN USING ON-LINE FILING NEXT YEAR.)
36. This current filing season, IRS introduced the “Self-selected PIN” for all electronic returns except TeleFile. The Self-selected PIN would eliminate the need for IRS to send taxpayers a Customer Service Number (CSN). Additionally, taxpayers would not need a TeleFile Package to file via TeleFile. In order to use the Self-selected PIN taxpayers must know two pieces of confidential information from their prior year’s tax return, Adjusted Gross Income, and Total Tax. Do you retain copies of your prior year tax returns or Tax Records to access the confidential information necessary to use the Self-selected PIN? (POLL PARTICIPANTS. DETERMINE HOW MANY KEEP RECORDS OF THEIR PRIOR YEAR’S TAX RETURN INFORMATION AND HOW MANY DO NOT.)
37. What would be your preference for a PIN for TeleFile, the current IRS provided “Customer Service Number” (CSN) or, the Self-selected PIN? (POLL PARTICIPANTS. DETERMINE HOW MANY WOULD PREFER THE CURRENT METHOD (CSN) AND HOW MANY WOULD PREFER THE SELF-SELECTED PIN.)
38. Are any of you seriously considering using TeleFile for next year, if you qualify? (POLL PARTICIPANTS. FOR THOSE WHO ARE CONSIDERING USING TELEFILE, ELICIT A DISCUSSION OF WHY THEY ARE NOW CONSIDERING USING IT. WHAT HAVE THEY LEARNED ABOUT TELEFILE THAT HAS CONVINCED THEM TO CONSIDERING USING TELEFILE.)

Conclusion

I need to go into the backroom to see if I forgot to ask you anything important or if other questions have come up.

While I'm gone, please talk about how IRS can improve the TeleFile program. (GET VOLUNTEER TO LIST ON FLIP CHART.)

(AFTER YOUR RETURN, ASK ANY ADDITIONAL QUESTIONS NECESSARY AND RECORD INFORMATION WHERE APPROPRIATE.)

Thank you for all your help. Is there anything else you'd like to add? Thanks again and please don't forget to see the hostess (host) on the way out.

GOODNIGHT!

Appendix C: TeleFile Twelve-page Package

Printed copy will contain an actual TeleFile 2000 package.

Appendix D: TeleFile Eight-page Package

Printed copy will contain an actual TeleFile 2001 package.

Appendix E: Transcript – New York TeleFile Users

**IRS TELEFILE FOCUS GROUP
USERS
NEW YORK, NY
MARCH 19, 2001, 6:00 PM**

M: Intro . . . How many of you have participated in TeleFile before this year? Seven out of the nine here. Let's go around the table and introduce ourselves. Let's begin with Kelly.

R: My name is Kelly. I am a paralegal at a trust and estates law firm. I have used TeleFile two years.

R: I am Michelle. I do product development design. I have used it for a few years now. Maybe three or four, however long it has been going on.

R: My name is Cheryl and I am a budget and policy analyst and this year was the first year that I have used it.

R: I am Michaela. I am an administrative manager in a human resources department at a college. This is the third year I have used TeleFile.

R: I am Hans. I work for a French company called Forchonne as a cash room manager.

R: My name is Kelly and I am a book production manager. I have used TeleFile since it has become available.

M: Which has been?

R: I don't know.

R: I am Shay and I am a senior in college studying marketing and management. This is my first year using TeleFile.

R: I am Lori. I just moved here from Boston. I have used TeleFile two years in a row.

R: David and I am a high school teacher and I have used it about three or four years.

M: Great. The first question that I have is kind of a knowledge question. I suspect most of you can answer. What does the TeleFile package do? Does anybody know what that is?

R: That little booklet that you got in the mail?

M: Uh huh. Did everybody here get a booklet?

R: Yes.

R: Yes.

R: Yes.

M: Did anybody not get a booklet or what we call the package?

R: You can't really file if you don't have it.

M: What do you know about it? What does the package contain?

R: All the info, it has your PIN number and everything step by step.

M: This is just kind of what you remember about the contents of the package. Besides all that what else does it have?

R: It has the receipt in case you owe money in back taxes. It has the receipt for you to mail it out. It has all the instructions in it and the info boxes that you need to fill in.

M: Anybody else? What else does it have?

R: It has a number to call.

R: Yeah.

R: Yeah it has an 800 number.

R: Tax tables.

R: No it doesn't. That is what I don't like about it.

R: It has a regular tax number.

R: The state does.

R: But no, the TeleFile, it doesn't. You are wondering, so you call twice.

M: So not having tax tables, the tax tables are a bit of a safety net for you that you like to have?

R: Yeah you like to know where you stand. If you owe like a million dollars or something, you might want to wait until April 15th.

M: And if you don't have it, that causes you to call again?

R: Yes. But at least there is that option.

R: Yeah that is a good thing. You don't have to file right then.

M: When did you hang up?

R: After you go through the whole thing, because you don't find out until the end what your dollar amount is and whether it is owed or refunded.

R: They figure everything, which is a nice option.

R: But it would be nice to get the tax tables, because then you could figure out, do I want to make this call.

M: So you hang up before you actually submit it then?

R: Right. You go through the whole thing and right at the end.

M: And that is because you don't have the tax tables?

R: Yeah, because once you start filing through TeleFile, especially the last two years, they don't include the tax tables any longer. So to get the schedules you would have to go to the Post Office and library and get them and then figure it out. It is just easier, a little bit scary, but easier to go through the whole thing and wait and see if you like the answer.

M: This is the beauty of a focus group. Now I am going to pursue this now that we are here. How many of you actually called the first time and then hung up and then called back again and finished the job? Raise your hands. Four out of the nine.

R: Do you mean any year or this year?

M: Any year. Okay five. Let's talk about that a minute. Why did you, besides this reason that we just mentioned, was there another reason why or another point where you hung up and retried?

R: I had written the numbers down and look backed at them and they didn't make sense to me so I hung up and called back again.

M: At what point was that? Do you remember?

R: It was after it had told me what my refund was going to be.

M: And it didn't make any sense because you thought the refund should have been more or less?

R: I thought it should have been more.

M: So you didn't want to submit because that would have committed you?

R: Exactly.

M: Were there any other places or reasons?

R: The same for me. I did the same thing.

M: You wanted to somehow confirm that that was the accurate amount that you were getting?

R: Yes.

M: And then how did you find out that it was the accurate amount?

R: I did it all over again. Like I hung up and said, oh yeah, and I had to go through the whole process and I took my time with every answer. Then I worked it out first again.

M: Did you use a worksheet or anything?

R: I used just a scrap piece of paper. I wasn't sure what to do with that piece of paper that I filled out and everything I wrote up the numbers on. I wasn't sure what to do with it. I wasn't sure if I kept that or if I had to mail that in so I didn't want anything on there. That is why I called back.

M: Back to content again. What do you remember there being in the package?

R: Social Security number.

M: Your Social Security number?

R: Yeah.

M: What information that the IRS is providing in the package?

R: That cute pie.

M: Tell me about the pie?

R: You know the pie about how your tax dollars are spent.

M: What do you think about that?

R: I don't really think it is all that necessary. It is lovely but it is kind of, you know.

M: Irrelevant?

R: It is a little piece that takes up space but to me it is not really that important. I mean, on my tax return information it is not that important.

M: Did anyone, since most of you are repeat users, did you notice any changes in this year's tax package over last years?

R: It came folded like a piece of junk mail. It is really good that they said do not throw away because it looked like when I took it out of my mailbox, it was like.

M: So in years past it had been on 8 by 11 piece of paper?

R: Yeah. This year it is much less expensive to mail it that way, which I understand. You know how oblivious you are when you are getting your mail.

R: It looks like a coupon package.

R: Exactly. And then you would cry because you would have to use the forms and do it the other way. But in previous years it was mailed flat like a regular form.

R: But you would have the tax table.

R: That is true.

R: But even like the TeleFile form used to be mailed flat.

M: What else about the form was different? Did you notice anything about the content of the form? Length?

R: It seemed shorter. I think it seemed more compact. I remember looking at this year's thinking, where is everything else. It seemed more compact.

M: We are going to be discussing changes to the TeleFile package itself first. Later we will be asking other questions about the TeleFile product and how it is used. Let's go into the TeleFile package. The TeleFile package that was mailed to eligible tax payers this year was a condensed version so your impression was correct. From the 1999 version, it is a little bit shorter. I have copies of this year that I would like to pass around. Does this look familiar to everyone?

R: Very familiar.

M: The IRS wants to determine the minimum amount of information needed by taxpayers to complete their TeleFile. Did this version of the TeleFile package contain everything you needed to complete your return?

R: Uh huh.

R: Yes.

M: Did it have any information that you could have used that wasn't in the return or wasn't in the package?

R: The tables.

M: No, did it have anything that wasn't in there but you could have used it?

R: But we had just said . . .

M: Oh the tables, that is right. I am sorry. I was thinking pie. So the tax tables would be something that would have been convenient for you. What else, if anything? I am going to write down some things on the flip chart.

R: One thing I thought of . . . I didn't notice a phone number to call if you have a problem. If you file it, and then realize that you did something wrong. I wouldn't know what to do at that point.

M: Say that again.

R: A phone number to call if you had a problem or you didn't understand something. It is pretty self-explanatory.

M: It didn't have a phone number?

R: It has a phone to call to file. But a phone number for problems.

M: Did anybody have any problems that they contacted the IRS about?

R: Yeah, I did actually. After I filed mine, I realized that I put the wrong routing number for my bank account. I called back and I spoke to someone. I don't recall if I called the same and accessed something. I don't recall. But I did call and speak to a person who said I had to file an amended version.

M: You don't remember the exact number that you called though?

R: It might have been the same number.

M: What is the number?

R: 1-800-829-5166.

M: Is that the only number that they have on there to call?

R: They have a forms and publications number.

M: That is the regular IRS helpline I think.

R: Yeah. And there is an information service to call right here. It is 1-877-cdforms.

R: There is a number for specifics here.

M: Which is what?

R: 1-800-829 . . .

M: Okay that is the Tax 1040 line.

R: I didn't have any problems.

M: Did anybody experience any problems at all other than they wanted to confirm their refund amount?

R: I filed through TeleFile in 1997 and loved it and couldn't wait to file it because I wanted to get my refund as quickly as possible. I did not receive a TeleFile form in 1998. I called to receive one and they said if I didn't receive one automatically in the mail, you couldn't receive one. The same thing happened in 1999. I knew not to even call again because if I didn't receive it in the mail, I was just out of luck. I received one in 2000 and filed it.

R: Is there like, if you lived at a certain residence for two years in a row I think . . . that is what I have heard.

R: I have been in the same place for four years. I used it the first year that I got it and I did not receive it for the next two years.

M: I can't answer your question, but you could ask the folks back there if you want to afterwards if you want to find out. It may just have been a mailing oversight or something. So any other information you would find absolutely necessary. I guess we would have tax tables.

R: And the standard deductions.

M: What is that?

R: The standard deduction amounts and the information you need just to figure out when you look at your W-2s where you might be.

M: The standard deduction amount. Did all of you . . . I guess it was Michelle and Kelly. Did anybody else hang up? Several of you hung up. And you wanted to confirm your refund amount. What did you do to confirm it? Did any of you go and look at the tables? Like go to the Post Office and get a 1040 package? Did you just call back and do the system again?

R: Yeah I think for me maybe I hadn't gotten all my W2's or something and I just kind of wanted to see where I stood. I kind of figured what I had probably gotten taken out from a second job during that same year or something. You just kind of want to find out. Some employers give it to you very early, at the beginning of February and others are later. You just kind of want to see where you are going to end up.

M: How long was the interval between when you called the first time and then called back?

R: Just a couple days or a week. It depends . . . it is not because of a problem that I called back. It is just when you have more information and you think you are ready.

M: Did anybody go get the tax package and look at the tax tables?

R: I think I called and I wasn't sure about that number. It asked you if you wanted to confirm and I didn't. I hung up. I checked it on sort of a basic test based on the numbers that they gave me because it tells me when I call taxable income. I think I just took a couple minutes to look it over and then I called back.

M: Let me get a show of hands. How many of you consulted the tax tables after you hung up? Actually physically consulted the tax tables?

R: After you hung up or before you even called?

M: Both.

R: I work with taxes at work and I looked at the tax tables.

M: For the rest of you who weren't sure about your amount that the TeleFile program was saying that you were getting back, you just went ahead and did the program again and when it came out to be the same number, then you accepted it then? Okay.

R: And that wasn't this year. That was last year. This year I just had an idea and I just ran it through.

M: Okay that is great. Let's look at the package itself. If you wouldn't mind turning to page two or three, this is marketing information. Obviously they are trying to encourage you to use the TeleFile. Did this have any influence on your decision to use TeleFile or not?

R: No, but this is really stupid.

(Laughter.)

R: The IRS doesn't need to say stuff like this.

R: Right and this is the form that you are getting in the mail.

R: Of course, you are going to use it.

M: What about the first time users? Who were the first time users? What did you think of the marketing?

R: I skipped right over it.

M: What influenced your decision to use it?

R: I knew that it would be fast.

M: Have you heard about it from other sources?

R: No. I thought, let me try this.

M: So the package itself was useful but not those two pages?

R: No.

R: I remember thinking, I thought there might be a different option involved because it talked about e-file. I wanted to find out if there was another option to do it on the computer. That would have been even easier.

M: Would you have used that option?

R: Yeah I would file over the Internet if it were available.

M: How many of you would file over the Internet than the phone if it were available? You like the phone?

R: Yeah.

M: What is it that you like about the phone?

R: It is easy.

R: It seems more secure too.

R: It is easy. It is free.

R: You don't need a computer.

R: I think the first time I used mine it was like 15 minutes before April 16th. Something like that.

R: And you were able to get through?

R: I know I had less than an hour to file and I kept getting a busy signal.

R: Part of this was very confusing though because it talks about TeleFile and E-file on the same thing.

R: Yeah.

M: So they are mixing the two?

R: I had no idea. If you go down it talks about TeleFile but in the very beginning it starts out with the electronic services E-file. By the time I got lost reading it, the confusion between the two. I said I am not going to E-file. I will just go right to this page and do this. I have done it before. I was someone that they could have gotten with this and didn't. It wasn't effective.

M: And it wasn't effective because?

R: It was confusing. This little story didn't make any sense to me. They didn't have to sell me on the idea with the story. They didn't have to sell me on E-file. This whole thing was confusing because part of it talks about TeleFile and part of it talks about E-file.

M: But you were interested in E-file?

R: I would have filed on the Internet if I had the option. If I had known that I had the option to do it.

M: Who was the other first time user?

R: I was.

M: What was your reaction to the marketing material?

R: I passed right by it. The only reason that I used TeleFile . . . I went to the IRS building and the line was so long that I came back home and called. First I read it and I wanted to make sure, because I don't want to owe the IRS anything. I called the IRS and I talked to a guy there and made sure that I all my numbers were right and then I called TeleFile.

M: Why did you go down to the . . . you said to the Federal Building in Manhattan to get the form?

R: No, I went up there so they could file my taxes.

M: So you had the form filled out or you were going to fill it out there at the IRS?

R: I had my W-2 forms and they file your taxes for you.

M: Right. And everybody else had the same idea?

R: Yeah.

M: What did you think of TeleFile after you did it?

R: Easy.

M: Would you do that again next year?

R: Yeah, every year that they send it to me.

M: Is there anything other than those two marketing pages that the TeleFile package contained that was not necessary? Let's go over it page by page. What about on page four? Anything on page four?

R: No, that is a good way to tell whether or not you can use it.

R: That is what made me use it actually.

M: Really, page four?

R: Yeah, I read page four and I said, I like that.

M: Did you like the way that was structured, the sort of questionnaire format?

R: Right. It was pretty straightforward.

M: What about page five? Did anybody here qualify for an earned income credit? So it didn't really concern anybody.

R: It would be useful if you did.

R: It is nice to know how.

M: Did anybody read the information under earned income credit just out of curiosity? Did you find it confusing or did you understand it?

R: No. I think because I was in graduate school for half of the year, so I tried because my income was under the amount. That might have been actually last year. I went through the whole thing. I used the little guide and realized that I didn't qualify. It was fine. It was easy to use.

M: So you had no trouble figuring out that you wouldn't qualify?

R: Right no trouble at all.

M: Moving on to page six. This is help with your tax records. Did anybody read this? Nobody read it. Why did you skip over this part?

R: I skipped it because I had used TeleFile for a couple years and obviously didn't fill the form out.

M: What about figuring out your routing numbers?

R: I used to be a payroll manager so I know all that.

M: Cheryl, did you read this part?

R: I did, but you know I took the routing number off of my old tax return. They changed the routing number or something so I have a different routing number.

M: Now you do. Did you think this was a necessary page?

R: Yes.

R: Yes.

R: You need to know where to look.

M: And page seven, which is the TeleFile Record.

R: It is a nice little form.

M: Did you go right to it?

R: I did.

R: Uh huh.

M: Or did you look at any of the other stuff on this form first?

R: I went right to it.

R: I went to page four and then I went here.

M: Page four first. Let's go back. What was page four? Who can file by phone was the title. So after you looked at that you went right to page seven to the worksheet? And did you fill out the worksheet before you started?

R: No, I just did it.

M: You didn't fill out the form at all?

R: Well, as I was doing it.

M: As you were on the phone?

R: As I was on the phone, yes.

M: You filled out the form as you went along?

R: Yes.

M: Did anybody fill out the form or do anything to the form beforehand or always as you went along?

R: You don't know totals if you have more than one.

M: Did anybody not fill in the information and just filed through and took whatever was there?

R: I filled out the form.

R: You write it down.

M: I guess this is a necessary page.

R: Yes.

M: Okay, this is titled ACH Debit Authorization and General Instructions. Did anybody read these?

R: No.

R: Yeah. I thought this was really handy that you could file now and then if you owed anything they wouldn't take it away until later.

R: It was clear.

M: Hans, you said that you didn't read it? You weren't interested in reading it? Is this something they should include or not include?

R: I think that it should be there, but I didn't read it.

M: Did anybody else read it?

R: I glanced at it.

M: You didn't read it?

R: I filed this way before.

M: Lori, you didn't read it?

R: Yeah I read it. I usually read it first, and after I fill out general information, I usually go back here to see where I stand just to make sure that I am doing it right.

M: You read it after you did the process?

R: I did it while I read the package.

M: During?

R: Uh huh.

M: Cheryl, what about you? Did you read that at any point?

R: No. I called the IRS and already had page seven filled out and was ready to go. But it is useful.

M: What about page eight, which is sort of a continuation? Quick and Easy Access to Tax Forms. Did anybody read that part? It talks about the PC, the fax, the phone and CD-ROM.

R: Yeah. It is useful information. I mean, it didn't apply to me, but I am glad that it is there in case it ever did.

M: David, were you interested in that part? Did you read it?

R: No I didn't. I looked at it.

M: Okay, you decided that the phone was it and the rest of it didn't apply?

R: Yeah.

M: Should that have been in the front of the package?

R: No, this is good. I think it is in a good spot. I have looked at it before. This year I just passed.

M: What about Calling For Tax Help? Did you see that part?

R: Yeah, I saw this part, but getting tax help is one thing, but getting help with your actual TeleFile form I don't think is quite the same thing. I am not sure, because I have never done it. I didn't have any problems. I wondered if, what if I finalized a call, and then I realized I forget interest or something like that. I know that I have to file an amended, but I would have liked a number that said specifically, for TeleFile problems call. I am not so sure that if you call any IRS number that they are going to be able to help you with something in TeleFile.

M: How many of you have access to the Internet? All of you. Everybody has access to the Internet. Have you ever gotten on the IRS website? How many have gone to the IRS website? Two of you. Would you consider getting on that as a way of helping you with TeleFile?

R: If I had a problem I might.

M: Do you think there would be anything on there?

R: I have no idea.

M: Nobody has had any problems right?

R: Right. I didn't have any problems.

R: If I had a problem, I would go there.

M: Would you go there first or would you call first?

R: I would go first.

R: It probably makes sense, because it is easier than being put on hold.

R: Actually I would prefer to call. Sometimes the way that the page is organized you can't quite find what you are looking for.

M: How many of you would rather call if you had a problem? Eight.

R: I like that there are two options.

M: What else? Let's move on. What about page nine? How to use TeleTax? Has anybody used TeleTax?

R: That is how I did my return.

M: Has it been fairly accurate?

R: Yeah, it was very accurate.

M: You were expecting it and it came when you expected it?

R: Yeah.

M: Anybody else?

R: Yeah, I think I did two years ago, I called it. It was pretty good. It says you have to wait three weeks, but in the past two years I have gotten my refund in less than two weeks.

R: In about two weeks.

R: Less than two weeks.

M: Has anybody had a bad experience with TeleFile?

R: Other than not getting the package.

R: This part, I don't know what this is. You just call to find out where your check is or if it is in route? Is that what it is?

M: Does anybody want to explain?

R: I called because if you give them your number, it can tell you that it has all been processed and it says your check is expected to be mailed out on whatever date it was. Just so you have an idea.

R: I never looked at it.

M: Did you know that it existed?

R: Nope. Every time I have done it, it has been in two weeks, the direct deposit.

M: What has been the longest that you have gotten your refund back?

R: I think both years that I was able to file, I got it within ten days.

M: Anybody longer than three weeks?

R: Me.

M: And why?

R: The routing number.

M: Right. How about we move on to page eleven. What is this page?

R: The form.

M: What do you do with it?

R: Pay them money.

R: You send in this little piece of paper.

M: Has anybody sent this in ever?

R: No.

M: So you have always filed by phone and then you didn't send any forms in?

R: I think you only have to send it in if you owe them money.

R: The one thing that I don't like about TeleFile, and I love how it is so easy to file and your refund comes so quickly, is that if somebody asks to see a copy of your tax return, you just have this page with little scribbles on it. I would prefer that they would send some sort of official looking receipt. I always let New York State figure out my taxes, and they always send out a little computer printout as to what they took out as deductions and what my refund was.

M: Is this after you have done the transaction?

R: I just fill in as little as possible, send it to them. I don't know what I am getting back or what I owe and they send me a receipt. It has just the deductions on it.

M: So what you would like in TeleFile would be, after you have made the phone call and you have submitted it, then you would like something in the mail?

R: Yes. It could be really simple but just something if somebody asked for your tax return and you don't have to show them this little scratch sheet.

R: I completely agree with her. In my case, like for immigration purposes, because I wasn't born here. And I am afraid when they say, I want to see your income taxes for the past . . . in fact, if you want to be a citizen, you have to bring proof of your income tax for the past five years. The immigration officer will look at it.

R: And say this doesn't prove anything.

R: Then there is a delay.

M: Well are you concerned about that?

R: I am concerned. What she says is right. If I go to immigration and the man said, where is your income tax, and I showed him this, I don't know if he is going to buy it.

M: How many years have you filed with TeleFile?

R: I have been filing since 1995 I believe.

M: So if someone asked for records of the past five years, you would have to show them five years of booklets right?

R: These. I know they are good, but the immigration officer would say, look I need something else. I am afraid I might go there and he would say, I need something else.

M: Have you ever called the Immigration Office and asked if it is okay?

R: I am not in that situation, but eventually if I want to become a citizen, I am going to have to bring proof of these. I am concerned.

M: What are you going to do? You are just going to bring the past tax packages?

R: I guess when it happens I will have to call the IRS and say, send me something more official.

R: I think that kind of goes hand in hand with the fact that there is no tax table too. A little print out showing you how they came up with your refund or payment would be nice.

R: And also, the first year I used TeleFile, I didn't file my state taxes. I was under the impression that was it.

M: What happened?

R: Nothing ever happened. But the first year I said that is it.

M: But after that you filed your state taxes?

R: The next year I thought I would start filing them. I don't think I am the only one who did it. Who made that mistake? But the first year I thought that was it. You file and that is it.

M: What about the last page?

R: The pie would be nice if it were colored.

R: Taxes will go up.

R: It would be really nice if this was bigger, the do not throw away part.

(Laughter.)

M: If they are going to leave it like that?

R: Obviously it is great and more cost efficient to mail it like that but yeah especially next year I won't be as shocked. This is the first year that it came with that. It does just look like a flyer.

M: What about the purple ink?

R: It is a lovely color.

R: Maybe they should have had it . . . they could have just the purple. Like instead of being the band purple with nice little white letters. They could have had big across the bottom – No. No. Keep this.

R: I really like the chart.

M: You like the chart.

R: I look at very little on this thing. I look at the chart.

M: You find it interesting?

R: Yeah, I look at it every year and I see the same thing.

R: Do they change anything?

R: Well that part of the pie just gets bigger and bigger and bigger. Social programs and national defense and it is just like it envelops the entire pie. I just get a little aggravated but I smile. It is fun to look at.

M: Do you think they should include that in future tax packages or not?

R: Yeah. Well I am actually sort of the opposite on the whole receipt and giving the print out and stuff. I don't even want this. I don't want anything. I don't want them to mail me anything. I would love to just sit at my computer and do it or call or whatever. I don't want any paper.

M: That is an interesting question that you have raised. How many think it would be better to have more information than what you currently have?

R: About what?

M: We talked about having the tax tables, having a printout later on of how it was computed or a receipt in the mail. That is kind of different than the tax package, but what about tax tables. They would obviously add a great deal of length.

R: Yeah but really there is only a certain income level that can actually file this way.

R: Right.

M: Okay.

R: They at least could give you the option. They could say press one if you would like a computer printed out thing. I just want if you apply for a bank loan or something and they say how much did you make last year, I could show them this. Which just doesn't look . . . it is perfect for the TeleFile needs. It is just not anything you want to show anyone else.

M: David thinks that less is probably better for him?

R: Then the option would be good. If you don't want to have it, you don't have to have it. If you need it for something or even if later on you could take . . . you know the confirmation number that you get after you finish. If you could go back and maybe order like an official printout of that year's income tax to show to immigration or the bank or whatever.

R: There is a number here that you can call and get a print out.

M: Is there? Where is that?

R: If you need a copy of what you file with the IRS . . .

R: There you go.

M: If only you would read the general instructions.

R: Okay.

R: They could make that bigger.

R: Or put in under the page that you file.

R: Yeah, that would be good on the page.

R: On page seven.

M: We will put that down. Page seven, include where you can get a printout. So what did we decide about the pies? Keep them? Scrap them?

R: No keep them.

R: You have to do something with that other side of the page.

R: I think that it is good.

M: So I guess the pies get spared.

R: Well, maybe they could add a little footnote that refers us to the IRS website and shows us what they are actually including.

M: So, more detailed pies on the website.

R: Yeah.

M: Hey, you can do anything on the web. Let's see. I think I have already covered this, but did any of you refer to any of the instructions at any point to help you complete the tax record?

R: Yeah.

M: Now you have to tell me which ones.

R: I looked at the chart.

M: What was the name of the chart again?

R: It was file by phone and look at this little routing number thing. I did the sample check.

M: Anybody else? What about the EIC? We already talked about that. None of you checked on that. The balance due information? Did anybody refer to that?

R: I mean, last year I looked at the instructions because I had to file an amended and I wasn't sure what to do. I looked through there.

M: What about the TeleTax topics. We covered that a bit. How many of you looked at that? Two of you. What about the pie chart? How many of you looked at it? Five. Did you look at the pie chart?

R: I looked at it. I didn't like actually read it until I was sitting here. When I looked at it I thought of Ross Perot.

M: How many of you looked at the marketing information? Read it? We know that you read it.

R: Yeah, I did.

M: David is two. How many else looked at the marketing and really read it? Just two of you. Now, we can put that one away and I have another one for you to look at. This is the unveiling of the 2001 TeleFile package. We would like to get your comments on what you think of it. It is going in the direction of David's preference. It has gone shorter.

R: It is already better with the black.

R: It is really.

R: It is more official.

M: The black is better?

R: It looks like it is easier to read.

R: It is bolder.

R: Don't throw away.

M: Black is better than lavender?

R: And the title is huge here.

R: This is so much better. You wouldn't even need the don't throw away because you can see that it is your tax record. I am sorry I am getting a little excited, but you can see.

(Laughter.)

R: They really can get from that page, it was a whole page that you can file by phone. They can get it down . . .

M: Now we talked about that and you guys liked that page?

R: Yeah.

M: So what do you think of the new, I guess it is like a third of the page? The bullets, the same information but . . .

R: It is fine.

R: Sure.

R: Real nice.

R: The color is so much better.

R: They got rid of page four.

R: The paper quality is very good.

R: It doesn't shed on you.

R: It is not the same thing. They are not going to print on this.

M: I don't know if they are going to print on this. Okay, but it comes to you still folded like this.

R: But you can see what it is.

R: You can see what it is.

R: There is no doubt about what it is.

M: And let's look at the first part, You Can File By Phone If . . . We said you liked that before, but this would be okay right?

R: Yeah.

R: Yeah.

R: It tells you what you need.

R: It doesn't need to be a whole page.

R: This looks like the adult version.

R: Right.

M: We did lose the marketing stuff.

R: Thank God.

R: Where is that E-file? Is that not available?

M: That is a good question for the guys in the back.

R: I think people are either e-filing or tele-filing.

M: Well let's go through it and maybe it is in there somewhere else. Let's do it like we did before and go through it page by page. The second subject on there on page two is instructions for your TeleFile tax record. Would you read that or did you read it before? Would you read it this way? Is that necessary or should it be included or not?

R: It should be included.

R: It is easy to read through quickly.

M: What about the Earned Income Credit? Remember it was on a whole page before?

R: Right.

R: It looks like they made it easier to figure out if you actually qualify for it.

R: Yeah, there is a little checklist now on the actual filing form. That makes it a lot easier.

M: Okay, the EIC checklist instead of being on a separate page is now on page seven or what was page seven. And now page seven is page three.

R: Uh huh.

M: What do you think of that?

R: It is good.

M: Better to have it up front?

R: Yeah.

R: It looks like they don't give you that little diagram that shows you how to figure out what your routing and account number are?

R: That is on there.

R: It is up there.

R: Okay.

M: It is on page six, the next to the last page. Okay so then you do page three. Let's take a look at page three a minute. How is it different?

R: It is condensed.

R: It has the checklist.

M: Okay, it has the checklist that the other one didn't have. Is the same information on there?

R: Yeah.

M: Sometimes if you condense it you have to make the text smaller or compact it. Is it harder to read?

R: No. They just took out some of the graphics.

R: Yeah.

R: There is one thing . . . the phone number is a lot smaller on the new version.

M: And you think that is a problem?

R: It took me awhile just glancing at it to find it. It took me a little while.

R: On this one it is really big. You can't miss it.

M: I guess that is one of the trade offs that they made. Do you think that they should make the phone number bigger?

R: The phone number is on this little TeleFile icon on the top page.

R: If they want to, they could make it bigger. There is space that they could put it in to make it larger.

R: I think a little larger on the phone number.

M: Anything else about this one? This really is, I guess, the most important page.

R: I am trying to see does it have the little do not mail.

R: I don't think it does.

R: On the very top. Keep this for your records. Do not mail.

R: It has a little graphic there do not mail.

R: That would be the only graphic that would be useful.

R: Again they have room for it right around here.

R: Yeah exactly.

R: You know if you have done this, you know that. But for a first time person.

R: Exactly. You might get all mixed up.

M: Let's move on to page four. We have the authorization, access to calling the IRS.

R: It looks exactly the same as page eight.

R: Yeah.

M: And we still think this is necessary?

R: Yes.

R: Yes.

R: Those two pages look like they are exactly the same.

R: I noticed that there is a lot of different 800 numbers on here, which really confused you. You have to really read things in detail to be sure. I mean not as far as filing goes but as far as doing anything other than filing. I like things kind of together myself. I think it would be better if they just had a little list on this 800 for this, this 800 for that. Rather than you are looking here. Then there is one over here.

R: I agree.

R: A different number for each category.

M: So a list of 800 numbers in one place.

R: Just so that you are sure that you are calling the right one.

R: That you didn't miss something.

R: Why can't they make page three, page four and then make page four, page three.

M: So put the instructions before the TeleFile records?

R: You mentioned that before too.

M: What do you think is better? You guys said you like to do the tax record. Most of you are old pros at this. What about those who are filing for the first time? Cheryl what about you? Would you have preferred to have the instructions in front or the tax record right in front?

R: The tax record.

M: Why?

R: I just want to see what I have to fill out first. Because I read the tax record first and then whatever I don't understand I find the instructions and read it.

M: Does this make sense to you to have that follow the tax records?

R: Yes, for me.

M: So you wouldn't necessarily go right to the general instructions and then go?

R: No.

M: Hans, what about you?

R: I think for the first time I would want to read the instructions first if I was a first time filer. And then move onto page three, which is where I file.

M: What about you?

R: If I was a first time filer I would probably want to read the instructions first. I am thinking when I have done taxes without TeleFile, I have always gone through the instructions before I fill out the form. TeleFile I don't know. The form is so self-explanatory, I don't know that it is necessary.

M: Now, you guys said that you didn't really read the instructions before.

R: Right.

R: I didn't read them.

M: Would you read them if they came first?

R: Nope. I would rather just stick to the form.

R: I mean, once you call, it tells you everything you need to do on the phone.

M: So I guess it is a question of whether you like to read the instructions first before moving on or whether you like to use them as sort of a reference.

R: Yeah, but even if you want to read them first, you are allowed to turn to page four before. You could turn to this first. It is not that these sections aren't there. It is just in a different place.

R: What is weird is that on page two there is this little piece that does instructions. And you look at that and it makes you think right here is all the instructions to fill out the form on the next page and really it is not. It could even say there, for further instructions turn to page four.

R: That would be good. Or have an 800 number to call for the instructions.

M: How important is it to you whether these are on page three or page four?

R: Not.

R: Not very.

M: Does it matter one way or the other? Do you have strong preferences?

R: It is kind of important to me that it is in the front.

R: Yeah, I like having it in the front.

R: It makes more sense. Think about it. Anything you get that has instructions, usually the instructions are the first part.

R: The way that they have it set up now it is going to have to go to six. The instructions on four continue on top of page five.

R: They are not really instructions either.

R: Yeah, it is kind of background information.

R: They are not instructions on filling out the form.

R: That is true. Maybe they should head that differently.

R: They could call it general information.

R: Right.

R: Yeah.

R: General Information, because I would never read General Information. I would skip right over it.

M: Let's move onto page six.

R: I think that TeleTax is too close to TeleFile. I don't know. I never noticed that before. I thought it was the same thing, more information on how to file by telephone and not to get your information. If they could call it TeleFile Status or Refund Status or something.

M: So the term TeleTax is confusing?

R: I think it is.

R: Yes.

R: Refund information.

M: Does anybody think it is a positive feeling? Do you think it is a little bit confusing?

R: Yeah.

R: Well, if you don't remember all of the names. TeleTax is on your income tax form every year. But it is like, I don't care. You just want to fill out the form. We don't want to read. They are all a bit similar.

R: It is branding.

R: It is true as far as Hans' question about not knowing to file for the state. If it said US or something, I don't know if it is really necessary for everyone.

(All talking.)

R: This comes from the IRS and the IRS isn't our state and local tax.

R: Right.

R: But some new people might have a problem.

R: Right and I agree with that.

R: It says that your refund isn't taxable when you file your state and local taxes.

R: What page?

R: On five at the top.

R: No it is saying if you filed your state and local income taxes . . . it doesn't mention that you have to. Actually it almost makes you think that this is part of this.

R: Right. That is true.

M: Say that again?

R: Well the fact that it is mentioning refunds for state and local taxes almost makes you think that that is part of this whole package.

M: You don't think that they should be mentioning that?

R: Or say something about separate filings of your state and local taxes. Of course, we have to realize that a lot of people that this goes to don't file state and local taxes.

M: Why not?

R: Because a lot of states that don't have them.

R: Right.

R: And most cities don't.

M: So what should we do about this?

R: Make all states stop having taxes.

R: I just sort of read this a long time ago to know that I could call a separate number to get help. I would like one phone call with a one-button option of getting a receipt. That way if somebody six months or two years later requests my 2000 taxes, then I don't have to call the IRS and get the thing which could take two or three weeks in the mail.

R: Like at the end of the call.

M: What should this receipt be?

R: It should be a printout of how they figured out my taxes with my income at the top exactly the way that New York state does it.

M: So how it was computed?

R: Right.

M: And this would be sent to you automatically?

R: No, if you don't want to have a piece of paper . . .

M: So you if don't want it, don't bother?

R: Right. If you want a receipt press one, if you don't press two. That way I always have the option of getting it in one phone call rather than waiting for it later.

M: So it would be at the end of the process?

R: Right.

R: That way . . . I have never called and hung up. I have always known I was going to get a refund and couldn't wait to pick it up. If it was the very last question if you would like to have a receipt of your tax?

M: Does anybody think that is a good idea, a bad idea?

R: Great idea.

R: Good idea.

R: And it is good because it satisfies David and me also.

R: Right.

M: Well, we got the stuff in there about the routing numbers, the smaller diagram. Is that okay?

R: Yes.

M: And then the 8855B?

R: What is that?

R: I wish I made enough money that I had to do that.

M: And then on the last page, page eight you still have the chart.

R: The numbers are still the same but they are purple.

R: Look underneath. Fiscal year 1999. Ten years later.

R: Here I was thinking everything stayed the same.

R: They lied to you.

M: Is it still okay to keep these guys?

R: Yeah.

R: Yes.

M: So what is your general impressions of the two versions?

R: Better.

R: The second one was much better.

M: Much better?

R: Yes.

R: It tells you exactly what it is.

R: If nothing else, just for that.

R: They should still attach the tax tables up to the income limit that is allowed.

R: Just small.

R: Or again it could be another touchtone service saying next year if you would like tax tables included with your TeleFile form.

M: I know we have gone over them, but I want to rank the differences. What are the major differences in the two versions?

R: Visibility.

R: The cover yeah.

M: What else?

R: No marketing. Even the whole first couple of pages are gone.

R: There are fewer graphics.

M: What else is different?

R: It is smaller. The whole thing is smaller.

M: Shorter length. What else?

R: The form itself is much cleaner looking.

M: The tax records?

R: Yeah the tax records.

(All talking.)

R: It looks more official with it not being purple.

R: If you had to make a photocopy of this purple one it is just going to come out solid gray. This is much easier to photocopy if you need to.

M: Let's keep going. What other differences are there?

R: An easier checklist. An easier to use page.

M: What other differences?

R: You know, they could use this space right here to have all of the phone numbers that you might need in one spot.

R: Yeah.

M: Okay that is a suggestion for improvement. What other differences do you have?

R: You can file by phone qualifications are much smaller. It is not a big checklist.

M: Do you like that better?

R: Yeah better.

R: I don't like it, because the type is so small and I get really tired of reading things.

M: The type is smaller. If that were a larger package, would you prefer the larger print or bigger print?

R: I guess that now that I have filed already, I mean, I know what this is. It is no big deal. I read page four and that is what made me do this.

M: And you would be less likely to read?

R: I think I would be annoyed because I have to read tiny type all day. I would read it.

M: Kelly what do you think? Smaller?

R: The smaller type doesn't bother me. Again, I have already filed it, so I would not read it anyway.

R: Exactly.

M: Hans do you like the smaller type and smaller checklist or bigger type and maybe a little bit longer form?

R: I don't think I would enjoy that much smaller type.

M: So you prefer the current page four to what is being proposed? I mean the current page four takes up a whole page. You go through a logical sort of questionnaire style format. The current format now has about a third of a page in a bullet format. What do you think is more useful?

R: You are talking about the two.

M: Anybody else can come in on it too if they like.

R: I think that it is fine.

M: Smaller or larger?

R: I like it smaller.

R: I like to use a smaller space but I don't like to use a smaller print. I mean I think this is overblown. They don't need it that big. This whole thing could have been put on a half page pretty easily and then it would be much bigger than this.

R: They could also transfer all this information to this little space instead of having bulleted squares. That still could be check marks. I agree with you, it does help to kind of . . . when it is the first time that you are doing it, it kind of forces you to find the information out. Here it is just like something else I will pass over.

M: Okay, so I guess there is a risk then that you won't read the very first thing on the list, but still, because it is narrative and not in some sort of a more graphic format?

R: No, the small type has something to do with it for me. Just the presentation itself.

M: And if it meant another page to the form or two pages, it would still be better to have it a little bit larger?

R: Well for a first time user, for me, it was better that I could read it and I could just do this. I looked at this and I thought this didn't look like something from the IRS because it was lavender.

R: It is not that small. It is the print on the back that is really small. Page two is not that small.

M: So you think that it is fine?

R: To me it is fine. I don't like small print but these don't trouble me.

M: Cheryl, you might not have read it?

R: I might have forced myself to read it. What if I called and found out that actually I couldn't file. Then I would have to read it. I used to read things like this all the time and get some grain of information. I don't like reading small print.

M: Let's continue our list of differences. What else? Is there anything else?

R: I would like to also mention that the 800 number to call and file is much smaller on the new form.

R: Yes, that is the whole point.

M: Where?

R: It is also hard to find.

R: Right.

(All talking.)

R: They should design a logo for TeleFile and then put the numbers in it.

R: They do have a ton of space here. They could make that larger.

R: Or delete that logo and just put the big numbers across the top.

R: Right above where it says do not mail.

R: Yeah.

M: Anything else?

R: You are only critiquing this particular form and not TeleFile in general at this point?

M: Right.

R: What about A?

M: A. Where is that?

R: Donate to the presidential campaign fun.

M: You don't think that it should be on the form?

R: Well it is just not true.

R: It doesn't say that it doesn't come out of your . . .

R: Checking yes will not change your taxes.

R: Oh, it says it there, okay.

R: Does the new form say when you can start filing? The old one says call to file 24 hours a day starting January 11th.

R: It is under Calling the IRS for Tax Help.

R: What page?

R: Five.

R: Oh okay.

M: Is that in a different place or a different category?

R: Yeah. On the new form it is on page five.

R: On the old form it is on the first page.

R: I didn't look at that at all.

M: Let's use this right here. Which of these are desirable and which are undesirable?
What about visibility?

R: Better.

M: Is that something that is desirable on the new form?

R: Yeah.

M: What about less marketing?

R: Very desirable.

M: Fewer graphics?

R: Good.

R: Good.

M: Fewer graphics is better?

R: Yes.

R: Yes.

M: Shorter length?

R: Better.

R: Better.

M: Tax record cleaner?

R: Better.

M: Black and white and easier to copy?

R: Better.

M: EIC checklist condensed, easier to use?

R: Better.

R: That is good.

M: The checklist being more condensed. The one that was on page four before. I think there is some question about that.

R: Yeah maybe it could be a little bigger.

M: Is that desirable or undesirable?

R: It is better that it is more condensed. Maybe not quite but with a slightly larger type.

R: Yeah, somewhere in between, with open boxes instead of the bullets or something, so that you can still wade through it.

M: Okay, so it needs to be bigger but not as big as before.

R: They have a little room there for it too.

M: What about the type being smaller?

R: I think it is fine that size.

M: Is that desirable or undesirable?

R: It doesn't look good. They are cramming too much on the page. It is too small.

M: Okay it is too small for Cheryl. That is fine. How about the rest of you?

R: I think that it is okay.

R: It is fine for me.

R: Fine.

R: To me the only page that is too small is the last one.

M: Is the smaller type desirable or undesirable?

R: It is desirable because it condenses the whole length.

R: As long as they don't make the whole thing the type that is on the back.

R: Yeah right.

M: Where to file?

R: It is not where to file, but it is what number to call to file.

M: Okay, what number to call. What about it being very small, is that valuable or not?

R: That is not good.

R: No.

M: Not desirable. And when to start filing? Is that desirable or not? I mean the change.

R: No I don't think it is.

R: It is not there at all.

R: Why do they put that information anyway? It doesn't seem necessary.

M: When to start filing and the earliest that you can file?

R: Yeah.

R: It just doesn't seem necessary.

R: It was like the middle of January. My company had just given out the W2s early and I didn't know it was too early. The recording said call back in a week.

M: Of the two or maybe three undesirable items, which is the most undesirable of the three that are kind of undesirable? The change in when to start filing, what number to call being very small or possibly the more condensed checklist?

R: I think the phone number.

R: Yeah, I do too.

R: The phone number is the most important thing.

M: The phone number and where to call to file?

R: Yeah. It is TeleFile.

M: Okay, so that is number one. And what about when to start filing?

R: That would be very easy to go to the top. Do not call before. There is plenty of space to do that at the top.

M: Is it more or less important than having the checklist more condensed or maybe not quite as condensed?

R: Well, to me the information doesn't seem necessary because I already know, but there are people out there who don't know the information. I would say it is a little more important.

M: This is?

R: The When To Start Filing I would say is more important.

M: So that is number two and this is number three. This kind of goes both ways. What about the desirable things? Visibility, less marketing, fewer graphics, shorter lengths, which of those things are the most desirable?

R: Probably that order.

R: I think the visibility was really important so that we don't throw that away.

R: I think the shorter length is my favorite part.

M: Which one?

R: Shorter.

M: How many think shorter length? How many think visibility? Okay we will put visibility as number one. What about number two? What is the second most important?

R: I would say shorter length is the second most important.

R: Yeah.

R: Yeah.

M: What would be third on that list? Remember we have type is smaller down here.

R: The tax record is cleaner?

M: Okay does anybody disagree with that? I am trying to move forward because we are going to be running out of time in a second. Less marketing, fewer graphics and type smaller.

R: Less marketing.

R: Right.

R: There was two pages worth of marketing.

M: Fewer graphics or type smaller?

R: Well the EIC checklist is a good thing too. Easy to use checklist.

M: So what should be the fifth?

R: Fewer graphics, checklist and type is smaller.

R: Well, fewer graphics because that is wasting our space. Yeah that is good. And the more space there is, the more there is for the other guys.

M: Then the EIC checklist?

R: Uh huh.

M: Okay. Okay. I am going to read this straight from the guide here. How many of you made the phone call to file your telephone return? I guess everybody here did. Did you make the phone call personally or did someone else make it for you?

R: Personally.

R: Personally.

R: I had my accountant.

(Laughter.)

M: Did anyone of you use the second part of the TeleFile Text record to enter the amounts during the telephone call. Items I, J, K, L and M?

R: Yes.

R: Yes.

M: Did anybody not use them? Everybody used those parts. Did anybody not record their ten-digit confirmation number on item N after completing the return? Did everybody record their confirmation number?

R: Yes.

R: I even played mine back to make sure.

M: What is the maximum amount of time that you feel would be tolerable for completing a tax return on the telephone? Let's start with David.

R: I think about ten minutes, not any longer than a half-hour.

M: Lorianna?

R: Fifteen minutes.

M: Cheryl?

R: Ten.

R: Fifteen.

M: Hans?

R: I would say thirty minutes at the maximum. You can't go beyond that.

R: I would say fifteen and then I would hang up the phone.

R: I mean the whole thing. On the phone it would be much shorter than that.

R: The whole process or just the phone call?

M: From the time you start for completing your return on the telephone? However you want to interpret it.

R: You can't go over thirty minutes.

R: I would think the time just in preparing it and going over the instructions and getting out the W2s and the whole thing and filling out this top part before I called and all that.

M: Kelly.

R: Fifteen.

R: I would say a half-hour.

R: Fifteen.

R: Half-hour.

M: The IRS says that the current average amount of time for completing the TeleFile return phone call is eleven minutes. What amount of time would you consider to be ideal?

R: I would say that is ideal. You can't get all the information in any quicker than that.

R: Yeah.

R: You want to make sure that your answers are right.

R: If you have more than one W2 it is going to take more time.

R: That is true.

M: Currently the IRS provides a toll free number for filing TeleFile returns. Would you be willing to pay for this approximately ten-minute long distance phone call?

R: It depends on where I was calling from.

R: What was that again.

R: No.

R: I would go E-file.

R: If they could make it faster. If they could make it two minutes then yeah, I would pay for it.

M: If it were two minutes.

R: If they said your refund is \$2,000. I would say okay I will pay for that long distance phone call.

M: If it were ten minutes or less?

R: No.

R: It is still cheaper to buy a stamp.

R: Or E-file.

R: E-file is the way to go.

M: I guess Cheryl you would consider it if it were short enough?

R: Yeah if it were something as simple as your Social Security number, and boom.

M: Right, but it would have to be really short. Under five minutes?

R: Yeah.

R: That doesn't seem possible.

R: I wouldn't bother.

M: I guess the trade off is it obviously saves the IRS a lot of money. So therefore, as taxpayers you are saving the government money. But are you willing to foot the bill yourself?

R: If it were faster I would.

R: Filing this way is saving the government money right there.

R: Yeah.

R: We don't know that.

R: I know it. I worked for the IRS a long time. They don't have to go through all those forms. They don't have to have a person there opening these forms and going through them all and sorting them all.

M: If it were changed from 800 to a regular long distance number, how many of you would still use it?

R: I still don't want to pay for anything.

R: I would probably use it though.

R: If I didn't have access to like E-file then I would use it.

M: How many of you would not use it?

R: If we have to pay, I wouldn't use it.

M: Five would use it and four maybe would use it. This current filing season the IRS introduced the self-selected PIN for all electronic returns except TeleFile. The self-selected PIN would eliminate the need for IRS to send taxpayers a customer service number. Do you remember the customer service number on the form?

R: Uh huh.

M: Additionally, taxpayers would not need the TeleFile package to file via TeleFile. In order to use the self-selected PIN, taxpayers must have two pieces of confidential information from their prior year's return. Adjusted gross income and total tax. First of all, do you return to copies of your prior year tax returns or tax records to access the confidential information necessary to use the PIN?

R: Yes.

R: Yes.

R: Yes.

M: So everybody keeps records. Does anybody not keep a record?

R: I don't.

M: Why not?

R: They are like shoved in a book or something and I don't remember what book I put it in. I think in order to use the state taxes in Massachusetts you needed to know the information anyway. That was a hassle. In order to do it for your federal . . . whatever this one is. I think it would be just as much of a hassle if not more.

M: What would be your preference for a PIN for TeleFile? The current IRS provided customer service number or something you would select yourself, or you just choose your own PIN but then you would have to enter that information about your past year returns?

R: In the long run, because I have been moving like every year, I think it would probably be easier to have an issued one. It would be the same one over and over

again. It would probably help them with their filing and just record keeping instead of issuing a new one out every year.

M: How about you David?

R: It wouldn't matter to me.

M: Either one?

R: Yeah that would be fine.

M: Cheryl, how about you?

R: Well if I had to remember the PIN, then no, I would rather have them.

M: What if you could pick a new PIN every year but all you would have to say would be the past year's information on AGI.

R: It wouldn't be like an actual number that I would have to store and remember?

M: Right.

R: But it would require you going into the old . . .

R: Yeah I might not. I mean it is just one more PIN. I have like a million PINs.

M: So you like the current system or you would rather have something that you could select yourself?

R: I don't care.

R: I mean if they are going to send it to me and it is already created, then why go and search through the other files. I mean, are we saving money by not creating that for us?

M: Let me reread this one part. It says, additionally taxpayers would not need a TeleFile package to file by TeleFile.

R: No instructions at all?

R: Well. you have already done it already. or you wouldn't have gotten your PIN.

M: Or it might be a much more condensed version than even now.

R: But you still can always get the instructions separately anyway.

- R: But would not getting the package in the mail require us to go to the Post Office?
- R: Yeah, but you would have your number and you could just punch in the number.
- R: If there was a set up like she suggested, if you want a receipt press one, if not ... I wouldn't care. If we weren't going to get these instructions, now that I have already done it. It is very simple. I would just have my tax return.
- M: So what do you think? Do you think that it would be better in the long run to have less paper type of format?
- R: Maybe not for first time filers.
- M: Right.
- R: I think that is the key there. First time filers probably could benefit from having this, but once you have done it, it is pretty much a no brainer the next year.
- R: But I don't even understand PINs. We all have a unique Social Security number that is used almost exclusively by the IRS. Why do we have to have another number?
- R: I think for extra security but I am not sure. I am not a programmer.
- R: I mean, I have always wondered that.
- R: I think that it is for extra security.
- R: Well then, just Social Security and birthdate.
- R: Well, I have a real issue with Social Security numbers.
- M: I am going to go at this point and talk to the folks back there and see if I have missed anything. Just hang in for one minute and I am going to go and see if I have to bring up any issues that I have forgotten, and then I will come back and conclude the group.

(Moderator leaves room.)

- M: Okay just a couple of little minor things. One is that I am supposed to tell you that we are required by law to report to you the L&B Control Number for this public information request is L&B # 1545-1349. Anytime we talk to more than nine members of the general public, the office has to go through the office of management and budget and they have to get approval to do what they do.

- R: 1545-1349.

M: 1545-1349.

R: When do we use this?

M: Well, if you have any questions about the project or to complain about . . .

R: How about if you don't receive the package and you can't file TeleFile, because I didn't receive it for two years after I had already used it. Did you ask them about that?

M: No, I didn't. Would you like me to?

R: I can ask them myself.

M: They will be happy to talk to you about it afterwards.

R: Thank you.

M: The only other thing they wanted me to mention to you, and they wanted to get your reaction on, is that you had mentioned this space here and how we would use it for a list of phone numbers. They had said they were thinking about using this space right here just for marketing.

R: No.

R: No marketing.

R: No marketing.

R: No more marketing.

M: What do you think?

R: No.

R: No.

M: Not even like . . .

R: No.

R: No way.

M: What if it was E-file?

R: If it were E-file I would want it. Then I wouldn't use this.

M: Yeah, but now you know about E-file so all you have to do is get online.

R: I really don't.

R: Get online.

R: They would give you so much like they did last time and that didn't give you instructions about how you would file.

R: That is true.

R: They could say to find out about electronic e-filing, go here. It should all be phone numbers and websites.

R: Yeah.

M: Information. Okay.

R: Exactly.

M: Great. We are actually right on time. I want to thank everybody for coming. You have been a really, really good group. They are very impressed back there with the comments that you have made. I thank you all for coming. Thank you very much.

Appendix F: Transcript – New York TeleFile Non-users

**IRS TELEFILE FOCUS GROUP
NON-USERS
NEW YORK, NY
MARCH 19, 2001, 8:00 PM**

M: Intro...I would like to begin by going around the room and we will start with Charles here. Just tell us your first name and what you do.

R: My name is Charles (loud coughing-unintelligible).

R: My name is Gary and I am a legal records clerk, work for a law firm.

R: My name is Leo and I am an employee of the postal service.

M: With what?

R: The United States Postal Service.

R: My name is Eric and I am a grammar school teacher.

R: My name is Nancy and I am a client associate (?)

R: My name is Clara and I am a makeup artist.

R: I'm Robert and I am a project coordinator in a construction company. I have an overly active sense of humor.

R: My name is Fali and I am a babysitter.

R: I'm Wilhemena, I am a day care provider.

R: I'm Barbara and I work for a senior citizens center, bookkeeper, assistant bookkeeper.

R: I'm Rose, I do security guard, I am a security guard.

R: I'm Derek and I am a porter.

M: Great. Thanks. We have a good group. I would like to begin by asking you, what is the TeleFile package that you might have received from the IRS?

R: A book with a label on it.

M: Can you tell me anything more about it?

R: No because I did not even look at it, I just put it to the side and left it alone.

M: How come you did not look at it any further?

R: I really could not tell you why, I was doing something else and thought I would get back to it, I never got back to it.

M: Anyone else, the TeleFile package?

R: It has a phone logo on it with steps that you do over the phone.

M: Okay.

R: I never used it, but I never used it because if I have a question that they can't answer, then I can't get answers over the telephone, electronically, I think that is how it works. I would rather speak to a live person.

M: That is why you decided not to use it?

R: Yeah.

M: You were nodding your head, Gary?

R: Yeah, kind of like what Derek said, I received it, it is like a booklet that has a telephone number on it and a label on it, and I did not use it or even look to it, because usually I file my taxes by going to the IRS building. I do it that way, federal and state.

M: What does that involve?

R: Well, you just go and fill out a sign-in sheet and you have your information, your W-2 or whatever else you may need, and then you go there and it is free, no cost and it is all done by computer. All you need is basic information.

M: Anyone else remember getting the TeleFile package?

R: I got it, I just didn't use it. I don't prepare my taxes so I did not even look at it, I just got everything together for the tax preparer, I did not even check it out.

M: Okay, so you have someone else do your taxes, a professional preparer, okay.

R: I did look at it and I don't remember anything, but I really did, and that is why I recognized when you called on the phone that I did receive it, but I really did not concentrate, I just looked, because I like looking through things, and I don't remember anything about it particularly, but my taxes are done for me, too, so it is no problem.

M: Okay. How about you Wilhemena?

R: Same thing. I got it and looked through the mail, as far as I am concerned junk mail. I don't mean to sound like that, but I have someone that does my taxes for me every year and I just did not think it was important to me, just something in the mail that someone was trying to get someone to come on their side to do my taxes for me, and I already have someone to do my taxes.

M: So, did you recognize it as coming from the IRS or did you think it was coming from someone else somehow?

R: It said the IRS, I recognized it.

M: So, I guess what I am hearing is that some people got it and put it aside because they were busy with other things, not interested, some of you remember receiving it and have a paid preparer so you felt it did not apply to you and I guess that there are some other folks that don't recall receiving it, is that a fair statement?

R: One of the reasons I did not do it was because I was in a hurry and did not want to wait for my refund.

R: I have not received mine, I don't know.

M: Okay, you don't remember receiving one?

R: No, not receiving, not at all.

M: How about you?

R: I do my own taxes and I am sure I received it, and I seem to remember that maybe in a past year that I even looked to the point of starting to look through it and thinking, well, maybe it would be easier to do it, but then I did not file through the TeleFile, and I remember that the IRS is big and scary to me and the idea of messing up or doing it over the phone or, also I believe you have to actually send the, all your receipts separately, and since I make my living through God knows how many, a lot of freelance writing and some other stuff, that can be a pain, and I remember thinking that if I was going to start dialing all this over the phone, bad things were going to happen and I was just not, it was not for me. I had a similar, actually I was thinking of doing it online this year and had a very similar feeling about that.

M: Anyone else think about doing it online this year?

R: Yes.

R: I thought about it, but again, I don't like doing it on the computer, not because I am afraid of anything happening, it is like, it is just not what I thought it would be. I just recently got a computer, and it is not as easy as they make it sound.

M: How about you Robert?

R: I make my living on the computer and I was real happy when e-file finally came around. I do my federal on e-file because the money comes quicker and because you can stop in the middle of preparing your taxes, stop again and go back, and you can correct mistakes and they give you lots of opportunities to do that, where on TeleFile, which I used for my state, is a bit more 20th Century to use a nouveau term, it is just, I don't know, I would much rather be on a computer than be on the phone or dealing with paper.

M: Anyone else file online or think about filing online this year?

R: I thought about it. I got a package CD to do it, but it was difficult for me, I just could not do it.

M: How many people have access to the Internet?

R: I do.

R: I don't.

M: Okay, 7 okay. Gary, did I interrupt you?

R: I was just going to say that going to the IRS, I had them do it, but like, it was mentioned the computer is much faster, you get your refund a lot faster, and it really does not take a, you have to wait a while, but once on the scene I was out of there in like 5 minutes.

M: That is really fast.

R: I hear the computer is very well because you can get it directly deposited into your account I think, but to do it yourself on the computer, unless you are computer knowledgeable to a good extent, it is very difficult.

M: Any of you remember getting a TeleFile package in previous years?

R: Yes.

R: Yes.

R: I think I got the very first one you ever sent out.

- M: How many remember? Okay.
- R: I just want to go back real quick to that I did not do it online because I was worried about, this is ridiculous, but this is how my mind works, it being a secure document. I am just transferring, sending all my financial information online on something that some people, I know it would be a question for me.
- R: I had the same thought, and then I realized that I don't make nearly enough money for anyone to give enough attention to my assets, okay, so if they are going to rip someone off, they are going to rip someone off with a lot more zeros than mine.
- R: That is my way of thinking about it.
- M: Anyone else think about filing online?
- R: Maybe next year.
- M: Okay. The TeleFile package that was mailed to TeleFile eligible taxpayers this year was a condensed version of the 1999 TeleFile package, and to refresh your memories, I want to pass around some copies of the 2000 version. Send these down. Take a few minutes to read through them. I will give you another minute or two to look through quickly and then we will come back to some of the pages specifically. Okay, the IRS wants to determine the minimum amount of information that is needed to prepare a TeleFile return, and after looking through the TeleFile package briefly, is there anything else you would need. Do you think everything you would need to do TeleFile is in this package, or did anything jump out at you as not being in here?
- R: As a single man with no children, I think this is about as simple as you can get.
- R: I think keepINg it to 1 page is, without cutting corners, is as rudimentary as you are going to be able to get.
- M: By 1 page, you are talking about? Page 7.
- R: Yeah, the tax file records, it is informative, it has, if you want to get direct deposit, you can put it down there and you really don't need to put that down for your own record because you know what your direct deposit number is and all that, but it keeps everything together.
- M: Anything else that strikes you as missing?
- R: I don't know why the IRS does not have some pre-completed form for the different family compositions, all the just added the number you have, but automatically according to the family composition, the IRS is going to let you

- again back to you at the end of the year and I want to say same amount of money, so I don't know why we don't have.
- M: So, if you had a family of 3, it is this form, if you had a family of 5 you use this form?
- R: Yes. It is like almost pre-done to just adding some number about your income at the end of year. Some information, a family composition, my English not very good, but I will try to let you know my point. If I have 3 kids in my house, my wife, myself and for my 3 kids I have some amount of money to gain from IRS, to pay to IRS, and also we have to write it down how much we spend for cleaning or how much we spend for different (unintelligible) I think we can have some simple form to add the number you may have.
- M: Without having to calculate that?
- R: Yes because that way anyone can file the form. For me it is complicated. I pay every year to get it done, I feel like I can make a mistake if I decide to do my own. You understand what I am trying to say?
- M: Exactly. Let's go through the form page by page if we could. To start with, would it have helped, someone over here, Wilhemena, said it was difficult to tell what this was initially when it arrived?
- R: I never did it before, so when I saw it, I did not think it applied to me.
- M: So, seeing it coming like this?
- R: Yeah, it was not important to me, I saw that.
- R: If you had the TeleFile logo somewhere on the mailable surface, something you could easily, a symbol or icon.
- M: So, have some of this information that is on?
- R: Yes, because it says official federal tax package, do not throw away, that is white on a lavender border, on a background, and it is not something that jumps out at you.
- R: I think it should, of course it is from the IRS, but you should have something that says it is for tax return, because I think a lot of people see the IRS and they are automatically scared so they don't even bother to open it.
- R: I am scared, so I open it because they took a couple things from me, so I want to know what they are talking about this time.

- M: So, it can go both ways.
- R: I was going to say, maybe if it says it is from the IRS, and that it is information that will allow you to do your taxes very easily without, in the easiest possible manner, fastest, assuring that some of the information is actually on the inside flap. If you kind of got that immediately and the forms were in here, and all you have to do is open it up and 10 minutes later your taxes could be done, that might be a good thing.
- R: I think it is the whole idea the IRS saying, IRS helpINg you do your own taxes, put a letter in the front, people don't throw them away like they used to do because it seems like IRS trying to help you do your own taxes. When they say IRS, like everyone say, oh, oh.
- M: So, if they communicated the idea that it would be helpful.
- R: Try to let them know you are trying to help them, and they can go through and say, let me see how they can help me, so it just says IRS on the front, that is not for me.
- R: I don't like postcards from my Uncle Sam and if I just think this is a postcard from Uncle Sam, I am going to, it goes in the circular file.
- R: I just thought of something. I am curious about whether I got this before or after I got my other tax forms because it is possible, if it is done, it is done, if I have done my taxes, I have done my taxes, whether you send me the easy file phone record or not, and that is not something I could recall, but just a thought.
- M: So, you think you might have gotten multiple forms.
- R: Probably, sure.
- R: Say I open my mailbox this end out first, I would think this was information from my senator or something, so, oh more information to throw away.
- M: Okay, this being the part with the pie charts?
- R: Right. Like a lot of them you get from your state senator type things and if I opened it up and saw this side, without seeing this side, I might look.
- M: Elizabeth, you were going to say something?
- R: Why this color?
- R: Why not green and white.

R: Yeah.

M: Let's look at inside at Pages 2 and 3.

R: Something I want to know. If TeleFile is the easiest way to file, then how can EZ File be the fastest and most accurate way to file, does this mean it is easy, but it takes a long time, or is this the easiest way to file?

M: So, you see a contradiction?

R: Yes. I mean you are selling a product on the front page and then you are contradicting the product right inside, that is my oPINion, I could be wrong.

M: Okay. Any other reactions? Eric?

R: I think it is necessary for an advertisement to be in the book about some girl and boyfriend, Derek, getting married, you know \$400 in interest from savings, that helps me.

R: Yeah, this space could definitely be used in a much more beneficial manner for all of us.

R: Selling.

R: Like an advertisement.

M: Now did everyone have a negative reaction to this?

R: No, I looked at it and said it just told me who could not, and it made it real simple, if I had interest, could not use it, so I just write that 2nd page and well, I can't do this.

M: Anyone else?

R: Two things. One, there is no way if you have not told me to read through the whole thing that I would have ever paid attention to this in any way, shape or form, but having said that, when I did look through it, I actually, between the list of what was going on in the previous page and how it could be helpful, and then in terms of doing it by phone, it could take 10 minutes, if I had interest in bonds I could not do it, another, and then for them getting married so that way it covers married couples and what they could do. I do think there is a lot of information here, but I also think from, speaking only for myself, I would have never read it in a million years. I would have never paid attention to this at all.

R: The advertisement speaks about how her fiancé can not use TeleFile.

R: Yeah.

R: Trying to get me to use TeleFile.

R: (All talking at one time.)

R: From the front, you all are trying to tell us from jump, don't use what we are sending you, whatever you do don't use what we are sending you and I.

R: I get the message that TeleFile is not for everyone and neither is the e-file, one for me and one for someone else.

R: It does not say anything about who can't use e-file, it just says.

R: It says, she used TeleFile, but her boyfriend could not use TeleFile.

R: But it does not say, she did not say she could not use it, but it does not say anything about e-file.

R: It just said that she explained her situation and then she explained why he used the opposite.

R: That is some wise quotes, free in quotes, you know.

M: Okay. Let's turn over to Page 4. Who can file by phone?

R: I like the flow chart layout of it. It is definitely simplistic in the way you can, if yes here, if no there, I mean it is more or less like a point and click would be on a browser.

M: Any other reactions to this page?

R: No, it is so easy, nope, keep going.

R: Something like that is what I was trying to say before, that you can just mark this here which one applied for you, family composition, something like that.

M: So, this format would be helpful to you, fill out the checklist?

R: Yes.

M: Anyone have another view? Gary?

R: Like I would never, I might get into something like skim through it, but never take the time to look at it, but the information is pretty helpful whether you want

to use it or not, the information is there for us to take advantage of, so this is good to know.

R: I think it is sad to say, but it is true, society is very lazy, no one likes to do things for themselves, no one likes to read, everyone wants to go and get things done, you have the cleaners, you have everything gets done, so I just think maybe if you have an advertisement or something, someone doing it, everyone watches TV, if you have someone doing it on TV and you could say, oh, it is really that easy, maybe that way.

M: So, that would be more persuasive than looking at this?

R: Right, because we have gotten, from not everyone here, but just that we ignore this because of the reading and not take time, everyone goes to work, comes home, you want to spend some time with your family and then on the weekend, that is when you have time to read, but maybe if you have an advertisement that would help.

R: Or a video.

R: A video cassette.

R: Any idea how much it would cost to send a videotape to every registered taxpayer, I mean.

R: (All talking at one time.)

R: I think I remember hearing about it, if I got one, at the same time.

R: I think I remember it.

R: No.

R: I really want to agree with you. I feel I may have at some point that it crossed the radar.

R: Yeah, before I got the very first one of these, I think I heard about it.

M: How about Page 5, information on earned income credit.

R: That is good if you make little enough money, or enough money depending on where you fall, but I don't think it should be before the necessary information that everyone needs to go through. I think it should be supplementary rather than in the front, because it seems like this is really important and this is not as important, because you don't get to it until you go through this.

M: Any other thoughts about this page?

R: I don't know, I am kind of thinking that all of this, it stands out totally different color scheme, so it draws you there and you want to read it because I have to know I don't qualify for the EZ so those that do would need to know and see it immediately and those that do qualify would see it first thing.

M: Anyone else? How about Page 6, this is giving you...

R: This is my least favorite page.

M: This is giving you instructions for actually doing the tax record on Page 7.

R: I like the fact that they are on opposing pages, rather than the instructions being on the back or on the other page, so that you are flipPING back and forth.

R: You read my mind, the same thing, yeah, I just hate that.

M: So, it is easier to see both pages.

R: Right.

R: Yeah.

M: How about the form itself on Page 7, does that look like it is something that would be easy to fill out?

R: Yes.

R: Yes.

R: Yes.

R: I remember when I filled mine out I was very conscious of the space allotted to write numbers in because I have a very exaggerated handwriting and just like my personality, and I always find the spaces that people leave you to write things in on are always so small and so cramped, and I always end up going off into the margin and down along the side, so it was good to see that there was big spaces for my little numbers.

R: Yeah.

R: Yeah, same thing, I hate these tiny little boxes, I really do, I have broad strokes too, and I am like, squint and scrunch. Hold it way over here.

R: Yeah.

- M: Any other reactions to the form?
- R: It is one page, I will reiterate the fact that it flows from top to bottom, you start and you finish, there is no continuation and you are not referring to other pages, you go from beginning to end.
- R: I really have never done this, I always have someone do it for me, but when you do this, do you know right there whether you owe them or?
- M: After you go through the process, yeah.
- R: You do know, okay.
- M: Whether you owe or are getting a refund. Okay, over on Page 8, additional information. Is that helpful information?
- R: I think it answers a lot of good questions, such as like what if you need a copy of what you filed with the IRS, missing or incorrect forms, what are your rights as a taxpayer, I think those are good questions that are answered that people would ask themselves if they did not see them on the page.
- R: I was looking at this question, what if you can not file on time, a lot of people are late with their taxes and that would definitely be helpful information.
- R: Also, what happens if the employer does not give you, or they claim gets lost in the mail, there is no information on what you do about that in here. They give it to you like 2 days before April 15, what do you do about that?
- M: Okay.
- R: I think somewhere in the beginning of the general instructions the web page should be listed somewhere early on, I mean quick and easy access to tax help and forms, yes, list it here, but I still think it should be more prominent, because it can save you a lot of time, there is much more information there than here, and you can actually make it a dialogue at times with online support.
- R: I don't know, since I am new to computers. I always look for ways, like Internet access, it was like the last page and I spotted it right away. Also, on the second page too. If you are looking for it, you will find it. Again, it says right there, IRS, I would read the whole thing because each department, like when they took my refund checks, it was with the department so, I see IRS and see where it is coming from.
- M: Anything else on Page 8? Gary?

- R: Right here, would it help you to file from a 1040A or 1040, I used to, before I started going to the IRS building, filing it by e-file, I used to use the 1040EZ and always had some problem with what type of forms that I should use, so this right here would be, one time if I had this earlier it could have helped me.
- M: So, one question is which form is appropriate for you as a taxpayer?
- R: Yes.
- M: Go to Page 9 now, there are a number of options if you need tax help or forms about the computer, fax, telephone, CD-ROM and some additional information about calling for tax help. Have any of you used any of these sources of information from the IRS?
- R: Yeah, when I owed money when I took my check up and I called up to find out what happened to it, they don't care what happened, they were clear about, I was just pissed that they did not inform me that they were taking it.
- M: And which number did you call?
- R: I believe it was a series of numbers that I just worked my way through. I was connected here, there, and everywhere, until I finally got the person I needed. I did not have to redial, I was disconnected (unintelligible).
- M: Was it a number you found in the phone book?
- R: I believe so, yeah.
- M: Anyone else use any of these?
- R: I use the web site all the time just to keep up with new tax regulations and stuff like that. I do payroll in my company, so anything I can get a break on, I like to keep abreast of.
- R: If you are knowledgeable in computers, then you use the web site, but if you are single and don't know how to use a computer, like me, you go to IRS, but I think it lists a lot of good stuff compared to Page 8. It seems like it is pretty detailed. Some of the stuff inside, strategy, filing their taxes.
- R: I did purchase the CD-ROM, it was not from this book specifically, but it was from the IRS, it was difficult.
- M: It was too difficult to read. Okay.
- R: I think when I start seeing this stuff in the mail, I am going to start looking at it a little more carefully, spending more time looking at it.

M: How about Page 10, how to use TeleTax. Has anyone ever used TeleTax?

R: I think this page can fit perfectly in the front of the booklet, because I caught the logo information you do have is good to have the information as quick as possible, and the very first pages you can go through and get idea on how you can do by telephone.

R: Here is my question, what to do if the W-2 form is not received. I think that would be prominent with the other ones, what to do if, yeah, that should be up front.

M: Okay, that is an important issue?

R: Yeah.

M: Okay.

R: Like, I have a couple employers that hold on until the last minute you know.

R: I think because it says here, topics are in Spanish, if you are sending this to a Spanish speaking family, it should be in Spanish because I have at my house, it is like, oh, Nancy read this, Nancy read this, you know my father picks it up and he does not speak too much English so it is Nancy read this, but if he sees it in Spanish then he will take some time to read.

M: Okay. Did you notice that this is how to use TeleTax? We are talking about TeleFile, anyone notice that?

R: I did and was waiting for you to bring it up.

M: Well, I was waiting.

R: My immediate instinct that EZ file, TeleFile, TeleTax, that is not good, maybe other people have a different oPINion, but it is too many names for things, I can see that they are different, but it is all filing your taxes in one form or another and calling it a completely different name. If I am not mistaken, TeleTax is the topics and the things you can do to check on your tax form after you have used TeleFile, which is just, it just is (loud background noise).

M: How about Page 11?

R: Well, seeing as how I never owed, it does not even apply, look at it and see what it is for and close the book.

M: Is it clear what it is for?

- R: Yes.
- R: Very clear, if you have to use it. Like what is Form 8055B and do you have to use it, if you owe, oh no, I don't owe, so close the book.
- M: How about over here, the pie charts?
- R: I like the pie charts, I have always liked pie charts though, it is one of my downfalls, beats the hell out of bar graphs. What was I saying, I like the fact that it shows where your money goes, you know, like more or less the representation to go with the taxation and a very basic pie graph.
- R: (Unintelligible) what if you want details of each one, I would like to know where I could get further information on explicitly where each thing goes, like human and community development, what does that mean and where is that money going, how much was it so.
- M: Okay, so additional explanatory information.
- R: Yes.
- R: I think it is in the back, I don't think anyone is going to see it, it is like by the time you finish your taxes, that is it.
- R: I disagree. I think most people pick up their mail and look at the front and back and see what it is, I do anyway, look at this and this and put it down, especially if you pull it out of the mailbox like this, what is that.
- R: Before I throw away, look at both sides.
- R: Whether they see anything or not, but they will flip it.
- R: But the answer to your question is right next to it, physical, human and community development, it is right next to it.
- R: The question I want to know is how much they spent on what and where, that is the kind of question I would like.
- M: Let's go over to the flip chart, and we have gone through this pretty quickly, but what I wanted to ask you is whether there is any information you would need to do TeleFile that does not seem to be in there? If you are going to use TeleFile to file your taxes, what information does not seem to be in this packet?

- R: I don't know if it is in there, but I would like it to be more prominent, what do you do if you make a mistake punching in the numbers, like whoops, what do you do if you goof, you know, that kind of thing.
- R: I am self-employed, self-employment.
- M: What to do if you are self-employed, okay.
- R: I think you got a pretty good product, don't need too much polishing.
- M: Okay.
- R: What about the number to check information, because sometimes I put everything in and you are going over and.
- R: (All talking at one time.)
- R: Page 10 at the very top.
- R: Go page by page.
- M: Anything else?
- R: The personalized mail box for personal information. (Inaudible)
- R: The first and last mail box to the person you get back to with a special number that they give out that you call back to find out.
- R: A status number to find out what the status of your, they have that on e-file, but the TeleFile does not have it.
- R: There is a number in there, like a PIN number to check your status.
- R: Yeah, like a confirmation number, stay on line until TeleFile gives you your 10 digit confirmation number after you finish your call, attach and keep for your records.
- R: Over the phone, once you put the information in, before it is totally entered, do it, read the information you gave back to you where you are able to listen and then hit a button and say, okay, this is what I want, that way if you made mistakes you are reading along.
- R: I sort of remember that it does, it says if this is correct, press 1, if not, press 2, and if you press 2, they go back and ask you the same question again and you reenter it.

- R: That should be prominently displayed fairly soon in the list of questions about it or what is going on with it, it should literally say when you are filing that all your information, each step is read, if that in fact happens, that it is read back to you so you have a chance to verify each step of the way you are on, so that for people like me who are not bright, that lets us know we have a chance to double check each way.
- R: We did not say you were not bright. You are just a different color ball.
- M: Anything else you would need to know to TeleFile? Okay, let's switch gears a little bit and let me ask you to think back to the TeleFile package that we just looked at. Is there anything in there that seems unnecessary?
- R: That whole testimonial part.
- R: Yeah, one thing that kind of, there is something in here that says, if any of the preprinted information above is not correct you can not use TeleFile, and I have moved across the hall and slowly getting mail delivered to 5D instead of B, so if that information is wrong, I can not use that TeleFile? I still get mail addressed to the old apartment, so if that one little piece of information is not correct, I can not use TeleFile, thanks a lot.
- R: Right here, corrected address, yeah.
- R: I have to say, I understand why the marketing information is in there, I really do, it is there to, I agree with you, I would never look at it, but I can see why, and then reading it definitely lets you know what is going on.
- R: It is trying to snag the lazy people that don't want to do it by paper, they want to do it by phone, and if you are even lazier than that, like I am, you want to do it on the Net, so that is who they are pitching it to. I think little Miss Knickerbocker here is not preaching to this choir, it is just not happening, that is just my oPINion, I could be wrong.
- R: I read everything, if I am not so busy, I might have sat there and read everything just to be reading, to make sure I got all the information to get things done, whether or not it grabs you, but it is there.
- R: Well, why would you not be responsible for a refund if you want people to use this, but it is down there, so that is the first thing there because I said no, because if it is lost in the system somewhere, they are not going to want to pay me, so that would make a lot of people say no.
- R: What page are you on?

- R: It said expect refund, Page 6, the IRS is not responsible for a lost refund if you enter the wrong account information.
- R: So if they deposit it in someone else's account, sorry about that.
- R: So, they are telling me they sent my \$5,000, it may not have got there, but we sent that, I hear that.
- R: The fact that it says if you enter the wrong account information, they are going to ship it anyway, it means they, there is a certain logic to the fact that if you give us the wrong address, we can't be responsible for not sending it to the right one.
- R: There should be a way to correct that.
- R: Adjunct to that is the fact that you need to be, that you have to be able to confirm each part of it on each step, so that the chance of there being a mistake is so, is slim and none.
- R: All right. We are talking about mistakes on our part, how about mistakes on the IRS part?
- R: The IRS does not make mistakes.
- R: Yeah.
- R: What if they put in the wrong number, and your money goes in someone else's account, that is a possibility, so what happens in that situation, on the other side when a mistake is made and we don't get a refund.
- R: I asked a security guard which floor and I thought he said 3rd.
- R: Me too.
- R: And I went to the 3rd floor and I went back down and he said, I said 10th, but his accent, I don't know how it came out like that.
- R: I heard that too, I had to call and ask them where.
- R: I asked him twice.
- M: So, it is a serious concern about where your refund would go?
- R: Yes.
- R: But you know a lot of people are scared of the IRS, but I had a few years back, I was 18, and it was my first tax return, and I lost 2 checks, and I really did not

want to press 1 and hold on and press 2, so it was like a little \$400, not that I am rich, but I was like, you know what, I don't want to press 1 and 2, and they would be like, why did I lose it, did I cash it, but little did I know that the next year, I got my \$400 back, they know that I did not cash it, and they did send it back.

R: Good.

R: Who wants to wait the next year.

R: We are all here bashing the IRS, and I am sure we have at least got 2 or 3 horror stories to tell about them, but it is nice to hear someone say something nice about the IRS.

R: Especially the people watching from back there.

M: Okay. Okay. Getting back to our flip chart page. Anything else that was in the booklet that you felt was not necessary?

R: Not necessary.

R: They were saying before the advertisements for the e-file and TeleTax, now I can understand their being in the book, because there are other ways to file, but can they cut them to a minimum. This does not deserve a whole page, because it is making me not even want to continue the TeleFile.

R: Imagine if you only knew about TeleFile, you would have no idea there was e-file.

R: If they cut it to a minimum, but a whole page for this, it makes me not even want to continue reading.

R: They are selling you, now granted I think, no, they want to sell you on e-file, because you are obviously already sold on TeleFile, you requested a packet.

R: But they sent one.

R: What is the difference between TeleFile and e-file?

R: The computer.

R: Oh, one is computer.

R: E-file you do on the computer. TeleFile you do on the phone.

M: They are both ways to file in a way that you don't use paper.

- R: I think this is kind of confusing, like this is TeleFile, and this is e-file, and then we got TeleTax, and then, maybe they should have, maybe it is a waste of paper, but maybe we should have a package for TeleFile, another package for e-file, and then another one, and then everyone likes choices, choose whichever one you want.
- R: (All talking at one time.)
- R: This page is informative.
- R: When I open up this book and see TeleFile, I want to continue with TeleFile, and then maybe when I am finished, there is a point in here where I can not use TeleFile. Maybe on the back they have the e-file and the other ways I might be able to use, but the first page I don't want to see e-file, if I open up a TeleFile. If I see e-file and I have my computer, that is where I am going, because it seems much easier reading this.
- R: Exactly, so what they should do is scrap these 2 pages, save it for something else, send out a flyer with e-file, or just this information, you could do it on a 3x6, and just people are either going to do this or do this.
- R: I am used to reading magazines, and here is the cover person, you know, he is back here somewhere, so you know.
- R: The most expensive real estate is on the inside of the front covers.
- R: You get the cover that grabs you. Let me see what the ads are.
- R: That is what I said before, for the advertisement they have in the front page, for me it is perfect that page and like the second page.
- R: Yeah, the inside page ought to be how to use it, the first page ought to be what it is, the second ought to be how to use it, the third page ought to be who can.
- R: That should be like the second page for me because it lets you know right there on the second page about TeleFile. Know what I am saying?
- M: Okay, redesign this. All right. The redesigned TeleFile package.
- R: First page, cover, leave as is.
- M: Everyone think that?
- R: Yeah.
- R: Yes.

R: (All talking at one time.)

R: You could put TeleFile Page 2 and 3, e-file Page 3 and 4 and whatever TeleTax Page 4 or 5.

R: Then if you don't want to read whatever else they have, you just go to TeleFile page.

R: You are talking about 10 pages and 10 pages are not a whole hell of a lot of superfluous material.

R: It is the same amount of pages. You have your TeleFile, you have your e-file and you have your TeleTax and whatever else.

R: No, because e-file does not require any paperwork, all it requires is your W-2, it does not require any instructions or anything like this, it is all point and click.

R: Say this was TeleFile and then this comes, this comes next.

M: Page 4 next?

R: Yes.

R: Who can use it should come next instead of the girl page.

R: Right. Then the TeleFile checklist.

R: Pages 1 and 4 should be together, you know like Page 2 and 4 should be, then if you want to put it on the back somewhere.

R: (All talking at one time.)

R: No, because then the TeleFile should be across from the who can use it one.

R: Yeah.

R: Exactly. More or less.

R: (All talking at one time.)

M: Wait a minute, I am getting lost here.

R: This is the end page, this is the results.

R: No, no, no.

R: More or less take some glue, put some glue over here, get rid of those 2 pages.

M: I thought I heard consensus, but I guess I didn't.

R: The e-file should come, keep it separate, the e-file and then TeleFile. TeleFile is first.

R: It should not be in there at all.

R: The TeleFile is first, and then the next page 3 should be on the e-file and whatever on 3 and 4.

R: Then the forms.

M: I think we are missing something.

R: I am sure we are, we will get to it.

R: Oh, no, the 8085, 2000.

R: The 2 of them together, some people would get confused, the e-file and TeleFile, they should stay separate, like I said. This information should be together and then go to, the next should be you do the form, and then the e-file and whatever information you have on the e-file.

R: The last page.

R: The immediate problem with the e-file thing, I am not just saying to be difficult, the immediate problem with it being on the back page is, if I have already done all my taxes and I get to the back page, and I look and I say, gosh darn it, I could have done it on e-file. I do think there is a reason why it is true that.

R: This is supposed to be the easy way, this is why they are sending this out.

R: I understand, I agree with you on that too.

R: For people that don't have computers.

R: First of all, they are going to look at it and if they see where the telephone, you may read a little further, they may read a little further, but at least right at this point, oh, I could do it on the telephone and forget it.

R: That is what I meant by, if you put it more in front then you could pick, but if you see TeleFile, oh, I don't have a phone or computer or whatever, if you put it to the

front, it is like, okay, I have a computer, I could do that, okay, I have a computer, but I don't know how to do anything, go to the phone.

R: (All talking at one time.)

R: Good idea.

R: That is a great idea.

R: Technically it is in the front, and me, personally, when I see the e in front of anything, I think computers, even though I am a new user, I see e and I think computers, I see tele, I think phones.

R: But it does not say.

R: As soon as you open the book you see e.

R: But I am saying.

M: Okay, we have to move on here.

R: (All talking at one time.)

M: Okay, okay, let's move on here. The IRS is thinking about simplifying the TeleFile package for next year and wanted to pass these around and have you take a look at them. Just take a minute to look through this.

R: Much better.

R: See what I am saying, big letters, TeleFile, this is what you will see if you open this up, not some kind of obscure little, if you are a member of the club, you know what is inside kind of deal.

R: What happens if you want electronic filing?

R: I like that.

R: Where is it though?

R: There should not be any electronic, see this is not the e-file booklet, this is the TeleFile booklet. I think the e-file booklet should be a publication in and of itself.

M: Okay, let's take a minute to look through this.

R: But if you don't see it, how do you know it exists, if you don't see it?

R: Quick and easy access to text, you have the computer.

R: If you have a computer, you know about e-file.

R: This is perfect.

R: Actually I have seen ads for e-file, I have, like printed ads and television, so I mean, and I got my refund in 10 days, I have never gotten a refund in 10 days, you know, I pushed the last button and 10 days later it hit my bank account.

R: That is good.

R: Yeah, using a smaller font is one good thing because it takes up less space. I like the fact you go straight to who can, how to, added bonuses, paperwork, perfect.

M: Okay. Let's capture on the flip chart the differences that you see in this package versus the first one we looked at. What is different here?

R: Simplicity. All right, let's narrow down, the cover.

R: When I saw this one, I really saw TeleFile, I really did not see the instructions, but in this one it is like, okay, that is record and instructions.

R: Right.

R: Exactly.

R: I think it is really good.

M: Wait, I can't write this fast.

R: Okay.

R: (All talking at one time.)

R: Outside you don't have tax record and instructions on this one.

R: Rather than using the back as your mailing, using the front as your mailing.

R: I think it is really smart that it is on a more firm stock, the stock paper is better too.

R: Now is this what it is going to be mailed as or?

M: I don't know. We noticed that this was different. I am guessing that these are prototypes.

R: The web address is gone.

R: Where? No, did they, they did. Those dirty rats. Well, you can find it inside. The web address is not prominently displayed to Derek's satisfaction.

R: Right. I am excited about this stuff.

R: He is jaded, I am not.

R: Where was it anyway?

M: Eric, you said something earlier, the help?

R: I also like the fact that it is physically 2 pieces of paper, it is only 2 pieces, as opposed to the, here you got 2 pieces double-stapled which is much more useful like folding friendly, than a glued back. Spot over here is a bit of a pain.

R: It is folding and reading friendly, because lots of people, when they see a big thick book, they don't want to go through it.

R: There you go. This looks like more of a pamphlet than a booklet.

R: It is good that it tells you right away whether you can use it or not.

R: It does not use any of this, I mean this is hard on the eyes, this one.

M: Lavender?

R: Yeah, everything in here is plain black on white or black on blue, this and this is all just.

R: You just don't like lavender.

R: Yeah, I am sorry, okay.

M: I was going to ask you if there were people who liked the lavender?

R: I love it.

R: I do.

R: (All talking at one time.)

R: We need to get the artist formerly known as in here to ask him his oPINion, I don't know, I am just not a lavender person.

M: So, mixed reaction to lavender.

R: Green.

R: Yeah, I think it should be green.

R: Money, yeah.

R: Yeah, it ought to be money green.

R: Black and white, keep it simple.

R: I don't think it matters.

R: Green stands for envy so you should use that.

R: If they are going to charge us more for a better color, I am going to make it black and white.

M: Was there another point down here?

R: About what?

M: About here we are, trying to look at differences between 2001 and.

R: One difference is this is more simple and to the point and less material. The stuff you really don't need is not here, so that is good.

M: Simple.

R: But are they going to put information about e-file, maybe one more page? It would not make that much difference because...

R: Well, no, I think the e-file banner should be down here, a little tagette kind of thing, because when you get it, you are getting it like this, this is the front, this is the back, this is wasted space, this could really be the e-file banner to let you all, because then when you open it, you got both of your options on one page, you have TeleFile here and e-file down here.

R: (All talking at one time.)

R: The instructions are very simple.

R: Tax record and instructions, or you can use e-file at www.irs.gov.

M: Okay.

R: I was going to say that immediately putting the tax form on the inside of the page, I would be curious to know what people think before, one thing people said they liked was that the instructions were across from it. Now you would literally be doing the form on the front side of the page with the instructions, and I am just pointing that out, because you guys were talking about that before, and I don't know if they would think that was good or not.

M: Okay, but that is the difference.

R: This might be silly, but I like how they end it. I like how they end it with a privacy tax, like you could go to sleep and not worry about who is going to have a hold of my social security number. I like that.

M: Any other differences? It is shorter.

R: This is easy on the eyes.

R: It is.

M: How do you feel about this? The old Page 4, which was this flow chart.

R: As opposed to what they have now.

M: At the top of Page 2.

R: You have to use telephone, I have that, all of that is yes, your filing status is yes, I only had, but no I didn't, oh well I can't use this, I think more or less it is.

R: With this question right here, it says your name and address as shown on the TeleFile tax record is correct, what if it is not correct, do you still continue? Like he said.

R: No, if it is not correct you don't continue, because if you continue and they send your \$1,500 check across the hall, down the block or whatever.

R: Yeah, but it would not be a problem if it was across the hall for you.

R: Well, kind of, because the lady is tired of giving me my mail, but.

R: But if it is across the street, and across the street happens to be the other zip code, something like that, I think that the simplified version carries, I think it is not as idiot proof as the other one was, but you know, not many things are when they are condensed.

R: That is why we have social security numbers, they don't override, you know your number is your number.

R: Right.

R: As long as your social security number is correct then.

R: But it really does not say if the answer is no to any of these questions, you can not use this.

R: Sure it does, right at the top. You can file by phone if, you can not use TeleFile if.

R: Where does it say that?

R: You can file by phone if, count down 1, 2, 3, 4, 5, 6, 7, 8 boxes. Those big letters that say can not. If you can not file by phone, use TeleTax topic to find out if you should file a 1040EZ or 1040A etc.

R: I would like the can not as big as the can personally.

R: Yeah.

M: It is not as clear as on the other one.

R: It is not as big as the bold type on top.

R: It doesn't, but I would not have noticed it.

R: Maybe it should be highlighted also.

R: I think they put that on this one, I like this one, but the 10 minutes, fast.

R: But it does not happen in 10 minutes, you can't do it in 10 minutes.

R: Yeah, but when you are there on the phone, you are already there, you are not like.

R: It takes an hour to start.

R: You don't have to wait at H&R Block for 25 minutes and the 2 easy steps to file by phone.

M: Any other differences? You have been quiet, any other differences that come to mind?

R: Difficult to understand.

M: Any other differences?

R: Well, here is the official tax package, do not throw away. Suppose you don't want to use it, you have to keep it forever. That is a waste, if you are not going to use it, what, keep it forever, compost?

M: All right. Let's look at our list here of differences, and first let's decide if each of these differences is a positive or a negative, okay, and try to reach some consensus about that. The cover mentioned tax record and instructions, is that a positive or negative?

R: Positive.

R: Positive.

M: Everyone think it is positive, okay. Not as idiot proof as the earlier version, is that a positive or negative?

R: That is a negative obviously.

R: I don't think there is any such thing as idiot proofing. You don't have to be an idiot to make a mistake, accidentally, you know what I am saying.

R: No, but I am just saying.

R: He is saying is it easier.

R: Exactly. Is it easier.

R: I don't know. I know how to follow instructions so.

R: I don't.

M: So, positive or negative?

R: It is neutral.

R: This one is just basically most about the telephone, so it is easier, you don't have the confusion of the 2 staring at you at one time.

M: No web address obvious, did we resolve that, we think it is not as obvious?

R: It is not there at all on this one.

R: It is inside, but it should be outside. You really should know ahead of time that you have the web option.

M: So, is that a positive or negative?

R: I think it is a negative.

R: On this one?

R: The title basically is just TeleFile, that is basically what most.

R: Yeah, but also this is what you call return address, whatever.

R: I think it is obvious to take the name of whatever you want and put www whatever dot com on back of it.

R: Or www.telefile or is it www.unclesam, what?

R: Right, but IRS has TeleFile.

R: Negative.

M: Everyone think that, okay. Statement on the cover, there was some earlier version that it takes 10 minutes, that is not on this version, is that a positive or negative?

R: Positive.

R: Positive.

R: I think it is kind of negative, I don't know it is easy.

R: It still makes people want to open it and read it and take 10 minutes.

R: I think this one is more of a sell than this one is because you are going with a graphic, you are going with a big friendly type. You are going with 2 easy steps, more or less. Everything except for the heading you are selling, you are just trying to sell the product.

M: For the benefit of the tape, what you are talking about is 2000?

R: I'm sorry, everything above the graphic is necessary, 2000 TeleFile tax record and instructions, that is the same thing you have on the 2001, but for the benefit of the tape, the graphic TeleFile, your easiest way to file, everything below that is selling, you are trying to sell the product. On the 2001, it seems like product is sold and you just need a replacement. They are not trying to tell you how good it is on the cover.

- R: Yeah, the 2000 form. The cover of the 2000 form was very good, because it made you want to open it, because it was advertising. This one is pretty plain, although it states what it is and what needs to be done in the right place, because that is what we were saying about it here.
- R: I don't know if this is going backward. She just pointed something out, the graphic, why it might be confusing because it says TeleFile and fast e-file, but you got a hand holding a phone for TeleFile, how about a hand on the computer keyboard for e-file.
- R: Right, or just a little e with the lightning bolt through it that they use.
- R: That way you don't get confused.
- R: Okay.
- R: So, you must sell it equally.
- R: Right, you can have TeleFile with the little phone here and then e-file with the little e thing down here at www.whatever.
- R: So people see the difference between e-file and TeleFile.
- R: Take out 2 easy steps and all this can be left out, now you have to go through the pamphlet to find out what you want.
- R: Right.
- M: Let's see. No selling of the product on the cover, is that a positive or negative?
- R: Negative.
- R: I would think with selling to informing, like I look at this graphic and know exactly what is going on, if I have a computer graphic I know what is going on also. Selling is informing, to me that is the same thing.
- R: I think more or less they are taking it for granted on the 2001 that you know what it is, that you know it is 2 easy steps, you know it is 10 minutes. These are things you know already, which is why you are using it again.
- R: I didn't know, because maybe it has been long since, I don't know how long, but I never opened one of these, and I did not know it was 10 minutes, and I did not know it was 2 easy steps.
- R: Why not?

- R: (All talking at one time.)
- M: All right, no selling or informing about the product on the cover, is that a positive or negative?
- R: To be honest, that is, that depends so much on who is looking at it or what a person is bringing to the table, and whether it is in conjunction with a campaign to get the word out on TeleFile, or whether it is just going to sit in a front of the local library in a stack with all the other forms, so I don't know the answer to that for some.
- R: Well, to be realistic, pictures and graphics grab your attention more than words.
- R: Yes they do.
- R: So, you take this out, put the computer, I mean the computer in here, and take these 2 things out, but you leave that in.
- R: Well, no, I think the whole idea of having the graphs and disclosure information on the back is very important, because to most people it is superfluous, it is not really necessary to your filing. Having the front be made up of, having the mailer be made up of the pertinent information is a lot better.
- M: Let's go back to our list and see if we can get through here so we can move on to a couple more issues. The statement about it taking 10 minutes to do TeleFile, whether it is correct or not, is that positive or negative?
- R: It is positive.
- R: Positive.
- R: Positive.
- R: Sure, it would be positive, only takes 10 minutes.
- R: Positive.
- R: Yes, positive.
- M: Okay. How about the information about calling for help?
- R: Positive.
- R: Positive.

R: Positive.

M: Only 2 pieces of paper, meaning it is constructed positively?

R: It is positive. Saves resources, my children have a couple more trees to play on, I feel good about it.

M: Does not look as thick?

R: Positive.

R: Positive.

M: Okay, tells you right away if you are eligible to use TeleFile?

R: Positive.

R: Positive.

R: Definitely positive.

R: Positive.

M: The color?

R: I think that, well.

R: Positive.

R: Positive.

R: Positive.

M: How about simpler and to the point?

R: Positive.

R: Positive.

R: Always positive.

M: Wasted space on the cover?

R: Negative.

R: Negative.

R: Negative.

R: Wasted space is wasted paper.

R: Wasted money.

R: Yeah.

M: How about the location of the form?

R: It should be facing the direction, it should be facing the instructions.

M: Someone over here said it was fine?

R: Yeah.

R: If it came this way, it would not fit in the mail box.

R: No, I don't mean that, I mean this form.

M: The actual form, it is on Page 3, you would use to fill out.

R: Yeah, the instructions should be on Page 4 and the form should be on Page 5 or vice versa. They should be on facing pages, rather than back to front like this because this is what I was talking about before, the good thing about the older one was the fact you were doing it and looking at the instructions, rather than flipPING back and forth like a madman.

R: This instructions?

R: That is if you can use it.

R: Show me.

R: I don't see any over there.

M: That is not in this form, it is more generalized.

R: See, these are general instructions, yeah, oh well, you see, my balloon just lost all its air. You got me there.

M: Okay, are the instructions not large enough?

R: I think it is a good size.

R: It is all right.

R: I think it should say instructions for preparing your TeleFile tax record, because that is just me and my own backwater way of thinking.

M: Did other people have trouble seeing where the directions were on that page?

R: I did not see them.

M: Is that not as obvious?

R: You mean the general instructions?

R: No, the instructions for your TeleFile tax record.

R: I missed that.

R: How could you miss that?

R: It is easy.

R: It happens. It ought to have one of these tip things, these caution things, start here icon, just a little something to grab.

M: Okay, so do we think the location of the form is positive?

R: Positive.

R: It is positive.

R: It is fine.

R: Yeah, it is positive.

M: How about ending with the privacy act?

R: Positive.

R: Positive.

R: Positive.

R: Even at the end.

M: We only have one, wasted space on cover and then no obvious.

R: Web space.

M: A couple we could not decide on. Looking at the positives, which would you say is the most important improvement in this form, or the most important difference?

R: I think it is only 2 pieces of paper.

M: Someone else besides Robert?

R: I know, I am going to leave the room.

M: No, no, you can't leave.

R: I think cover, tax record and instructions are simpler and to the point.

R: You said what is the most important change?

M: Yeah.

R: I was thinking of the telling right away that you can use it, because this will determine whether you can do that.

R: I agree with that.

R: Yeah.

M: Elizabeth, how about you? Which do you think is the most important difference?

R: It is easier to read, it is really easier to read, and that it is just simpler, because now I am not thinking about doing it on the computer, I am only thinking about doing it on the phone.

R: Yeah, simpler and to the point.

M: Barbara, how about you?

R: I guess I would agree, simple and to the point, yeah I agree there.

R: Most definitely, simpler and to the point.

R: Simple and to the point.

M: Gary?

R: I mentioned telling right away whether you can use the form. I like simple and to the point, too. What I said earlier was my first choice, tell us right away if we can use the form or not.

R: Sure.

M: Sure what?

R: Whatever you say.

M: Okay, so it tells right away. Simple and to the point. That is a mess, but anyway.

R: That is your mess.

M: Thank you for the good input. All right. Internet access. We touched on this earlier. This current filing season, the IRS introduced the option of a self-selected PIN for all electronic returns except for TeleFile, and that self-selected PIN would eliminate the need for the IRS to sent taxpayers customer service numbers, and additionally, taxpayers would not need a TeleFile package to file via TeleFile.

R: I missed something, can you say that again?

M: Okay. With your PIN you would not need to have this package essentially. The downside to that, though, is that in order to use the self-selected PIN, the taxpayer would have to have 2 pieces of confidential information. The adjusted gross income and the total tax from the previous year's return. Let me ask you. Do you retain copies of your previous returns?

R: Yes.

R: Yes.

M: So, having that information would not be a problem then.

R: I retain it, but I retain ungodly amounts of junk and I can not say I would probably be a panic or day long search through my personal records to find my taxes from last year, it would take me a day or a little while to get a hold of them.

M: Maybe the question is then, how many people could readily find it?

R: Me.

R: Me.

M: Somewhat fewer, okay. Let me ask.

R: I don't think I want to deal with another PIN number, you know, I have so many of them.

M: Okay, were you reading my moderator's guide, because the next question was whether your preference would be to use a PIN, or use the IRS selected customer service number?

R: I would rather use a PIN because, and I know I am never going to see any of you all again, I use the same PIN number for all my stuff, more or less, except for my online passwords, I use the same numbers just to keep it easy, my bank card, my calling card, everything is the same number.

R: That is very easy.

M: How many people would prefer to use the PIN number?

R: Me.

R: Well, now you give me an idea, definitely.

R: Yes.

M: Than the customer service number the IRS would give you?

R: A PIN.

R: A PIN.

M: How many? Let's see a show of hands? 7, okay.

R: You pick the number so that you can remember it.

R: I have to say it, my main question is how many, I don't know the population of the U.S. or the population of the.

R: 381 million.

R: Whatever it is, that is a lot of PIN numbers.

R: It is the PIN number plus your last year's. I know what you are thinking.

R: With banks, there is always different banks so, with PIN numbers those are going to be some long PIN numbers.

R: Well, no you pick out your own PIN number.

R: You can use either.

R: I use the same one like you do.

R: Yeah, just use the same one, yeah.

R: Let me ask this. The PIN number is according with the social security number?

M: No, it is separate and you would select it.

R: So it is different from the social security number.

R: Either that or you get one that is imposed upon you, you are a number now, you have to memorize this number. I would much rather have a number I picked than to try to remember some number they gave me.

M: Okay. Let me ask. We have had a lot of discussion tonight about TeleFile. How many of you were thinking about using TeleFile last year now that you have heard more about it in the focus group, anyone? One?

R: I actually got this phone call and heard of TeleFile, I think I might have seen this, I don't think I would have done it, now I see this one, I am going to do it.

R: If I had not gotten my computer last year I probably might have used TeleFile next year, next year I am using e-file.

R: There you go, another convert.

M: All right. How about the rest of you?

R: I would have done it because it is easier. If you are in a situation where you get the money back quick, right.

R: I think I am going to do it, but I have to call to get information, because it is going to be my first try, so I need to get more straight information about my personal case.

M: Find out if it is appropriate for you.

R: I got the phone number I can call for help so I can set up my...

M: Gary?

R: This sounds good and all, but I am accustomed to using e-file, that is much better for me.

M: Okay. How about you Eric?

R: I would not use it, not saying it is a bad idea, or the changes you made in both the forms, but I am just too paranoid about making mistakes, like taking one off when I should add or whatever.

R: I am going to introduce it to my children, some of my children, and see what they think about it.

M: You think it would be a good thing for them to use?

R: For some of them.

M: Anyone else? Okay, if you bear with me a minute, I am going to step back there and see if there are any other issues they would like me to bring up with you, and I will be back in just a minute.

R: Can we use the restroom?

M: Sure.

R: Tell them to keep it down in there.

M: But you all come back.

R: Yeah we will come back, we want our check.

M: Go ahead. (Moderator leaves the room.)

R: I don't know if we were being filmed, but we were definitely on a monitor.

R: She said we were not being filmed.

M: Okay, we have just something I want to ask you for clarification purposes. I am going to go around the room and would you tell us how you filed this year and how you plan to file next year? I will pick on Charles first.

R: I filed this year with the paper, and my plans for next year are undetermined at this time.

M: What did you use?

R: I used a 1040.

M: How about you Gary?

R: I filed this year by e-file at the IRS building and plan on doing the same thing next year.

R: I am going to try the TeleFile as I said before, I am going to try e-file.

M: How did you file this year?

R: I have not done this year, I did the other one at an agency, I paid for help.

M: Eric?

R: I will go back to the IRS, it was a good experience, so I will go back again. I don't see the idea as being totally useless at all, if you want to file over the phone, do so.

R: I used a tax preparer, but I think I am going to try this next year.

R: I have not done mine yet, but I am really thinking about doing this. I know I came in here with my everyone is lazy speech, but I think I am going to do it this time, and based on that I think it is going to be like, tell a friend, tell a friend, so hopefully it won't go too bad and I can do it.

R: I used a carrier pigeon, no, I used e-file for my federal, TeleFile for my state and I will probably use e-file for both next year.

R: Sure, I will go to the tax preparer, and I will do the same next year, I like that.

M: Wilhemena?

R: I am going to do this and tell a friend. I have a lot of children I can tell, and family members, and then I am going to talk it over with them, and some of them do taxes. So far this year, I have not filed yet, and I am going to talk to them, because I am sure some of them don't know about this.

R: Yes, I have been using the 1040, I have been successful and I already got my money back, got it today, and I have been doing that, but I like a change, and I have several children, too, that I am going to introduce them. But my brother works for tax, so I have been getting it done for me like, do it, send it in, and I will do it, but I like a change, so I just might.

M: Elizabeth?

R: I think I would use telephone next time.

M: How did you do it this year?

R: I did it myself.

M: Do you remember which form you used?

R: I can't.

M: Derek?

R: I used a tax preparer and I got the refund, and next year I don't think I will be able to use the TeleFile because I am going to make some changes, so I might have to do e-file, pay them and do that, I just pay out of laziness, but as I said, the change I intend to make, I think it would be easier to do myself in e-file.

M: All right. Thank you. You have been a great group and if you pass these back down I would appreciate it.

R: Thanks.

M: Thank you very much.

R: I thought we could keep it.

R: I want it.

M: No, because I need them to take to the other groups.

Appendix G: Transcript – Seattle TeleFile Users

**IRS TELEFILE FOCUS GROUP
USERS
SEATTLE, WA
MARCH 21, 2001, 6 PM**

M: Intro . . . Before we get into the discussion I wonder if we could go around the room and if you would, just begin by telling us what you do for a living.

R: My name is Kira. I work doing administrative and office management.

R: I am Jack. I am currently between jobs.

R: I am Krista. I work for a physician's scanning and CAD firm here in Kirkland.

R: My name is Kristy. I am a graduate student.

R: My name is Shelby. I work at a bank, receiving and ATM work.

R: My name is Bob. I am a network engineer for a telecommunications company.

R: My name is Kevin, and I am currently a warehouse manager for a mobile home parts distribution center.

R: I am Seth. Payroll accounting.

R: I am Jim. Sales manager.

M: Thank you. Let me begin by asking, what is the TeleFile package?

R: Well, it is the package that they send you in the mail that gives you instructions on how to file your taxes over the phone, if you are eligible to do that. In order to be eligible, you have to have your name and address match the name and address printed on the form.

M: So the label has to match?

R: Yes.

R: It kind of seems to me that you have to have been living at the place where you received your form for the last couple of years to be eligible to file. They even say that. If you have anything different on the form, than what is actually printed, or if you are calling from a phone other than your home phone, or anything like that, then something will be wrong with it.

R: I think the other eligibility requirements are that you file an EZ 1040.

R: Right, it has to be a pretty standard form.

M: Anything else you remember about the package?

R: I remember there was a financial requirement. I think it was less than \$50,000 a year.

R: Yeah, something like that.

R: You have to have low interest at your bank or whatever. You can't have over a certain amount of bank income.

M: How many of you used TeleFile prior to this year? Eight. How many of you have filed with TeleFile previous to last year? So you have done it three years. I am talking about consecutive.

R: Oh, that wouldn't apply to me.

R: I did it one year, and then it didn't come the next year, and then another year it did.

M: So, it sounds like a lot of you have experience not only this year, but in previous years, with TeleFile. Did any of you notice any changes in this year's TeleFile package compared to what you have seen in previous years?

R: I did. It took a lot longer for my check to get here, and it was a lot smaller.

M: So your refund took longer?

R: Yeah, it was really quick the last couple of years. Like within two weeks after filing, and here it took like a month, over a month. No about a month.

R: Mine took two weeks.

R: I filed midnight of the 11th.

M: Anyone else see any differences in the package?

R: I think the form had some slight changes. It looked the same, but it was easier to follow. I used online services the year before, and then I lost my PIN number, so I had to go back to TeleFile. I notice from year to year that it changed a little bit.

M: So fewer things to fill out or better directions?

R: Better directions. The same amount of stuff to fill out.

M: Any other differences that other folks noticed? I am going to pass out a copy. Okay, if you will just take a minute to look through it.

(Respondents review material.)

(Moderator sends some respondents to another group and receives new respondents.)

M: Okay, you folks that just came in, did you all use TeleFile to file your taxes?

R: Yes.

R: Yes.

M: Anyway, that happens sometimes. For those of you that just came in, I will just quickly describe what we are doing here. (Moderator repeats introduction.) Could you all introduce yourselves by giving us your first names and telling us a little bit about what you do. Then we will jump back into what we were doing.

R: My name is Alicia, and I am an account executive for the Downtown Floral Association.

R: My name is Howard, and I am a software tester.

R: I am Seth, and I am a medical researcher.

M: And you are the real Seth. What we have done is, I passed out, and we have had a little bit of disruption, but I have passed out copies of the TeleFile package for this year. I was asking everyone to just look through it very quickly and refresh their memories. Then I am going to ask a few questions. Just take a minute.

(Respondents review material.)

M: The IRS wants to determine the minimal amount of information that taxpayers need to complete their TeleFile return. I wanted to ask you whether this version of the TeleFile package that I passed out contained everything that you needed this year to file your TeleFile returns? Was everything there, or was there anything that was missing?

R: Everything was there.

R: It was pretty complete.

R: Yeah.

R: It was pretty easy to follow.

R: I thought it was a little disconcerting that I wasn't able to look up before it was calculated.

R: Yeah.

R: Right, you like to look it up yourself before you file it.

R: Before you get on the phone.

M: Okay, so the tax tables weren't there.

R: Looking those up . . . I would call somebody to find those ahead of time.

M: And did you do that this year?

R: I just called my folks, so that I know that the phone is actually telling me the right amount.

M: But you wanted to know that information, so you called your girlfriend and just had her look on her form to tell you that?

R: I would have to second that. I did the same. I had the same issue.

R: Yeah.

M: And how did you resolve that?

R: I also called my parents too to find out that information.

R: I went to the library.

R: I just trusted them doing it right. I had a lot taken out of my check last year, and I get a little back this year. I was like, what. I just took what they gave me.

M: Were you surprised at the end of the TeleFile?

R: Very surprised. I was expecting like 300% or 400% more than I got back.

M: But you assumed it was correct.

R: I assume it was correct. It seemed computer automatic. I guess it would be very nice to see actually where this computer gets its figures from.

R: What I think would be the thing to do . . . I personally also trusted it. Mine was for the better, fortunately for me.

- R: I think that you got some of mine.
- R: But actually I think what would be nice is, when they actually send you your refund or when they send you your paperwork for your payment, if they could send you a computer printout exactly how they calculated, so that you could check it. That way, if it was wrong, you wouldn't cash the check and you would be able to contact someone and dispute it. I think that a printout of exactly how the computer calculated it would be really helpful.
- R: Especially just for your records. Just put that in your files and keep a hold of that. Instead of filling it out yourself . . . I would rather have something from the IRS saying it rather than something I had written myself.
- R: I think I would feel better about being able to calculate it all myself because then . . . when you make the phone call, because for one thing I felt really uncomfortable about making sure that my refund or payment was routed through my checking account. I had no idea if I was going to owe or how much I was going to owe. I really had no idea. I was depending on the calculations that the TeleFile did. I chose not to do that. I chose just to send the payment in myself or receive the check through the mail, because I didn't want to deal with that.
- R: I did that as well, because I didn't want to go to the ATM and see this huge amount of money missing.
- R: Exactly.
- R: I chose not to do that for the same reasons. Just because they didn't make it very clear.
- R: Would that have actually happened? You would try to do it directly through your checking account and then you find out that you owe, would they automatically take it out if that happened?
- R: If it happens, they take it out.
- R: Really? Oh wow.
- R: That is another thing.
- R: This is the amount that you owe, to be withdrawn, and I didn't like that one bit.
- R: Isn't the other option to send them a check?
- R: You can.

R: You have to figure it out before.

(All talking.)

R: That is why it would be nice to have the tables beforehand and know if you owe or not.

R: The tables would be very important.

R: Absolutely.

R: You need to find out if you owe.

R: Absolutely.

R: Once you figure out the amount that you have to pay, you could figure out if you want to do it directly through your checking account. Obviously it is easy to have it direct deposited because you are getting money back.

R: Exactly.

R: But if you owe . . .

M: Who else did direct deposit?

R: I did.

R: I did.

R: I almost wish that I would have.

R: I almost wish that I didn't now.

M: Anything else that was missing? Seth, did you go and find the tax tables?

R: I just waited.

M: But you wished that you would have had it?

R: Yeah. I ended up being all right.

R: I didn't find the tax tables. Although were they on the Internet? Were they on the website anywhere?

R: Yeah, I think they are on the website.

R: I think that everything is on the website.

R: It is a pain to go to the Post Office and pick those things up.

R: Yes, it is.

R: They are always out of the one that you want.

R: Exactly. Exactly. I don't know if there was one there or not, but I didn't find it.

R: I think that everything is on the website, all of their publications.

R: But I know that last year I went in to do an e-file, and you had to download a whole bunch of software in order to get the forms, and so on and so forth. Maybe it would be easier to have that just available than having to download.

R: People say the same thing. They have trouble opening it, and it needs a certain program. They get it downloaded, and some people who are less computer literate would be like, where does it go? Where does it print?

R: You would think it was just the tax tables.

R: But e-file has everything you can ask for. You get the refund in like five days.

R: E-file does?

R: Five days. I have done it before and I loved it. I lost my PIN number and the IRS won't give it back to me. I had to go through TeleFile.

R: They won't give it back?

R: They will not give it back to me. You have to file again, e-file and get a new PIN number. You have to fill out this whole thing.

R: That happened with my state taxes, and I couldn't remember how much I got back, so I just sort of plugged in around what I thought it was, and after two tries...

R: Well, that is to protect your security.

M: Has anyone else done e-file in the past?

R: On the computer?

M: Okay.

R: I am just curious about something. My girlfriend did TeleFile last year. She filled it out, but she didn't receive one this year. I mean, is there a reason why somebody wouldn't receive one a second year in a row?

R: A change of address.

R: Your income changed to more than is allowed.

R: I don't think so.

R: It is not change of address, because I have moved.

R: I moved as well.

R: I think it is within a constrained time period, because I moved also once in a tax year, but I still was able to do TeleFile.

M: I don't know the answer to that, although I did hear it come up in other groups. People expected to receive it and didn't. Anything else that was missing? How many of you did go to other sources of information? I have heard parents to find out about the standard deduction. Have you used any other sources of IRS information?

R: I went to the library.

M: Went to the library and . . .

R: They have forms at the library.

M: Okay forms at the library.

R: I got forms at the Post Office.

R: I didn't get anything as far as forms, but I have been receiving a Social Security statement.

R: Yeah, I got that. I actually like that.

R: I do too. It is fairly user friendly. The language isn't so crazy that I don't understand it. I don't know how I am supposed to use it when I got my taxes. It is there and it kind of gives you a guideline as to where you should be. I think that is good.

R: Yeah, that really keeps track of everything all the way down from the first day you worked.

R: Well it breaks it down.

(All talking.)

R: Do you have to sign up for this?

R: No.

R: No.

R: But you have to work a certain amount to qualify for Social Security and once you have worked that amount then they automatically send it to you.

R: And it tells you like, a target amount that you should be at. I didn't know how to use it as far as filing my taxes.

R: I don't think you have to.

R: You don't. It is just a reference.

M: Yeah, it is just for your records.

R: It is pretty reassuring too. Social Security isn't going to be around when we are all old. It is kind of nice to know that maybe they are a little bit more on the ball than we all think.

M: Is it from the IRS?

R: Yeah, well Social Security.

M: Let's see. Kristy mentioned the IRS website. Anyone else who has used that as a source of information?

R: I have downloaded some quarterly documents off of it. That is about it. It didn't have anything to do with my TeleFile tax.

R: There is a computer software program. I don't know about Quicken. Quicken might have a link to the online information but Turbo Tax definitely does.

M: How about the customer services numbers, the IRS 1-800 numbers?

R: They want to help us?

(Laughter.)

R: I called one time ten years ago and didn't get very far with that.

M: What happened?

R: They did put me on hold for a very long time. Twenty minutes or so, and then they just basically told me that I have to go someplace and get forms.

R: There is a really good IRS office in downtown Seattle, and people there are really helpful. You just have to take a number. But they have all the forms, and all the books, and all the explanations and tips. You can talk to somebody who can really help. I mean, I have done it for work, but I have never done it for personal.

R: Where is that?

R: Second and way down there.

R: What is it called?

R: Just the IRS office.

R: It is with one of the government buildings.

M: Any other ways that you have gotten information from the IRS? Let's look at the package again. Let's look at pages two and three. How many of you remember reading through this information? One. Anyone else?

R: I didn't.

M: Three.

R: Skimmed.

M: Skimmed, okay.

R: I think the first year I got it, I read everything. This year I just went straight to the worksheet.

R: I maybe looked at the picture.

R: Yeah.

M: Now, did any of this marketing information on pages two and three make a difference in your decision to file using TeleFile?

R: No.

R: No.

R: Uh huh.

R: She looked way too happy, and she looks about 15.

R: Yeah.

(All talking.)

R: It is filler.

R: Aren't we really the only people that get these? You are not seeing this for the first time are they?

R: Somehow, sure. They have to initiate you somehow.

R: Yeah, the first one I got was just sent to me out of the blue.

R: I got something promoting e-file. I remember I got it a couple of years ago, and that is when I tried it out.

R: I have to be honest. I have never heard of e-file.

R: I have used it, and we were very pleased with it. My husband and my parents did that in the past.

R: TeleFile is a form of e-file, electronic filing. But another form is doing it on the Internet.

R: Yeah, but that only pertains to people with computers. I don't have one.

R: Page two is pretty compelling, but what I think what happened to me, and I probably would have e-filed because it is more convenient for me, actually, than using my phone. I got this in the mail like this, or whichever way that it comes. I didn't open it literally until I sat down to make the phone call. I knew what it was, and I had all my W2s, and I was ready to make the phone call. I was sort of focused on doing that. I didn't care about the application.

R: If you have never done it before, you are going to read this.

R: Yeah.

R: And so like, maybe next year I won't use TeleFile, I will use the Internet. For this time, it did not work for me. It was meant to compel me to do the other, but I was already sort of cramming.

M: Anyone else who remembers this information? What was your reaction?

R: I opened it and went past it. It was not where I wanted to be.

R: Yeah, it was just sort of, where is the information that I really want?

M: How many of you went directly to page seven? Ten. Ten people went directly to page seven. What about the rest of the booklet? Page four, Who Can File By Phone. Anyone look at that?

R: I did.

R: Yeah.

R: I already knew that I could.

R: I double checked.

R: I was from another state, and I wanted to make sure that everything was okay.

R: Yeah, I did this.

M: How many people used this page? Six. Was it helpful?

R: I definitely thought it was helpful. It probably sounds a little naïve, but I don't pay a whole lot of attention to something like that. I was just like, oh, do I have to fill out the form? Do I have to read?

R: I read as little as possible.

R: I thought this was hilarious. Just where is it? Number two. Were you under the age of 65 on January 1st 2001 and not blind?

(Laughter.)

M: Why is that so funny?

R: Well, unless it is in Braille, how could you read it?

R: It looked like, wow, what a predicament to be in. If I was under the age of 65 but blind, that is the end. I just thought that question was funny. I was like, how in the world do you get from there to point B?

R: It does make a difference but it is not probably as clear here.

M: Any other reactions to this page?

R: I just used it to double check.

M: Okay, how about page five on Earned Income Credit? Anybody use that page?

R: Same thing. I was just checking.

M: Anyone else? How about page six?

R: I read it.

R: Since I work with a bank, I know about the routing numbers and everything. I didn't really have to read that part. Again, I decided not to do the direct deposit thing, just in case I owed something.

R: Is it faster to actually have it routed directly into your bank rather than have them mail it?

R: Yes.

R: Oh yes.

R: I have never had them go more than two weeks. It is more like a week and a half.

R: That is generally all it takes for them to even just mail it to me. Two to three weeks with TeleFile.

R: Last year was more. I didn't notice it any faster, actually, with the direct deposit.

R: I just like to go to the bank and all of the sudden, have a big jump in there. You never know when that is going to come through.

M: How many of you actually used these instructions to help fill out the form on page seven?

R: I did.

M: Three. Anyone else? Everyone else just went to the form?

R: Yeah.

R: Yeah.

M: How about those of you that were hoping for a refund, did you all read this tip over on the right, Expecting A Refund?

R: Nope.

M: Okay.

R: I actually read that, and I thought, what if they don't get it right. That actually deterred me from using this. I remember looking at this and struggling to find it, and then I couldn't find it, and then I read that and then I thought, I don't want to do this anymore. I will just get it mailed to me. I almost wish that I hadn't now.

M: So you were worried about having it deposited directly?

R: Yeah.

R: I have had my bank mess up many, many things. Especially because the main branch of my bank is in another city. There is no real point for me changing it. We buy a box of checks and I will use those out before I change it.

M: So you were concerned that your bank would screw it up?

R: Very much so. They have in the past.

M: Anyone else with concerns about deposited directly?

R: I think maybe, and I don't know how they would feel to do this, but even give a rough estimate of how long it was going to take.

R: Well there is a 1-800 number that you can call after you file with TeleFile, and you enter in your PIN code. It is actually called your customer service number. They tell you exactly what date it was either mailed or what date you should expect it in your account, because I did that. It got there and they told me what day it was mailed, and I had it within two days or three days after the date that it was mailed.

R: Where did you get that info?

R: I don't know where.

R: It is in the book.

R: Doesn't it tell you when you are almost done filing, especially if you are giving a direct deposit that you could expect it within x or y?

R: No.

R: Somehow I remember that.

R: I don't think they actually say it.

R: No. The number is in the book.

R: I know that sometimes when you call the number they say, we have no information. I called it once and it hadn't been mailed yet.

M: How many people called the 1-800 number?

R: I didn't this year but last year.

R: It was very helpful.

R: I think it is 1-800 . . .

R: The number is on page nine.

M: Did any of you review this page as you were . . .

R: I read through a little bit of it.

R: I read it afterwards, because I was really frustrated when I filed, because I had to call, I think, like four times, and start the whole process over again. I can't remember what the problem was, but it wouldn't let me go back. I don't remember what exactly the problem was, but I had to start over again. When I finally got through the whole process, I talked to someone about my taxes, and they are like, oh well, I think that you may have done it wrong. I read this afterwards to try and figure out what do I do if I filed my taxes wrong through TeleFile.

R: There is a statement down here on page eight. If you need a copy of what you filed, the IRS . . . I don't know if that would be the breakdown or whatnot.

R: A transcript yeah.

R: I think they should just send it to you.

R: That would be nice.

R: You shouldn't have to request that.

R: You like to double check or have a little explanation on it.

R: I was in that position last year, and I expect money this year, and either way I still would have liked to have seen the documentation of it. I feel pretty comfortable doing things both online and over other data systems. It is almost how I have

- grown up doing things at my age. I definitely think that this was easy to do, but at the same time I still am the kind of person that I want paper documentation.
- R: And copies.
- R: I wouldn't do it any other way. I think it should be more of a request thing. I think that the IRS has been trying to scale back all the paper and sending out all this stuff. That is a lot of forms to be filling out. I figure it out beforehand.
- R: Do you want \$3 to go to the Presidential campaign? Fine. Yes or No?
- R: Do you want a transcript? If that would be offered just as an option while they were talking . . .
- R: Exactly, instead of you having to call and sit on hold. Just like a yes or no box.
- M: How many of you are interested in having a paper form?
- R: I am not interested.
- R: I am.
- R: I am really not.
- M: How about page nine? Did anybody use this information?
- R: I used it to call after a couple of weeks.
- R: I used this number to check your status down at the bottom.
- R: That is what I found.
- M: How about page ten? Anybody use TeleTax as opposed to TeleFile?
- R: Yeah the automated system pretty much explains everything. I myself put page seven and called the number, and they told me everything that I had to do.
- R: Yeah, it is either you know how to file your taxes or you don't. If you do and you have done anything like this before, then you are going to go right to page seven and punch in the numbers and have your number.
- R: You can do this while you are waiting for responses.
- R: It is not brain surgery. It is not the most difficult thing in the world to try to maneuver yourself through. I don't think so.

R: You just have to have everything there. You have to have the forms and your checking account if you want it directly deposited, and all that information like right there, so that you are not . . . then you can write it in and punch the numbers.

R: But it would be nice to have like a worksheet prior to it. Because when you get on that phone and you get down to the last option and you are like, okay do I owe or do I . . . it would be nice to know that maybe prior to.

R: Yeah the tax table.

M: I didn't ask this earlier but how many of you referred to the form on page seven before you called?

R: Yeah.

R: Yeah.

R: You just go through it.

R: I didn't worry about filling that out.

R: No. No.

R: I just worried about what I was getting back.

M: We had people in the other groups that did that too. How about page eleven? Anybody look at this? Did you look at this before or after you did the process?

R: After I called.

M: Anyone else? How about the back cover?

R: I don't remember looking at it.

R: I saw it but I didn't read it.

R: That is how it was in my mailbox. It was upside down.

R: You immediately knew it was tax.

M: Sharon and Shawn said that they had looked at this when they got it. Anyone else?

R: I see and look how much is going into defense and wherever else.

- R: Going back to page seven, before you got your confirmation number, you have the option to choose whether you wanted it directly deposited. Maybe that was three years ago or four years ago. But they like switched steps and now you can't choose.
- R: Yeah I remember that too.
- R: Remember that. You used to have the option. If you knew how much you got, there was a step there that said, okay, do you want it deposited or not, and now it is like they switched it. Now it is like an automatic thing, where you have to put in your routing number before you get your amount.
- R: I think you are right. If I remember in the past, I knew what I was getting back.
- R: With this you are worried.
- R: I wasn't worried in previous years.
- R: At the end when they ask you, do you want to complete this, you can press no and start it all over. How many of us really want to start it all over at that point? You don't. You don't want to call back and go through the hassle. It is not that it is a huge hassle, but it does take time, and I guess I would just make sure that I had the money in at that point. But still I don't agree with the way that they do it. The order of this.
- M: Now, you said that you tried four times?
- R: I was frustrated with the system though. It seemed like something that I should have been able to do easily. It was a while ago, and I just can't remember what the problem was.
- M: But you did have to call?
- R: I had to quit and call again. I remember it kept shutting me off. Like it was like, please hang up, and I was like, aaagh!! I have to start over again.
- R: That actually happened to me. I had to call back. My workplace had changed addresses, so it got to the point you were giving the address of your workplace, and if they had said at the very beginning, you can call back if you are unable to finish this. But I was really concerned, did I just blow it?
- R: So was I.
- R: I was really just kind of taken back from that. I ended up trying to call again.
- M: And it took it the next time?

- R: It took it, but it did say, until you get the confirmation at the very end, you can call back if you need to. I just was not real sure.
- R: The only thing I don't like about it, for the past two or three years, if your address is different from what is on the little label, you cannot file. My address hasn't been that one for quite a while now, and I haven't figured out how to call in time to get my tax refund without changing my address.
- R: You just don't get it every year.
- R: I still get it, but I have to go to my grandpa's to get it.
- R: Maybe TeleFile should be connected to an operator. So like, if you mess up or you have a question, you can hit a prompt like the bank does.
- R: There is a choice to talk to somebody.
- R: Then they can bring it up and fix whatever you have messed up.
- R: Everybody in the country generally files at the same time. I could imagine the back up. They would have to put you on hold for a couple of hours.
- R: I was actually quite surprised that mine came to my correct address, because I had moved from another city and I forwarded my mail. When I did that, I had lots of problems with the postal service.
- R: Everybody does.
- R: I was surprised that somehow, someway they had gotten the information. It seemed like everyone, and not just the post office forwarding problem, but billing companies, I would call and change my address, and they still would send it to the old place. I was actually surprised that mine came with my exact address. My only concern was that they say right on the phone that your check will be sent to the address printed. My check was sent to the wrong apartment number. It went to someone else.
- M: Even though your label was correct?
- R: My label was correct, and they left out the last number on it. It went to a different apartment in my building. Somebody wrote me and said you almost lost this. Get it right next time. I don't live in a very nice building. That is exactly what they wrote on it. They left it in my mailbox but that was . . . I don't live in the greatest place. I admit. I almost wondered. I looked to see that the names were printed, and I looked at the way that it was printed on the check. I almost wondered if my address line had been too long for them to add the last number. That was the only

thing that I could think of. My address was two digits and there was only one digit on there. They were just missing the second one. I thought, well, maybe they only allow a certain number of spaces.

R: That is a big problem, too.

R: Yes. I know that there are some companies that the way their mailing systems are, they shorten the name of the street. For example, it is very easy to shorten the street that I live on. You would assume that they would do something like that. But everything was spelled out to the end, and it was missing that last number. I am sure that someone had it in their mailbox for more than it should have been and it wasn't in mine.

R: If somebody would have sent that back to the IRS return to sender, you think the IRS would take a whole year wondering . . .

M: Who else? We have two people who tried more than once. Anyone else? Everyone else was able to file TeleFile on their first try? Okay. Great. I am going to pass these out. The IRS is thinking about simplifying the TeleFile package for next year. These are some prototypes that we would like you to take a look at.

(Respondents review material.)

R: Yeah, it is simpler. There is only one page of history now.

M: Let me go over to the flip chart. I wonder if you would tell me what differences you noticed between this package and the 2000 package?

R: Obviously it is less pages.

R: The information that you want is on page three.

R: They took out the worksheet for if you can file by phone. They just made it a checklist instead, which was fine. I mean, they said what the rules were. That is good.

R: It makes more sense. It jumps right in.

R: They just talk about the TeleFile but not the e-file.

R: It seemed like in last year's they were kind of repeating the same things over and over again. They were asking the same information in three different places. This seems more concise.

R: It forces you to look at the pie chart.

M: It forces you to look at the pie chart?

R: Yeah if you have to open it.

M: The pie chart is more obvious.

R: I think it is kind of the same. They just changed it around.

R: They kind of shortened it.

R: It seems to me like they only took out content from the front.

R: I think the verbiage is a little bit more concise than some of these pages.

R: I think they should have left the routing information, the routing numbers. I wasn't really familiar with what routing numbers were. The fact that it is way in the back.

M: It is not as obvious?

R: Yeah.

R: Yeah maybe moved up to the front.

M: Anything else?

R: I want more instructions. You can reference quicker.

R: It is much tinier.

R: It is harder to read actually.

R: There is more white space. It is supposed to be easier to read.

R: There is a lot more white space.

R: I am sure there is a similarity between TeleFile and TeleTax. It is glossy.

(All talking.)

M: Anybody else? How about page two? Does anybody see anything that wasn't in the old version?

R: Again, I think that everybody agreed that if they had the direct deposit or removal, it would be better to be lower on the page.

- R: Yeah, on the bottom.
- R: Other than that, it looks about the same.
- R: Well, it is not just like it is on the bottom of the page. It is that the choice when you are actually going through it that you want to know.
- R: Well, as soon as you find out whether you have to pay or you are getting money back, you can make a more informed choice.
- R: Nobody wants money taken straight out, but everybody wants money put right in.
- R: I think the reason why this is up there is because that is kind of where you stop filling things out for yourself. If it were at the bottom, then maybe you wouldn't see. Maybe the problem would be that you wouldn't see that you were supposed to gather that information before you make the call.
- R: It doesn't matter how many times they tell you, there are many, many, many people who do not read the instructions before they go through this. They don't read it. If you were applying for a job, do you read the application before you fill it out? It is the same idea.
- R: So with all these boxes that you leave blank, I think that might be confusing.
- R: It is not where it is on the form. It is where it is on the actual program. It can be anywhere on the form. It is the program. If they give you the choice the last thing to do, that would be helpful.
- R: Yeah, like right before do you actually want to file.
- R: And enter your routing number if you want a direct deposit or a direct withdrawal.
- M: Okay, page two, we already talked about the fact that there is this checklist. So that is there. Instructions For Your TeleFile Tax Record. How clear is that? Is that as helpful as the instructions in the 2000 version?
- R: At the bottom of that section there, Forms 1099 and INT. Is that INT part, is that new? I don't remember.
- R: That is not new.
- M: Where are you looking?
- R: Just at that one section right underneath line c.

R: That is when your employer gives you an INT form.

R: Oh, I didn't know what that was.

R: But he had a really good idea about taking the check with the routing numbers and moving this section to maybe the Earned Income Credit section, because you can always write for Earned Income Credit, which a lot of people don't use TeleFile for that. You could always say, see page seven for Earned Income Credit. But here are the routing numbers, because you are going to need those two together.

R: Most would go, what is a routing number?

R: I mean, if you don't have direct deposit with your paycheck or something like that, you don't know what it is.

M: So on page two . . . direct deposit information.

R: I believe the fact that instead of asking questions like is your filing status a, b or c. It says here you can if. It usually doesn't tell you facts. Instead of like asking questions and making people think too much about whether they are able to do it or not. Say okay here it is.

R: A go to three. B go to four. Yeah.

R: It seems a little bit more . . . less questions.

M: Anybody prefer this?

R: No.

R: No.

R: Nope.

R: If someone is reading it for the first time, they might be questioning whether I am doing this right or not because they are asking questions. Instead of saying, here is what you need to do. Do this.

M: How about the instructions in the middle of the page? In the other version, they were on the entire facing page. These are smaller and concentrated in the middle. Do you like that?

R: It is all paper reduction. The language is pretty much the same but everything is just a smaller font, which might be harder for older people to read. There are enough pages.

M: Page three it talks about . . . let's go to page four. Any changes there that you see?

R: It looks pretty much the same. It seems actually identical.

M: How about page five?

R: There is no difference between this and the old one.

M: Page six, TeleTax. Page seven?

R: It is the same.

R: Again, I think that it is like Kira said before, that this would be another font. Other than that, it seems identical other than that. Privacy, I don't know where that is. Oh, it is on the back. It is on the back.

M: How about the back cover?

R: I don't know.

(All talking.)

M: I just wanted to mentioned that they are both required by law and that is why they are on there.

R: In teeny tiny print.

M: Okay, let's go back to our list of the differences between the two forms. And let's get some consensus as a group about whether each of these is a desirable change or an undesirable change. Then after we have done that, we will try and do some ranking. Right now all we want to do is decide, is having less pages is that desirable or undesirable?

R: I like it.

R: Definitely desirable.

R: Not the charts.

M: Anyone disagree? Everyone sees that as a desirable thing. How about having the information you want on page three.

R: Yeah.

R: Yeah.

R: I like that.

R: Less pages and that is great.

R: I think that is the first thing we all said when we opened this. Wow.

R: You know on repeat TeleFile people, maybe they could just have them check off something that says, in the future would you like us to only send you page three?

R: When you first open it, but you never know.

R: Unless it would change, of course.

R: See, that is the thing. Mine changed drastically within a year's time, and I had no way to imagine that that was going to happen.

M: How about substituted the checklist?

R: I liked that.

R: Yeah.

R: I liked it.

R: I don't think really . . .

R: Nobody really called out their PIN.

M: So that is desirable?

R: Yes.

R: Yes.

R: Absolutely.

M: How about the fact that it concentrated on Internet filing?

R: You never know. People might want to try new things. People might want to try e-file.

R: You know, had it not been for TeleFile, when I finally started it in 1996, I wouldn't have known about e-file. If they want people to use e-file, then it would pay for them to advertise.

R: Maybe not such a big ad.

R: I think the page where they have how to use TeleTax they should put the e-file information there.

R: Yeah.

R: Yeah.

R: On this page.

M: So it is like other services.

R: Or if you liked TeleFile you will love e-file.

R: They could put an ad here or two in this big white space.

M: Okay, so that is undesirable? Is that what I am hearing? It would be nice to have that information somewhere on the packet?

R: It would be nice to have it, but not in such a blatant advertisement. Just to say, you may use TeleFile, but here are your other options.

R: Exactly.

R: Other filing options.

R: I don't think that they need to advertise. You have to do your taxes anyway. It is not like, oh, do your taxes with the IRS instead of our competitors.

M: How about more concise?

R: Definitely desirable.

R: Absolutely.

R: Definitely.

R: It is desirable.

R: Desirable.

M: Okay more white space?

R: Doesn't matter.

R: Doesn't matter.

R: I actually thought it was more crowded.

R: I think we don't have consensus on that.

M: See the pie chart more often. Is that desirable or undesirable?

R: It is not really more obvious.

R: I think that it was less obvious.

R: I could use it for a coaster for my beer.

R: Also, the background is in white and the chart is purple, and that actually stands out less to my eye. I notice this coloring better than I did this.

R: I couldn't tell the difference.

R: They are reversed.

R: As long as it is smaller, I don't think people want more than a page taken up on that.

R: Right.

M: So is that a neutral? I think that I heard neutral.

R: Frankly, it doesn't really affect anybody. If you want to find out more about it, you can. They have to have it there, so.

M: How about the fact that the instructions are easier to use?

R: Much better.

R: Absolutely.

R: Yeah.

R: That is good.

M: On pages two and three?

R: That is good.

R: Good.

M: Looking back here, I think that we captured that the format is not desirable but the information is. Okay.

R: Yeah that is right.

M: Less verbiage.

R: It is also not just less, it is the way that it is presented.

R: Yeah verbiage.

R: In other words in lieu of having questions, it gives you very concise, clear . . .

R: Clear, concise.

R: Not so many worksheets.

M: The information about your routing numbers.

R: I didn't like that.

R: That didn't matter.

R: It should be on the bottom of page two.

R: Two, yeah.

M: Okay, only two undesirable. The routing numbers less on this and having the other information on the front. Of those two, which is more of a concern as an undesirable change?

R: The routing number.

R: Routing numbers.

R: The routing.

R: Routing numbers.

M: Okay. How about we have a lot of d.'s here for desirable. Of all these which do you think is the most desirable change?

R: Less pages.

R: Less pages.

R: Probably the information.

R: I would also agree with the instructions.

R: The instructions.

R: I think instructions probably comes first and foremost, because you have page after page after page. But if you have this one little thing that says you can if, you can't if. Right there. You don't have to look. You have to see the pages, but it is not . . .

R: I think with the second one, the information is right there where you want it.

R: But that is kind of part of a greater whole.

R: Yeah.

R: First we put down more concise and took out pages two and three. Basically that book would be nothing. Just broke it down and made it more concise. You put those all together. The ranking on this is kind of difficult.

R: I mean, they are kind of mixing a couple of different worlds up here. With the Earned Income Credit, that seems like it should go back there with some of the other directions.

R: Right with the rest of the explanations of filing.

M: Do you think that it is too prominent?

R: Yeah.

R: They should all be together. Written down. This is the actual things if you qualify or if you don't qualify for this or that.

M: Anyone else have another view on that? Are we pretty much in agreement?

R: Yes.

R: Yes.

R: I think we agree.

M: Good.

R: I think that you forgot some of the options on the second page.

M: What I wrote over here was more of an observation that I want to keep.

R: Oh yeah, we already covered that stuff. Okay.

R: Will they ever put the tax tables on TeleFile? It is too much.

R: Yeah.

R: It would be an entire book.

R: I mean people that do TeleFile have to make a certain amount of money. It wouldn't go all the way.

R: Yeah.

R: If applicable.

R: It is probably one page and to have it handy.

R: They are sort of suggesting that you qualify for TeleFile anyway if they send you the package.

R: Right.

R: Yeah.

R: They should just send the tax tables for people who qualify for TeleFile.

M: Let's see. Filing your return using TeleFile. Did all of you make the TeleFile call personally?

R: Uh huh.

M: How many of you record the information here in the boxes? Everybody. Everyone recorded it.

R: Since they don't send it automatically.

R: Actually, they have a disclaimer on the very bottom that, of course, I didn't read. It says the IRS considers this tax record including your confirmation number, to be the record of information used to file your tax returns. They consider this to be your form.

R: Yeah your form.

- R: And you are supposed to keep it and I threw mine away.
- R: This is something that I would actually hang onto.
- R: Mine is for tax purposes.
- M: Is there anyone who didn't record their ten-digit confirmation number that you got back?
- R: That is the only way you can get back in.
- R: You need it to call and check on something. You need that number. If you need to call and talk to a person, they are going to ask you what that number was.
- R: If you don't record, you deserve what you get.
- R: I remember that I had to listen to it for about three times. It would still click.
- R: I had to go back and listen to it.
- R: I was so afraid that I misplaced the numbers, or I swapped something. I want to make sure that I have got it. I know that confirmation numbers to most people, you have those for everything. You cancel a reservation, you have them. Things like that. To me this is even more important, and that is something that you want to make sure that you get right. Although I do think that the reason that I went through it three times . . . I went twice to actually hear it because it was very quick. Then I went through it the third time to double check.
- R: This might be a little bit nitpicky, but they really don't give you a lot of space to write in these little boxes.
- R: Especially if you have big loopy women handwriting.
- M: In one of the other groups, there were men who complained.
- R: They had big, loopy women handwriting.
- M: Let me pass out this page. What I wanted to ask you all to write down on the pad is the maximum amount of time that you think would be tolerable for completing a tax return on the phone. The maximum.

(Respondents write answers.)

- M: Why don't you just draw a line underneath it. The IRS says that the average time for filing a TeleFile return is eleven minutes. What amount of time do you think

would be ideal for completing the TeleFile? Not the maximum, but the ideal amount of time to file a TeleFile return?

(Respondents write answers.)

M: Let's start. What did you write for the maximum time?

R: Maximum, I put down ten minutes.

M: Let's just go around.

R: Seven.

R: Seven.

R: Ten.

R: Ten.

R: Ten.

R: I put fifteen.

R: I said twelve and then I changed it to fifteen.

R: I put ten to fifteen, but I guess that fifteen would be max.

R: I put five.

R: You have to actually punch in all the numbers.

R: Do you want to cut people off after five minutes?

R: No.

R: No, that is the maximum amount of time that somebody is going to have to spend filling out ...

M: I am actually talking the time you are on the phone.

R: Even then, it still depends on how many W2s you have. I mean, I agree that if you have one W2, it shouldn't take very long. But if you have several...

R: I know that when you call and they ask you, is this number correct. I had five W2s. I needed that. It was annoying at first, and then I thought if I had made a mistake, I needed that, because I have five and that was a big number.

M: So I think what I am hearing is that it depends.

R: I like being able to go back.

R: I don't know why it forces you to go forward.

R: Is there an option with the # that you can go back if you run into some kind of problem?

R: I can't remember.

R: After each question I believe they say, is this basically your final answer. Is this information correct? If yes, press one. If no, press two. And if you press no, it goes back to the question before. It doesn't go back any further than that. If you accidentally hit the wrong key or something.

R: I mean on one of my W2s I hit the wrong amount the first time. I couldn't re-enter it.

M: What is your ideal amount of time?

R: I put five minutes.

R: Well, if you are talking about ideal, I put instantaneous. You put in your information but it is not a perfect world.

R: You want Psychic Hot Line.

R: No, but when they ask you for your Social Security number, if they already have everything on record and you put in your Social Security now, and this is how much you are getting back.

R: I think ten minutes, because I mean this is an important . . . this is important. For me, I would at least want my ten minutes to do what I am going to do. I definitely think that one of the things they would cut out is where they go back and they ask you if this is correct, and I think that is important.

M: Seth?

R: I said eight.

R: Ten.

R: I said five.

R: Ten minutes.

R: Eight.

R: Seven.

R: Five.

R: Five.

M: Okay. So the ideal was much shorter.

R: There is just one other thing. The first question they could ask you is, do you want to pay taxes.

(Laughter.)

M: That is a very nice way to the next question. Currently there is an 800 number where you can call to file your TeleFile return. Would you be willing to pay for that call as a long distance call?

R: No.

R: No.

R: No way.

R: Absolutely not.

R: No.

R: I would get on my little Internet connection and there is no way I would pay.

R: I would go and file on the Internet.

R: You get your return in four to five days.

R: Especially if I am paying. Pay \$5.00 so that you can get your money back.

R: Really.

R: Well that is e-file.

R: I am not sure about that.

R: E-file is free.

M: There are some Internet options that are free.

R: I wouldn't pay to do it.

R: I wouldn't either.

R: It is simple enough that you would qualify to do TeleFile . . .

R: That is the last thing that they should be asking you for, is money to call them.

R: Exactly.

R: The higher tax bracket, charge them a lot.

R: Not everybody has long distance, too.

R: That, and we are looking at that big figure in that box of what we just gave the government. We don't want to give them anymore.

R: But you are getting a big enough refund.

R: In my opinion . . . it is kind of worth it. It is worth it to know what it is and it is worth it to get it back quickly. I mean that is what I would pay for. To get it back quickly, but not to use the service.

M: This current filing season, the IRS introduced the self-selected PIN for all electronic returns except TeleFile. We heard about a bad experience over here with the PIN. What it would do is eliminate the need for the IRS to provide a customer service number, which appears on your label. I think that Krista referred to that earlier. In order to use a self-selected PIN, the taxpayer would have to know two pieces of information from the prior year. Those are the adjusted gross income and the total tax. What I wanted to ask you was do you retain that information so that you would have that? For example, next year would you have that information from this year?

R: I keep it.

R: I keep it.

R: When I moved here I thought I had it with me, but I don't. So now I can't go back and look for my state. We are talking about federal, which is the same thing. Whereas, if I misplaced it, I am not going to remember to the dollar what I filed last year.

- R: I actually think . . . I don't think under any circumstances they should cater to one that you took. The reason behind that is that yes, I know for some people it does cause problems if you lose it. But at the same time, as difficult as they may make it, it is possible for another person . . .
- R: To have the same.
- R: Well, not only have the same, but for them to know your information. A good example of that is I live with roommates. If my roommate really wanted to, I actually have a friend who had her identity stolen within the last six months. The person had enough information to take out a mortgage on a home. This girl is 19 years old. My friend is. I don't think they should make it any easier to get information. I am the kind of person that I won't write my Social Security number on anything unless it is absolutely 100% required. It is so easy nowadays for people to get information about you, that I wouldn't want to make it any easier for somebody to go in and change it. If somebody has your information, they could go in and change it. It is like a password.
- R: Especially if it was based on your tax return for the last year. They could get that information. Someone could just go through your files.
- M: How many of you would literally have the information from last year? Have it readily available?
- R: It would take me about fifteen minutes to find it.
- M: So pretty much everyone would have that. What would be your preference? We heard a little bit from Krista on this, but some of the rest of you, your preference in having a self-selected PIN or the IRS selected customer service number?
- R: Customer service number.
- R: Customer service number.
- R: Customer service number.
- R: I don't really understand what they would gain from doing it the other way. What does it matter to them?
- R: I don't think it matters to them. I think they are actually trying to think of your convenience with you being able to select it. You can have it memorized.
- R: But it comes on your form.
- R: But they are saying that it wouldn't come on your form in the future. You would be able to select it.

R: But why would that be more convenient?

R: That is the question.

R: I don't think it would be.

R: I don't think it would be.

R: What if you don't remember it the next year, or the year after? You only do taxes once a year, but it is like next year on your form, and what is that PIN again?

R: Yeah.

R: You would still have it recorded. You could go back and look at your forms from the last year to find the information to get your PIN again.

M: Is there anyone who would prefer to have the self-selected PIN? Okay.

R: If I could get my old PIN back . . .

M: Let me just summarize by asking you what you see as the main benefits of using TeleFile?

R: You get your check back a lot quicker.

R: Yes.

M: You get your check back quicker.

R: It is more convenient and easier.

M: Easier.

R: Yeah, it is convenient, because you don't have to look for a bunch of different forms and stuff.

R: You don't have to rely on the mail. It is quicker.

R: You don't have to worry about it getting lost.

M: It doesn't get lost.

R: I think that it is just more convenient in general. With the other one you kind of have to sit down with all the forms. Here you just sit down by the phone and have your W2s and call.

R: You can get it done literally in five minutes if you have all your stuff together.

R: It does amounts for you.

R: You don't have to get out the calculator.

M: Any other benefits?

(All talking.)

R: When I was speaking about the print out, I actually wouldn't want something that said exactly what I have. I would want how they got their calculations.

R: They could sit here and say, here is your record.

R: I would much prefer to have definitely how you talked about the options of pressing a key and having that automatically send you the exact calculations of how they did it.

R: Right. It is just a formula, right.

R: They took and figure, and whatever formula it was, it spits out what you get back.

R: The tax tables.

R: I have never had any experience with tax tables personally, because I haven't . . . I just haven't.

R: It is pretty old school.

R: Well, the only time that I have ever done my taxes myself, that I haven't had someone else do it for me, I have used the TeleFile. It doesn't have a tax table.

R: Or you could just say, I have a balance of money, and then as you go along the line, it will say how much.

R: Exactly.

R: It could be on the top of the page.

R: They could have the income levels here, and some of the levels here, and it would break down.

R: And it says married or single.

R: Right.

R: It tells you what you owe.

M: Anyone else who hasn't seen tax tables?

R: It is like any other table. Like if you have seen a graph. That is basically what it is. You just plug the numbers in.

M: If you all wait a minute, I am going to go in the back and see if there is anything I missed. Don't go away yet.

(Moderator leaves room.)

M: I have good news. I don't have any other questions for you. But I have some folks who were observing from the back from the IRS, and they are going to introduce themselves and answer some of the questions that you all raised.

(IRS representative speaks to respondents.)

M: Thank you all. You have been a great group.

Appendix H: Transcript – Seattle TeleFile Non-users

**IRS TELEFILE FOCUS GROUP
NON-USERS
SEATTLE, WA
MARCH 21, 2001 – 8:00 PM**

M: Introduction...Please introduce yourself just by first name only and tell us what you do for a living. Also, tell us how you filed your taxes this year.

R: My name is Laurel. I work in commercial real estate, and this year I have not prepared my taxes yet, however, I intend to use Turbo Tax to figure them out, because this is my first year of doing taxes as a new home owner. Then, I will use TeleFile as my ?? for reporting it.

R: My name is Dean, and I am a technical printer in Seattle. I haven't filed yet either and this is going to be the first year that I am going to do a different route. I normally would have a college buddy of mine prepare them, and he no longer does that kind of work, and rather than retaining somebody else, I am going to give it a shot myself, and I have a few options. I may pursue a Turbo Tax as well.

R: My name is Otis, and I am a Graphic Designer, and I usually have my girlfriend do my taxes...we use the basic 1040 EZ. She works out of the home, so she is used to preparing taxes, and so I give it to her. I guess one day I will learn myself.

R: I am Kathleen and I make people glow for a living...I am a radiologic technologist. I will try not to make you glow...

(Laughing)

R: ...I had already filled out one of those TeleFile things and I was ready to mail it a few days ago, and something told me to put it off. Low and behold, I made \$100 out of it. I have not filled out a 1040 EZ in many, many years, because I was a homeowner for several years in Hawaii, and now I have been retired for a few years and I just kind of work now and then. So, now I am back to the 1040 EZ or the TeleFile...either one. There isn't much difference, is there...at least from what I know.

M: It is a method of filing essentially.

R: Okay.

R: My name is Chris, and I am a recent graduate from Western Washington University. I have been unemployed for a month or so, and I just go a job in South ?? to teach ESL, English Second Language and I leave next week.

R: Cool.

R: Wow.

R: So, I used the 1040 EZ forms instead of the TeleFile this year because you can't declare...I have school loans and that sort of deal with the TeleFile so I had to file a 1098 form, I think it was.

M: Okay. Do you remember getting a TeleFile package in the mail this year?

R: Yes.

R: Yes.

M: Okay. Did you open it?

R: Yes.

R: Yes.

M: Tell me what you remember about it.

R: The only thing that I remember...I mean I didn't open it and look at it that much this year, because I knew that I was going to do my taxes later. I do remember having this sheet of instructions be pretty straight forward, and the one thing that I do know about this year that is different for me, that is why I think I was hesitating on the TeleFile, was because I do go to school as well, and I get some sort of credit for the money that I spend...

M: For tuition?

R: Yes and I don't think that I can do that on that TeleFile.

R: Yes, I did receive the package in the mail and unfortunately...I did look at it but unfortunately, that is about as far as I got with it, because at that point I had other plans...I had my friend, like I said, that was going to plan on doing my taxes, and he abruptly moved on to another career. So, I didn't pursue getting another form, so I looked into other options.

R: That is about the same with me. I glanced over it and I also have a daughter that is not living with me, and I tried to go other routes...trying to freelance and start my own business, and I decided to go that route, but after my girlfriend took a look at the TeleFile, she decided the best for this year would be the EZ, and then start from scratch next year.

M: Can you remember anything?

R: Yes. I tossed my to the side and then finally filled it out just last week, and had it ready to go, but the only thing that I wasn't quite sure if I liked or not was the fact that you don't send them a copy of your W2 form...my roommate did it and I sat there with her while she called all the information in, and she loved it because it was really fast and quick, but the thing that she had a lot of reservations about was the fact that they give you a number and instead of sending in your W2 forms...the only record that they have is that number that they give you, and I guess if they have any questions...

M: A confirmation number?

R: Yes. You keep all your W2's and stuff.

M: Okay. So, that makes you uneasy, not sending in that piece of paper?

R: Well, it actually doesn't bother me so much as it bothered her. I talked her into using it, otherwise she would be here now instead of me. She is the one that did it on the phone yesterday.

R: When I get it, I usually flip to the center of the page where the form is, and then just generally fill it out...I don't even really look at the rest of it.

M: Okay. Let's look at the TeleFile. Just take a few minutes to go through it and familiarize yourself with it.

(Reading)

R: A lot of people could cheat using this. I mean, they could put whatever they want in there...1/2 of what they make or whatever. Usually, you send your W2 in so that they have proof there. With this, unless they personally check each and every one of these confirmation numbers and go into their file, how will they know for sure?

M: So, that is a concern you have?

R: It seems like it would be easier to cheat on this than it would the old way...1040 EZ.

R: It is probably all computerized...

R: The thing that I recall when I filed with TeleFile is that it was easy, and it direct deposited, and it was in my back account within like two weeks.

R: Yes, it was really fast.

R: Yes.

R: The TeleFile was?

R: Yes.

R: Yes, within two weeks you have your money.

R: Regardless of how late you file?

R: I think probably closer to the deadline date, it might be a little different, but when I did the TeleFile, it was back in February and two weeks later of that year, it was in my account.

R: This year, I already got my income tax back...but TeleFile is definitely faster.

M: Looking through here, is there any information that you think that you might need to do TeleFile that doesn't seem to be here?

R: I think it is very well explained.

R: If you go long form, is this applicable? I am assuming it is. If you go long form as opposed to the EZ?

M: It is comparable to the EZ.

R: So, if you have to...Another words, if you are a homeowner and you have a business...you are really not eligible to go this route?

M: Right.

R: Right.

R: Okay.

R: I don't think you would want to fill out one of these if you were a homeowner.

R: Yes...you can't itemize at all on these.

R: Right.

R: That is a problem, and also if you are a student and you have loans.

R: Does it mention a business on there?

R: No....I think it would be the same thing.

- R: That eliminates, unfortunately....because of the documentation and the records...if you need to present, it eliminates a good percentage of people.
- R: Yes.
- R: All the homeowners.
- R: If you own any stocks or bonds.
- R: Right.
- R: Anything that you would itemize.
- R: Yes.
- R: Or if you worked out of your home and you need to declare certain items as being tax deductible because of your home business. Or if you're a freelancer and you were paid as a consultant.
- R: But for all the people who are not those things...
- R: Right.
- R: ...I think it is great.
- R: It is great if it is simple.
- R: It is simple and easy.
- R: But the problem is that the 1040 EZ is already easy.
- R: Yes, that is pretty simple and straight forward.
- R: My guess is that a sixth grader could fill this out with these directions. I know that I could give this to my niece and she would have it done.
- R: I don't think that it would be very tough to make this into itemized...you have I, J, K... and those are taxes withheld and stuff. You would just say...you could fill out another form like the 1098 and say like loses and then you just deduct it....
- R: I agree with that, but I am still wondering if they physically need this proof/evidence...
- R: You just have to do the worksheet yourself.

R: ...there must be a reason that I send my receipts for a charitable donation or whatever....I mean, I would find that absolutely astounding if you could just write it in.

R: This is for milage and this is for food...

M: How does that make you feel? Does it make you feel anxious?

R: To find that out?

M: No, to think about filing without sending that in?

R: I don't think that it makes me feel anxious about not having to, but it makes me anxious to wonder why we haven't passed, or why it has been...

R: Right.

R: ...and what kind of process have they been using in the past....

R: It would be like on your honor or something.

M: Here, the only thing that you are not sending in is your W2, which is verifiable.

R: Do you have to file taxes or is it a voluntary basis....

R: You have to.

R: You have to file.

R: There is some people that have gotten away...I talked with a guy today whose name I will not mention, but he said that he hasn't filed since 1982.

R: We don't want to know about that guy.

M: Let's look at the form here...pages 2 and 3....

R: The IRS will take that guy on.

(Laughing)

R: I am sure there are more people than that.

R: Yes.

R: When I lived in Hawaii, there was a whole group that was starting....there was a mother of two, married for a long time...she got involved in this group and it

started growing, and they were just flat out refusing to pay their taxes. They were not doing it, and she hadn't paid for a few years. They finally started getting in trouble one right after another.

R: Oh, yes.

R: So, sooner or later they catch you.

R: Yes.

M: Pages 2 and 3....

(Reading)

R: This is basically appealing to you to use this form.

R: Right.

R: It is just like an advertisement.

R: Yes.

M: Has anyone ever looked at this before?

R: Yes.

R: No.

R: Yes. It is appealing to the younger...

R: People who don't own anything.

R: But then again, like she mentioned earlier, that demographic is a lot more young high schoolers out there working and have no idea....

R: Maybe they are trying to...

R: ...out there working summer jobs or working after school.

R: Right.

R: This would be a lot easier for them.

R: Yes.

R: That is what I used in high school...this all the time.

R: Did you work while you were in college, Chris?

R: Yes.

R: So, you used this a few times while you were in college?

R: Yes. They just started coming out...they passed a new law or something that you get breaks on your loans, because just this year is the first year that Western ever mailed me information on taxes. The years past, they never have, so this is the first year I ever knew about it. Maybe it was around, but this is the first year I knew about it.

R: With reference to your student loans?

R: Yes.

R: Oh, wow...

R: They gave me...because I got X amount of dollars in student loans and then those loans have interest so I get a break on the interest, and then they give you a dollar amount. It is pretty lame, because you have \$10,000 in loans but you can only deduct \$2,000 max. So, next year, I am going to file it again, because you get to do it over two years.

R: Another group that this might appeal to...I was in the military for some years and those military people who ?? This is pretty straight forward...traveling a lot...overseas...

R: Yes, sure.

R: ...this would be good.

R: We like the paperless idea.

R: Yes.

R: Anything that you can do electronically, I am big on.

R: Yes.

M: So, I guess what I am hearing is that this would be helpful to encourage certain types of young people to do it.

R: Sure.

R: Yes.

M: Okay.

R: Unfortunately, I just think that there...for people that have a home or business or what have you...me personally, I would probably just want somebody to do my taxes for me and pay them the money so that I could sleep at night, or do it in a different way such as this. I probably wouldn't trust myself or the system...the stakes are much greater. I mean, the greater...the more you have to lose, the greater the risk.

R: Yes.

R: Personally....

M: What is your concern?

R: I am just concerned with the documentation involved. I don't see a way around that via the phone.

M: Okay.

R: Unless you faxed something.

M: How about page 4...file by phone. Did anyone look at this page?

R: Yes.

R: Yes.

R: It doesn't mention anything about itemizing.

R: No.

R: Or student loans.

R: Right.

R: Yes, and it says on the right column...STOP. You can not file by phone apparently...

R: If any of these answers are no.

R: Right.

R: It is pretty straight forward.

R: Yes.

R: It is easy to understand...If it applies to you.

R: Did you have a household employee? Gosh, I fired my butler last week.

(Laughing)

M: Did any of you actually fill this out?

R: No.

R: No.

R: I just read through it.

R: I did. I filled it out. I have it at home sitting there.

M: Okay.

R: I thought I was going to throw it away just for coming here.

R: I was going to fill it out...but then I decided not to.

R: Are you promoting this or just taking a survey to see if...

M: We are trying to get tax payers reactions and to understand how it can be improved.

R: How it can be improved?

M: Yes.

R: Oh, okay.

M: The existing template, or do they need to expand it into other scenarios?

R: I think improve the existing...

R: Yes, if you want to improve it, you have to make it so that it would benefit the homeowners and people that want to itemize.

R: Or even just getting the message out to the people that are actually going to use this.

R: Yes.

R The younger people, single people, the people with part time work...I think marketing is big on this. I don't think it is enough, personally, to get something in the mail like this. I mean, people get a lot of stuff in the mail and a lot of stuff is just thrown away without being opened.

R: Yes.

R: I am not saying...it is well marked, but I think that if there were ad campaigns...non-profit stuff about....

R Yes, but who is going to pay for those ads.

R: Well, I don't know....IRS has to have a budget in advertising and I would say that getting this message out to people on MTV...a quick blurb or something like that....The people that are watching that are the people that will be using these forms.

R: The electronic...the disk...I can't think of it right now....the Mac Tax...

R: Turbo Tax.

R: Yes...the computer program...that is pretty well known. I don't know if I saw any advertising on the Turbo Tax but everyone that I talk to uses this on their computer.

R: Yes, it is word of mouth.

R: Yes.

R: I didn't realize that this was much quicker...

R: Exactly.

R: I didn't realize it until I actually filled it out.

R: I remember as a student filling out my taxes, and I just couldn't wait to get that money back....If they would have had it back then, I think it would have been a definite incentive for me to use this.

R: Right.

R: When I was 18 or in the military, I would definitely use this.

R: Yes.

R: I like the colors.

(Laughing)

M: How about page 5...earned income credit. Did anyone look at that?

R: I think the only portion that I looked at is this portion right here.....the numbers. That is it. You don't pay attention to the rest.

R: Yes.

R: Unless you are deferred....

R: Yes.

M: How about page 6?

R: Yes.

R: I like the colors.

R: Yes, it is pretty good.

R: Kathleen mentioned earlier that it is so easy to go straight across.

R: Yes.

R: That is why I said that I could give it to my sixth grade niece and she could do it. It is very well explained, and being that it is just straight across the page, it is like....For instance, it seemed like on the 1040 EZ...if you wanted to know about a question, you had to go through the whole book and look something up....

R: You are right.

R: Yes.

R: It was so intimidating....little black letters on plain white...

R: Yes.

R: ...here you have this big bold in two shades of purple...

R: Right.

R: ...what more can you ask for.

R: It looks easy.

R: Would it make this too complicated if you did try to itemize it...like maybe put a section in blue for those who would like to itemize.

R: Maybe that is why this TeleFile will not allow it, because that is when they need receipts.

R: Of course.

R: Yes.

R: That is where you would go higher with your tax...

R: If you have enough money to own a house and those sorts of things...you have enough money to ??

R: I never once tried to do my own taxes when I was a home owner.

R: Because by then, you have kids and stuff....

R: Right.

R: Also, with regards to the IRS and taxes, there is a lot of laws that are constantly changing.

R: Yes.

R: And a lot of times you are not aware of them every year.

R: Yes.

R: This year I just found out about that loan...

R: A lot of times you could explain it, but maybe it just is not worded such that you really understand it. It really makes for confusion.

R: Yes.

M: So, what I am hearing is that everyone likes having instructions opposite...

R: Oh, yes.

R: Absolutely.

R: And lettered "line A".

R: Yes, that works well.

M: What about pages 8 and 9?

R: I didn't even look at it. I stopped on page 7.

M: Okay. Anybody look at this before the group tonight?

R: No.

R: No.

M: Let's look at it...

R: It has a little help line.

R: Maybe this should be in front of the book, maybe.

M: Okay.

R: That is a bit odd...why do they have general instructions in the back?

R: Because you have to put the ad in the front.

(Unintelligible)

R: You have to put the pretty girl on the front...

(Laughing)

R: I don't know...that would be enough for me to think that it is junk mail.

R: I don't know about you guys, but if I get something from the IRS...

(Laughing)

R: I'd open it.

R: Yes.

R: See that little logo there.

M: Okay...page 10...How to use TeleTax....This is different than TeleFile.

R: I never saw this.

R: I never did either.

R: Never.

R: I didn't bother to read it.

R: What is TeleTax? Is it a help service?

R: Yes, it is an information service...is it just for those using this...

R: For everybody.

R: Oh, that is good.

R: Sure.

R: They have the topics....

R: Yes.

R: I would imagine that this same page or something similar to this is in the other...the regular forms?

R: Yes.

M: Page 11....The payment voucher. Did anyone look at this page?

R: Yes, I just saw the payment voucher and I was like, oh....

R: Yes.

R: I thought, it will be good if I don't have to cut that out.

R: Yes.

R: So, if you do have to pay, then you just...you can file on the telephone, but then you would send physically this voucher in?

R: Yes.

R: Okay.

R: Or pay by credit card.

R: They allow you to do that on the phone...you can give them your number and pay immediately?

M: It is a way to pay, or you can delay the payment until the end of the tax filing season.

R: This would be nice if this thing folded in half as an envelope.

R: Yes.

M: So that you didn't have to get a separate envelope?

R: Right.

R: I know that this last year...it says mail your payments to the address here, but I remember on the EZ form you had five different areas of the US....

R: Yes.

R: ...it would just be nice if you could fold it and not even worry about it.

R: Yes.

M: So, that you would know where to send it.

R: Exactly.

R: Isn't it Ogden, Utah?

R: Yes.

R: You got it.

R: Very good....I remember that.

R: And that is all you have to put on it....Ogden, Utah.

R: Yes.

M: Then on the back...pie charts.

R: Oh, the pie charts...yes.

M: Did you look at them before?

R: I glanced at them, and it was like oh, is that where all of our money goes.

R: I was like, garbage.

R: It is nice to know...I mean it is good that they added that.

M: Now that we reviewed this, is there any information in here that if you were going to file using TeleFile, that you think is missing?

R: No.

R: No.

R: Absolutely not...I think it has everything.

R: When my roommate got off the phone after calling hers in, she was ecstatic...she loved it.

R: It is so easy.

R: For what it is worth, I think it has everything.

R: There is no mention of loans on this page...I mean I could go yes, yes, yes, yes...

R: Exactly.

R: ...and then I got that letter from Western Washington University that said this is your taxable....and I was like yes, I can TeleFile, but I have this other form....I called up my buddy who is the accountant and he said, look at this.

M: Okay.

R: This form is for that age.

R: Oh, sure.

R: That high school...college...

M: So, it is really incomplete, is what I am hearing?

R: Right...maybe some graduate students.

R: Maybe like a #12 saying that if you are a student and you have taxable loans....no, you cannot file.

R: Or if you file for credits....

R: Or if you are a homeowner...just so it is right up front, because I too could fill all this out but I still wouldn't be able to...

R: Okay...you have this simple page for...the way you have it is fine...why not, next year add one more page for what is the next step. If you itemize, you are going to have to.

R: There is no way you can do this.

R I don't think that is the goal.

R: I don't think that the goal is to expand this into that.

R: Then, it is as simplified as you can get.

R: I think what Chris is saying is that there are a lot of people that do the EZ form that have tuition issues...

R: Right.

R: Yes. It is just enough to make you go, can I do this or not, and then you are stuck.

R: Right.

R: Because it is not covered.

R: Then you wait until April 14th and then you freak out.

R: Yes.

R: They do give you a phone number.

R: What was it like to call? What was it like...the experience like?

R: My roommate loved it. The whole process took less than 10 minutes.

R: Wow.

R: That's great.

R: I would love that.

R: It is automated and it is very simple.

R: They really did it all, because I didn't hear her talking at all.

R: Yes, it says please hold while we calculate your refund.

R: Yes, they did everything. All she did was wrote the number down, and she got off the phone and said, wow.

R: That's great.

R: Again, she is not a home owner.

R: That is right.

M: Is there anything in here that you think wouldn't be necessary for someone who was going to use TeleFile?

R: Not necessary?

M: Yes.

R: This page right here...the one with the girl and it says my fiancée Derrick....

R: I think what they are trying to do is give an example...a real life example for those people who go, I don't know...it is intimidating. They can relate to that....

R: People are kind of lazy though.

R: I am with these guys...I say take this and put it in the back and get your general information thing.

R: I think the general instructions should be in the front.

R: Right.

R: And the quick and easy access.

R: Put the ad last.

R: You have to market this stuff.

R: When a person who files sees this...they automatically know it is important and a story like this is like, it is...I think it should go in the back.

R: Yes.

R: If you see IRS...you will read the first several pages. I think the instructions should be in the first few pages.

- R: Yes.
- R: If the instructions are on the first few pages, the reader will have an idea of how easy it is, and then have an example in the end.
- R: I work in advertising, and I know that....one media that I have delved in is billboards, and I know for a fact that I have seen IRS tax ads in the past years. I know that they have an advertising budget and I really would try to get...Has any of you seen an IRS ad for this?
- R: No.
- R: Some guy at work told me about it a couple of years back...but I never knew about it until then.
- R: Yes.
- R: Maybe on the campus....
- R: Being in the military, there are a lot of tax ?? about the IRS.
- R: I have a suggestion about putting the general instructions up front, because the one thing that is appealing about this layout is that it is sort of saying...just by the imagery and what they are doing here with the comfortable....it has this nice font...that it is easy, you can do this in a couple of minutes. The only thing that I would say is that, even though I agree with these guys, where I think that this is a little superfluous and probably go in the back if not at all. They should split this stuff up a little bit bigger...I mean if you are going to waste paper on this ad....like the quick and easy access...spread it out a bit on one page.
- R: Yes.
- R: But the coloring definitely helps, and the pictures.
- R: I think that there is too much text. This is intimidating to people.
- R: It should look more like page 6 and 7.
- R: Yes, pages 6 and 7 are just perfect.
- R: Yes, it is.
- R: It is easy on the eyes.
- R: Yes.

R: If you just had it in chunks like this...that is digestible.

R: Keeps this a little separated from all this other stuff, because it is intimidating, and you want to ignore everything, because it is all bunched on one page.

R: Yes, I agree that it is easy on the eyes. Then it gets a little more, and it is still nice, and then you get to...what the heck happened here.

R: Yes.

R: As it turned out, I never had to use it. I didn't read any of this. I turned right here, filled it out....

M: Let's look at a prototype for a newer version. Take a look through this.

(Reading)

R: Already, the front cover...this is so much...this makes so much better sense.

R: Yes.

R: Right.

R: This you don't know what you are doing...

R: Absolutely.

M: So, the cover is better?

R: Yes.

R: No comparison.

R: We vote for this one.

M: Okay.

R: Oh, well look at this....they took our tips.

R: So, they have heard this before.

R: Yes.

R: We are not innovative.

R: They put it in action.

R: I miss the purple background....well, they have this, but this was so easy on the eyes. I like looking at this.

R: If I received this in the mail, just by looking at this, it looks simple.

M: The cover makes it look simple?

R: Yes.

R: Absolutely.

R: Well, there is no doubt what you are being sent.

R: Right.

R: Whereas on the other thing, it could have been anything because all you see is this.

M: So, the cover is better?

R: Yes.

R: It catches your eye.

R: The cover tells you what it is.

R: Yes.

R: Large print on cover.

R: It does look a lot friendly than the other.

R: Yes

R: And use gentle colors like lavender and blues.

R: I like the cover of the old one....

R: Yes, when you open it up.

R: The TeleFile has a picture of a phone...

R: We want that phone on here.

R: Yes.

R: I think that this takes the place of that.

R: Yes.

R: It is saving a piece.

R: That phone would fit on here now....we could make it all work.

M: The original one is 12 pages and this one is only 8...so, we are saving...

R: That is a good point.

R: The prototype is the way to go. I think everybody here would agree with that.

R: Yes.

R: Put the telephone on there.

R: Yes, you have to have the picture of the telephone....

R: See...4 votes for a telephone on the front.

M: Okay. Other differences?

R: The fact that the other half of your tax record is adjacent...it made it easier....

R: Easier to read.

R: What happen to the instructions?

R: It is the page right after....which is still okay.

R: What happened to this information...1a, 1b...

R: I like the first one better than this one, but it does give you...I don't see it going all the way through. This one went all the way to "g".

M So, one difference is, it was harder to find?

R: It didn't stand out.

R: This is a lot better...page 6 and 7 in the first one.

R: Yes.

R: Bigger is better in this case, with regards to text.

R: Yes.

R: I have to agree.

R: Explaining to someone...the numbers on their checks.

R: Page 6 and 7 are definitely better.

R: And having a sample check here to show people how to find those numbers.

R: Yes, there is a sample check on here....there it is.

R: Yes, but we are talking straight across from the instructions again.

R: As consumers, we are not too bright.

M: What about this information, what has happened to that?

(Unintelligible)

R: Did they do away with it?

R: You can file by phone if...

R: To me, this was more of a professional layout.

R: Really, the layout of the text, and the page itself, and the way that you use white space and text, it really has a lot to do with the comparability and readability of the page. This looks intimidating.

R: If you spent the time to read it...it is...

R: It is condensed and small.

R: Look how much bigger the print is on this one.

R: If you put the words that are on page two, can you file by phone on the page 4...that would be good. The page 4 set up with page 2...

R: Right.

R: I also like the way that they have done this flow chart thing.

R: Any help you can get when you do your taxes...

R: Yes.

R: Straight forward.

R: Bigger and simple is better in this case.

R: This does introduce...you cannot use TeleFile if you have loan interest deduction or ?? So, it has the information here that we need.

R: On page 2, it is right there.

M: Does it have more information or is it exactly the same information?

R: No.

R: It has more.

R: If you really wanted to simplify things...instead of this page explaining who can file by phone, why don't you make this bigger on who cannot.

M: Okay.

R: Then, if you are not in that list of who cannot...then you must be able to file.

R: Well...

R: I don't think it makes sense to have a whole form for people who can't file by phone and making the focus of who can't...it is not consistent with the purpose of the TeleFile.

R: Right.

R: The people who cannot are the exception so they should be...

R: So, you are saying that by just using the cannots, there would still be too many people confused that they could use it?

R: I think that a very small portion...maybe put the cannots at the very bottom of the page.....like this...yes, yes, yes, and when it says continue, you can say...you cannot if blah, blah...

R: Right.

R: I do believe that, speaking as a homeowner, there needs to be a comment made that if you have to itemize, don't use this.

R: Right.

R: I think that is kind of obvious, isn't it?

R: To most people, but not everybody.

(Unintelligible)

R: It took me a while to realize that I couldn't use this....and man, I want to use it.

R: Right.

M: So, a couple lines of text?

R: Right.

R: A disclaimer that if you X you cannot use this.

R: Yes, a couple more bullets of why you cannot use this.

R: If you are a homeowner or you want to itemize deductions, do not use this and then go on to whatever.

M: How about pages 4 and 5?

R: Are they new?

M: Are there any differences there?

R: It looks the same.

R: Yes.

R: I like the paper this is written on.

R: I think what makes sense to me is that they have given me this...I think if you are going to owe, it should be over by it. These, I think these should still be pulled aside and taken away from the general instructions all together.

R: Where are you...

R: On page 4 and 5...on 5, the quick and easy and the ?? should be completely separate from the general instructions, and then the general instructions could get two full pages to spread them out a bit and make them more reader friendly.

R: Yes. You can put this quick and easy help on page 2.

R: Yes.

R: And the earned income credit could go in place of it on page 5.

R: Right.

R: Put the debit authorization over near the...

R: Where you have to pay.

R: Right.

M: Anything there that jumps out at you as being different compared to the other...

R: It looks almost the same.

R: I don't see anything really different, unless there is a difference in text that I am not seeing.

R: The color is a little different.

R: Just about quick and easy access to tax help...the very last line...what if you pay late or file late. That is a bit different than the original.

R: Yes.

R: That is the only thing that I see.

R: It is on the other one though....that talks about filing late...

R: It is worded differently.

R: Oh, I see.

R: Page 7 is the same....but it still doesn't have an envelope.

M: The back page...with the pie chart.

R: That is nice.

R: That is okay. I probably will never look at it except for the pie chart.

R: I don't really care too much, because I have never had to pay, and for those that have to pay, I guess it is worth their two seconds of time to...

R: I have paid...you can make payments or put it on a credit card.

R: My suggestion for this would be if not the automated envelope, then at least address printed directly on the piece of paper...Remit to....

M: So, there is concern that this address is not the correct one?

R: Right here...where it says how to send in your payment, where it has the address...stick that next to the AB55-V.

R: Yes, that is what I think too.

M: Let's go back to our list. Any other differences generally that come to mind?

R: I think to me...the two biggest things that stand out is the front page cover and the fact that the instructions are right next to the...they moved the instructions up to the front. I noticed that right away.

R: That is nice.

R: Page 3 versus the old one...the old one is really easy on the eyes.

R: It is.

R: Yes.

M: Okay.

R: My sentiments exactly.

R: This form looks familiar too.

R: This one you are not sure...it is white...and you are like, I never have seen this before.

R: Once again, the smaller print of this one is harder on the eyes than the larger print in this one.

R: Just that little difference in size makes a big difference to me. This is easier to read...you have wider spaces between the print. This is more fun.

M: Okay.

R: This looks like something I can color if I wanted to.

(laughing)

M: Any other differences?

R: How much more expensive is this paper...this slick paper as oppose to this.

M: It is just a prototype...

R: It is just a mock up.

R: This is more expensive paper.

M: But this is a mock up....

R: Save the expensive paper and go back to this cheap stuff.

M: This is just a mock up....

R: I like this bottom section on page 7...where it says, DO NOT MAIL, and it has a little mail with a slash...that is perfect. That little line right here should be exactly right here.

R: Yes.

R: It should be right on page 3.

R: Oh, yes.

R: Page 3 of the new one.

R: Yes.

M: So, basically, you think they should stick with new cover and keep page 6 and 7 of the old one and stick it in as page 2 and 3.

R: Yes.

M: 4 and 5 should be....

R: Put the ad in the back.

M: Okay...

R: They already did it in this one.

R: They eliminated the ad all together.

R: Oh, okay.

R: Nobody wants to see the ad.

R: Ads are important, but I really believe that if you channel those ad efforts to other mediums...

R: Right.

R: Especially around tax time.

R: Right.

R: January and February...just throw an ad or two in the middle of the Simpson's, you will get everybody.

(Laughing)

R: You won't get me...I don't watch that.

R: You show some kids at Spring Break, and boom, they already have their money, and you don't....

R: Right. And say that these kids are at Spring Break with their tax refund...

R: Yes.

M: Let's look at this...and decide if this is a desirable or undesirable change.

R: Okay.

M: The cover telling you what is inside.

R: Good.

R: Yes.

R: That is desirable.

R: That would be good.

M: Instructions are harder to find and smaller?

R: Well, the instructions were placed up front, which I liked.

R: Yes.

R: I did too.

R: But it might be formatted better.

R: The format of the old page 6 and 7 is good.

R: Yes.

R: Making it simpler.

R: Put the instructions before this...these two pages.

R: Yes.

M: The general instructions?

R: Yes.

R: Yes.

M: So, the first two pages would be the general instructions...

(END OF SIDE #1)

R: Keep this the same.

R: Yes.

R: Then put this next...this format next.

R: Right.

R: Because we all agree that this format works better.

M: Keeping the old 6 and 7?

R: Yes.

R: Yes.

R: Larger print and all that.

R: If you think about it, this is to make up for that extra page...this stupid ad. Because you almost don't have enough pages...these two pages are not quite enough to squeeze it all on.

R: Yes.

R: With the double format.

R: So, if you had this smack in the middle of there, you would be missing the one or two things here.

R: Right.

R: You might have to stay with the old format and maybe keep the ad...or you could tear off one page and make it five pages...but...

R: Then you would be off.

M: Instructions in the small text, that is undesirable?

R: Yes.

R: Yes.

R: I would say so.

M: So, the instructions moved to the front is desirable?

R: Yes.

R: Right.

R: The small section of cannot is good.

R: Yes.

M: The bullet information on who can file?

R: That is undesirable, because it goes back to liking this format.

R: Make it more like page 4...the old page 4.

M: More information on who can file or who cannot...

R: Right.

M: Smaller print?

R: Undesirable.

R: Yes.

R: Right

M: Drop the do not mail instruction?

R: Undesirable.

R: It is on there once at the very top, but once you get through filling out this form, you are like oh, where do you mail it, because you forgot about what it said earlier.

R: Yes.

R: That is why it is nice...the way this one is.

R: Yes.

(Unintelligible)

R: Yes, this is the best part...right down at the very end.

M: The bottom of page 7?

R: Yes...don't fix it if it isn't broke.

M: I think that we have covered the reasons why each of you decided not to use TeleFile this year. Let's take pads....If you would just write down on your pad what you think the maximum amount of time...that you think would be acceptable or tolerable for filing a TeleFile return. This is just the time on the phone, not the preparation time.

(Writing)

M: Currently the average time to file is 11 minutes.

R: Oh.

M: What amount of time do you think would be ideal?

R: You want us to write this down?

M: Yes....the maximum time and the ideal time.

(Writing)

M: What did you have for maximum?

R: No more than 15 minutes.

R: 8-10 minutes

R: 12-15 minutes.

R: 10 minutes

R: 10-15 minutes.

M: That is interesting...this is the first group that we have had anybody give ranges and we have three people who did that.

(Laughing)

M: How about ideal?

R: Under 15 minutes...meaning 10 minutes. It doesn't take long as it is...so, ideally it would be instantly, but you can't do that.

R: I put 5-7 minutes.

(Laughing)

R: I said 7-10 minutes.

R: I said 5-10 minutes.

R: I said 5 minutes.

M: Okay. Currently the IRS provides a toll free number for TeleFile. Assuming you were going to file with TeleFile, how willing would you be to pay the long distance charges to make that call?

R: Percentage wise?

M: Would you be willing or not willing to pay for that call yourself?

R: Not. If it is not a 1-800, I won't call.

M: How many would be willing?

R: Depending on how much it costs. I would pay 10 cents a minute for 15 minutes.

R: I would to file my taxes.

R: It would peeve me...I mean I am paying taxes, and why should I pay for the phone call.

R: Exactly. I think that we should get this as a service.

R: Then again, I am doing my taxes over the phone, and I am getting it over with...I would pay.

R: And I will get my money back maybe twice as fast as if I mailed it.

R: Right.

R: I wouldn't mind paying for the call, but something about it would be just like....I can't believe it. When you mail....is that envelope self stamped or not?

R: I don't think so.

R: No, you do not have to put a stamp on it.

R: I think you do. It has been so long since I have done my own, I've forgotten.

R: I am willing to spend a \$1 or \$2 to avoid the hassle.

R: Not me...absolutely not. The IRS best be giving us a free line.

R: The consensus on this is going to be...you are going to have a mix of people. You will have some people that are no problem and others will be upset.

R: The thing is...why pay for a phone call when you can go get your 1040 EZ, fill it out, put a stamp on it, and gone. It costs you .34 cents.

R: My time is worth more than doing all that.

R: But you are not going to get it as fast.

R: Yes.

R: I will spend 15 minutes on the phone, and I will spend a half hour filling out the forms.

R Yes.

R: Is that a proven fact?

R: Well, I did my EZ form this year, and it took about that long.

R: But do you get your money back faster using TeleFile as oppose to just mailing it?

R: Yes, because you are saving the mail-in time.

R: Yes.

R: Well, the mail-in time should be a couple of days...3-4 days.

R: Yes but they have a big lump of 40,000 envelopes.

R: Yes.

M: In addition to the TeleFile products...the IRS offers on-line filing of tax returns. Do any of you have access at home to a computer and the Internet?

R: Yes.

R: Oh, yes.

M: Okay, pretty much everybody. Is that something that you might do in the future?

R: That is actually the route that I am probably going to go this year.

R: It depends...I have seen those online things where they promise to have your money within a day, and that is because they take your estimated amount and pay it to you directly, and then they get your money back. Do you get the idea?

M: Yes, some of them do that.

R: I would never do that.

R: I will say this, I am going to look into doing it online, but I am curious how I am going to show my physical documentation of records and statements...unless I can physically fax them, I cannot understand how I could just give them my...

R: Right.

R: ...just the final total of my W2, and if I do have charity contributions or maybe I refinanced my house and I have a big mortgage...how am I going to pass on that information.

M: Okay.

R: I have friends who have done it, but I haven't really picked their brains as far as...

R: My concern would be online is the security issue.

R: Sure.

R: That is my biggest concern, too, is security.

R: How do you send the documentation?

R: People have fax machines through the computer and they can scan it in and fax it...

R: So, I would want to find that out.

M: I think we can get an answer for that tonight...in a minute. The current filing season, the IRS introduced what is called the self-selected PIN, or personal identification number, for all of its electronic returns except TeleFile. In order to use the self selected PIN, you would have to have two pieces of information from your return from the previous years...the adjusted gross income and the total tax. Is that the sort of information that you could readily find, or would you have to go on a major search?

R: I could find it, but I think there would be better ways.

R: Yes.

M: How about you?

R: I could find it. I keep mine on hand.

R: Yes.

R: I would be able to find it.

R: I am not sure...I think things are starting to get scattered.

R: I think that there could be a better way to secure the PIN number.

R: What about the social security number?

M: Would you prefer to use a PIN or the IRS provide a customer number?

R: It would be nice to have a PIN.

R: I think so.

R: I would like to have a PIN too.

R: Yes.

R: I don't really care.

M: So, four would prefer the PIN and one undecided?

R: Yes.

M: One other question...if you were trying to persuade people to file using TeleFile, what do you think the important messages are?

R: Time

R: Easy.

R: Fast

R: It takes five minutes on the phone.

R: Yes.

R: I guess you would want to throw in...is it safe? It says it is safe. I think that is important to some people.

R: Yes.

R: Because there are a lot of scams out there.

M: Okay.

R: You might want to throw that in there somewhere...but definitely the speed.

R: Yes.

R: Most people don't mind getting their money faster.

R: Well, we pay out every paycheck, so we want it back.

M: I am going to go back and see if there is anything else.

(Moderator Left Room)

(Moderator Entered Room)

M: My name is Paul ?? and I work in the Washington office in the Tax Forms and Publications Division. I actually designed the TeleFile from the start.

R: Wow.

M: I did it on Page Maker the first year....

R: This isn't done on Page Maker, is it?

M: No. I have been doing it for a long time, and I also do the 1040 EZ and the schedule C....We can answer some of the questions that you had here.

M: I am Brian Cahill and I am your ETAC...that is the Electronic Tax Administration Coordinator, but nobody calls us that in the IRS...they call us Elfs...I work in the Federal Building downtown. You guys are great. We just wanted to come out here and get your social security numbers.

(Laughing)

M: When you buy a home or when you start a business, you do have to keep those records, because some day someone may ask you to prove that you actually had those expenses, but you don't have to mail those to us. We prefer that you don't....

R: What about your statement from your mortgage company...the interest that you have there...

M: You know the 1098 that you get?

R: Yes.

M: Well, guess why that exists....not only to tell you but to tell us. The W2's that you get...they go to us, and Social Security to calculate your social security benefits, and about 18 months later, you get a CB2000...

R: So, if you file on line, you don't have to physically send it in?

M: Right.

R: How many people are there in the US that are not filing and have not filed for years, and have not been caught?

M: Do you know what we do if they don't file? It is called a substitute for return form...and because we are getting our information, we can do a tax return for them about two years later....Because we don't know all their business expenses, so we don't know any of the loses they might have for rental properties. We do catch up with them....You do find people who move around a lot, they are not getting the notices, but however, tax leans against their properties and everything are still going to be happening.

R: Okay.

R: If you have to itemize...can we see in the future for homeowners...

M: I did a mock up of one of the basic itemized deductions...the five minutes....we are trying to migrate people from a more complicated form to a lesser one. Like the 1040 A and EZ and TeleFile. If we can get a chunk of people to move from one to the next one, that is great. The TeleFile, when you start putting itemized stuff back on...the phone call is way too long.

R: Yes.

M: People won't stay on the phone that long. We did all these focus groups, and they said they got tired of being on the phone.

R: Well, shoot...I am on the phone 20 minutes just for Sprint to get on the phone.

R: Have you heard this in other groups...simpler feed back with regard to marketing and advertising this stuff?

M: Yes. We do have advertising but it cost \$300,000 for a 30 second spot. I think you might hear radio ads more...the music is now kind of a swing thing.

(General Table Top Discussion/Explanation from Moderators...End)

Appendix I: Transcript – St. Louis TeleFile Users

**IRS TELEFILE FOCUS GROUP
USERS
ST. LOUIS, MO
MARCH 22, 2001, 6 P.M.**

- M: Intro. One thing I might ask too, is sometimes it's a temptation to get some side conversations going. Especially when people get into it. I would appreciate it if we can try to keep that to a minimum. When more than one person is talking, you can't hear what is going on on the tape. So. It's very important not to talk over each other. Let's begin. And we will go around the table. And we will start with Lewis, if you will just introduce yourself. Tell us what you do for a living and we will proceed from there.
- R: Well, my name is Lou and I conduct life safety inspections in the city of St. Louis. I am married, 48. I won't tell you my last name. Do we get a 1099 or we don't have to worry about that.
- R: My name is Jackie. I work for the state of Missouri as a clerk typist. I am single, 35, almost 36 in another month.
- R: My name is Kathie. I am a teacher in a grade school, and I have five children. She being my oldest.
- R: My name is Mary, plus I am a student. I also have a part time job. That's about it.
- R: I'm Carlene. I work for a financial institution. And I am single.
- R: My name is Sally. I work in medicine. I'm a technologist in a doctor's office.
- R: My name is Rick and I drive a delivery van for a radiator company, and I am 42 and I have one dog.
- R: My name is Caley and I am a physical education teacher.
- R: My name is Rosemary. I do medical transcription for a couple (inaudible).
- M: So you know all about transcriptions? Let me begin by asking you what the TeleFile package is that you got this year from IRS? Anyone remember what that package looked like? This is from the Federal IRS.
- R: I did it this year and last year and I love it. And it's small.
- M: So you noticed a difference between last year and this year?

R: No.

M: But it seemed fairly small?

R: I noticed a difference between last year and this year. This year I actually did both. I did the state last year, this year I did both. And the Federal was simpler. The directions were to the point. And it wasn't as bad a booklet. I think instead, I thought the directions were good.

M: Anyone else remember the package?

R: I noticed a difference from last year to this year. But I didn't have any problems in relation to the instruction/direction.

M: Anyone else?

R: I just noticed it was a small little booklet. Basically all you had to do was fill out that one sheet called homeowner. It was simple.

M: I see lots of people nodding.

R: It was very self-explanatory. I mean, it wasn't as if there was a lot of details to it. It told you exactly what to do. And if you followed it, it was very simple.

M: How many of you have used TeleFile prior to this year? I know Rosemary said she had. Everyone but Jackie. How did you file last year Jackie?

R: Through the mail.

M: Did you use a 1040 or a 1040 EZ or

R: 1040 EZ. I have always mailed. This year I still mailed the Federal, but I did TeleFile with the state form.

M: Oh, ok. So you didn't do TeleFile with the national one. Your federal taxes.

R: I think it's because I threw away, as soon as I got the TeleFile, I threw it away. And when I got the state TeleFile, I needed money quickly, so I (inaudible) to the state TeleFile. So I could get some money soon. And I just mailed the federal.

M: The TeleFile package that was mailed to TeleFile eligible taxpayers this year was a condensed version of the one that was used for the 99 tax year. And to refresh your memory, I've got to pass out a copy of it, and I wondered if you would just take a minute to look through it. Does this look fairly familiar to everybody? Jackie did you get one of these?

R: I probably did, I don't remember. As I said, as soon as I saw TeleFile, I threw it away.

M: Let me ask those of you who used TeleFile to file your taxes. It is important for the IRS to determine the minimum of information that taxpayers need to file TeleFile. And I wanted to ask you whether this packet contained everything that you needed to do your taxes using TeleFile. Was there anything that was missing?

R: Nothing missing that I knew of. It worked fine for me.

M: Let's look at it page by page. When it came in the mail it looked like this. Did any of you have any reaction on seeing it? Did you know what it was?

R: Not at first. Not until I spread this and opened it up did I know what it was. I thought it was a nice piece of mail I got.

R: Especially, one further note on it. I thought they were black or white.

M: Most of the forms have, there are colors on them, and that's so that people at the IRS can (inaudible) a green or blue or I forgot some of the colors, so that they can tell without reading. So purple was one of the ones that wasn't taken here. So you almost had to open it to tell

R: It would have been easy to throw it away as junk mail, if you don't open your junk mail.

R: I don't remember getting, I don't know if it was last year or what, but you could see the front of it, and then your sticker was just sealed like this.

R: And I don't remember the seal.

R: Yeah, because that grabs your attention when you see the thing across the front like that.

R: You put it in your box but ...

M: It was intentionally folded like this so it wouldn't be so floppy but. Anyone come close to throwing it out or ... Darlene?

R: Yeah.

M: Kathleen?

R: Initially you just think, I get like newsletters and what have you from the Red Cross and something like that. You kind of think it's that, and I don't read those. But ...

R: TeleFile is real big on the outside so you know what it is.

R: Initially I thought, you know, if I hadn't looked a little more closely there, I would have thrown it away.

R: I mean, it's an official tax package and letters ...

M: Kathleen, you said you came ...

R: I did, because I've got a tendency to, junk mail goes. And I almost thought it was junk mail. I don't know why I looked a little bit closer to this.

M: Let's open it up. And on Page 2, what's it telling you?

R: Why you do it. The benefits of doing it.

R: It seems like you could skip that page.

R: More advertising.

R: It obviously is advertising, because they want to get away from even TeleFiling and make it all by computer. But as soon as I saw what this is about, I just skipped those two pages, because that wasn't anything I wanted to do. Telephone worked last year, I figured it would work again this year.

R: It's what I thought initially. That I would get to dial on it. And get a busy signal. So I waited until Super Bowl Sunday. And I called and it answered right away. I was surprised.

M: Did anyone have any trouble getting through?

R: You know, last year I tried to do it in the numbers. The number that they gave me didn't match up. I called it, and they said sorry, those numbers aren't right. And I had to mail it.

M: So those were the numbers you had on your W-2?

R: The numbers that came on the packet.

M: The phone number.

R: You know how you put in your social security number, and there is some 6 digit id number, and they said, sorry, that is not the right id number, and I'm like, that's the number you gave me.

R: Yeah. That's the one.

R: That was for 99.

M: Anyone else have any problems calling or ...? Did this information on Page 2 make you think about filing using the computer?

R: I did. I thought I was in the computer, but I thought by the time, it was so easy just to flip through your W-2's and call, by the time I turned the computer on and get to the address, I would be halfway done with the call.

R: I tried, I was looking at the computer thing, but I didn't quite understand it. And it seemed like you would have to download all this software, and do all this and that, and it seemed like way to much trouble.

M: So it seemed like it was easier.

R: Way less complicated.

R: And quicker.

M: How about Page 3. Did anyone initially read that?

R: I didn't read it. I just skipped right by it because it was the e-file. Another little ad for that.

M: Do you think this marketing information on Pages 2 and 3 would help sway people to do TeleFile?

R: I don't think so.

M: Why not?

R: I don't know. It just doesn't, I'm not sure.

R: I think we pretty much know our options in how to file.

R: See, I think younger people would probably appeal to. Because they are used to that e-file. It wouldn't be as complicated as it is for us.

R: I was thinking more of the (inaudible) for information. With her saying she is going to get her money back.

R: It's just kind of appealing to a young person.

M: So some folks read it, some didn't. Some people think it might be helpful for younger people in persuading them to file using the telephone.

R: I think it might be helpful in getting people in general to go to the computer and file. I just had such luck with the telephone last year that I didn't even care. So I skipped right through it. But I don't know that I was aware that you could even do it by computer on your own. I guess I have always heard you can go to your tax man, he can e-file it for you. I have never done that. I was never in that big a hurry to get a refund. And so once again, I didn't care. The telephone worked fine.

R: And if you can do it yourself quickly, you know, why bother going through a third party who is just going to charge you money.

R: We are going to be doing everything by computer, like it or not.

R: And I don't like that.

R: First of all, you have got to go buy a computer if you don't already have one. It's just another waste of your money.

M: Let's skip over Page 4. Did you all find this page useful?

R: I think it was useful. But I thought number 1 was a little confusing.

R: I agree.

R: First off, it says are you single or married? Filed jointly. If you say yes, now it is telling you to do this other stuff, and maybe it should have been 1 and 1a or something. But

M: So it would have been more helpful if it had asked, are you filing single or married filing jointly

R: Right off the bat. And then maybe it could have said, use this if you need help. But then my goodness, the next thing about non-resident alien, that could have been the next question.

M: So it seems to be mixing the two....

R: There is more in there.

M: Three really.

- R: Yeah, that could have been three questions. You are right. And there is only one yes or no.
- R: If you are under 65 and not want, I think it's a funny question to put together. I am just, I think it's peculiar. You would put age and blindness in the same question.
- M: You get an extra exemption.
- R: They are obviously trying to minimize the amount of things that you have to answer by combining and making it a little bit more confusing.
- R: Right. Because this 20, 11 questions is probably less scary than 11. So you put them together, sneak it in and
- M: That sounds like that tends to make it a little more confusing.
- R: That's probably not as intimidating as the ...
- M: Regular questions.
- R: Yeah, one page of questions is enough.
- M: Anything else here that was confusing at the time you worked on getting ready to do TeleFile, or seems confusing now? How many of you went through this checklist when you prepared to do your TeleFile? Four. Did you actually fill it out, or did you just go through it mentally?
- R: I think I just went through mentally, as long as it didn't stop me and kept going.
- R: I checked.
- M: So, no confusion though, about whether you were eligible to file? And that's true for anyone in the group, not just the people who use this form. Any confusion about whether you were eligible to use TeleFile?
- R: No.
- R: I think I was eligible since you sent me this package.
- R: That's what I thought.
- R: Not everyone gets this right? If you sent it to me,

M: So you trust the fact that you got it as being ok. How about Page 5. Earned Income credit. Did anybody read that?

R: I glanced at it.

R: Some were children. ...

M: At the end of the table, what were you saying?

R: I just said I noticed this said something about qualifying child.

R: So seeing that made me turn the page.

M: Anybody else read through this? Page 6. Was this page helpful, or did most of you just go to Page 7 and start?

R: I thought, I always like a page like this. It goes line by line through the form in case there is a question. Especially with the more complicated tax forms that I have done in the past. So I am never opposed to anything like this.

R: Yeah. Because it is right there and if you have, once you are over here looking at question B and you are like, what's that now, then you can go over there and read the thing where it says Line B. But you only have to read it if you need it.

R: I didn't go here though. On Page 7 it was pretty self-explanatory. But if you did need it, it was good that it was on the page, and you could flip back through to the different page.

M: How about the information on Page 6? About providing the information from a deposit slip if you wanted direct deposit?

R: That's good.

M: Was it helpful? How many of you asked for direct deposit of your refund? Only two. Have you done that before?

R: Yes.

M: So what kind of motivation

R: It is the quickest way to get your money back.

M: Faster to get your money back.

R: And you don't have to worry about somebody stealing your check when you go to the bank.

- R: Time savings definitely. I work for a bank. I can check and make sure it's there. A lot of times it's not available right away, since it's an ACH transaction. There is no float like there would be for a check. So ...
- R: How soon did you guys get yours done?
- R: I was really surprised. This year especially. I was really surprised. I had mine within seven days.
- R: I think mine was 10 days.
- R: I was very ... I called on a Sunday night and I had my money by the end of that week.
- R: I got mine within 5 weeks.
- R: Now I have the opposite about putting my account number on here. I thought, yeah it could be easy to get back in your account, but I don't want to give someone my account number.
- R: They already know your account number.
- R: Yeah, they have got your social security number.
- R: Yeah, but I don't want to, I have heard so much about all these people tapping in and stuff, so that was not an extra thing I wanted to add. I also wanted to get the check and deposit it myself. And I got mine within two weeks, and I did mine the other way. Which is not that big a difference.
- R: Did you direct deposit your paycheck?
- R: No.
- R: See, I'm a big fan of that.
- R: Like my whole family does direct deposit, and I am probably the only one that doesn't. Because those are my feelings on it. I would rather be able to see the check, get it, and put it in my account. However I want to.
- M: And you have some concerns about security too, it sounds like?
- R: Yes.
- M: How about anyone else who did not have their refund deposited?

- R: I was just fearful that I would get, someone would put down the wrong number, or that somehow they would get the wrong number and I would be trying to figure out where my money went one day. So I didn't mind waiting, like I said before. I think mine took almost a month, but I am not positive of that. And that was ok. And I didn't direct deposit my pay check.
- R: I did too, but see, that is the only thing. So how would I know if I did this? I wouldn't know when it was actually there.
- M: You just call them.
- R: Unless I call the bank every morning.
- R: When you get your monthly statement you would know when you suddenly have a deposit you didn't have a slip for.
- R: Yeah, but see to wait, and it could be laying in there a whole month and you wouldn't know it.
- R: Whereas if the check comes directly to you, you've got to take it down.
- R: Plus also, I have concern about it too, because the very first time I did my federal and I mailed it in. I didn't get my check until August that year. It was almost a whole year later. Because they just forgot to mail my check out. They missed me through the crack or something like that. And we had filed it, and we had called on it, and they had trouble locating the information. It was for \$100 or something like that. I was in high school. And so that is another concern that I had. I have had problems with it before. But it didn't stop me from doing this type of stuff. I mean, I just remembered that. The check did get lost.
- R: I had problems in prior years. When I had a check issued before I TeleFiled. I have only TeleFiled the last two years. I got a check one year. And I never got it, and never got, and I called them and what have you. And that's kind of what actually encouraged me to just go ahead and have it direct deposited. That way if something like that would happen again, it just bypasses the whole mail issue. Because someone else had gotten my check and what have you.
- R: So you thought direct deposit might work.
- R: Oh yeah. That was an encouragement, because of the problem I had had years prior with not receiving a check or what have you. But mine wasn't like six months down the line or anything like that. It was probably a month delay. But they mailed out a check, and someone else had received it and cashed it. And I said well that is not my problem. I never got it. So they were pretty quick as far as the turnaround. But then going forward, I said, direct deposit won't be an issue.

M: Anyone else? How about Rick?

R: I just wanted to see an actual \$1 check. I knew how much I was getting back. So. It sounds terrible. A check made out for \$1. I'm sorry.

R: You wouldn't donate it.

R: I still haven't cashed it yet. I still look at it every day.

R: Well, you can look at it as good planning on your part.

R: Very young.

M: Mary, Kathleen, how about your thinking on direct deposit vs. getting a refund.

R: I'm kind of like Caley. I don't, I'm a little leery about giving any numbers. I am not, they do have your social security number. But I don't want to give them other numbers that I don't have to. So. That's why I don't.

R: Because (inaudible).

M: How about you Mary?

R: Well, actually, this year I owed. But in previous years, I haven't done direct deposit just because, like you were saying, I don't think I would know when it was in there, because I don't pay enough attention to the accounts until they ... I wouldn't know it was in there. So I would rather have the check, get it, and be able to put it in so I would know exactly what I have done with my (inaudible).

R: Do they not send a notice when it gets in there?

R: No.

R: Because when you direct deposit your employment, you usually get a notice. Maybe that would help. If some people got a notice.

R: It would slow it down though. Because they would have to generate that piece of paper.

R: Yeah, they would have to generate another, it is the same as doing a check almost.

R: The money would probably go in their faster. But the letter may come to you a week later. But then a week later you would probably know.

R: I think the point of direct deposit or return is, it is saving the government money. It's a piece of paper they don't have to send. Or it's a check or a notice or what have you. See, you have to look at it from their perspective. Why would I want to direct deposit money, get it to you quicker, make it available to you right away, and send you a piece of paper, as opposed to hey, we'll just put it in your account and you guys can figure out when it gets there. We won't send you anything and save money that way. You have to look at it from the other side.

R: That's true too.

R: But it's my money.

M: Looking over Page 7 items 1-M. How many of you recorded this information as you went through the TeleFile? Seven. Rosemary, you didn't?

R: You mean you wrote it?

M: Yeah, wrote it down in your. Did everyone who used TeleFile write down the confirmation number?

R: Yes.

M: Did any of you call to find out the status of your refund?

R: No.

R: I did, I called after five weeks. I think because last year I got it back faster.

R: Where did you find

R: I think they said it was probably in the mail.

M: Where did you find the number to call?

R: I think I looked on here.

M: So you did call on that one fairly well?

R: Yeah.

M: Let's turn over to Page 8. Did any of you read through this information when you were getting ready to file TeleFile?

R: No.

R: No.

M: Rosemary you did? Ok. Did you ask specific questions or

R: No I'm just, it's always been so complicated I am afraid it's (inaudible) say something.

M: How about over on Page 9? Rosemary, do you think this might have been where you found the phone number to call?

R: Yeah, it could have been. Or I might have even looked in the phone book.

R: The tip right there says if you want to check the status of your 2000 refund, they give that number. Do you see that?

R: Yes.

R: I think the one I called was a 1040 number. (Inaudible). Oh yeah. Here it is here.

M: So it sounds like most people skipped over this information. And here we have (inaudible) TeleTax as opposed to TeleFile. Anyone notice this section?

R: I don't even know what TeleTax is.

M: It's a series of topics that you can get information on. Prerecorded information.

R: Oh, you just call and listen to it.

R: Well, if you already did this thing over here, this page over here, you are done.

R: I thought this was all over.

R: It's too late now.

M: How about Page 11? If you are 55. Mary did you use this?

R: Yes. I did. I didn't read all the instructions or anything. It was pretty straightforward, so I just filled out the whole form at the bottom and sent them my check.

M: Did you consider some of the other options like credit card or direct debit for paying?

R: Well, the credit card. I didn't know that. Don't you have to pay a fee, it said if you pay by credit card? So I figured, why bother with that.

M: So it wasn't that attractive?

R: Right.

R: That debit authorization is kind of scary over here too. On Page 8. So I had (inaudible) I write a check. (Inaudible) take the money until you tell them not too or something.

R: I just read it while we were sitting here.

M: Let me go over to the flip chart, and looking back through all of this, is there any information in there that you think is unnecessary? As people who file using TeleFile, (inaudible)?

R: All this information.

R: If you are filing with TeleFile, you really shouldn't need to have this next question.

R: It is so straightforward, it's not like you have questions on where can I deduct this, can I do that. There is no

M: So the TeleTax (inaudible).

R: Yeah. You just plug those numbers in and go.

R: Maybe for someone who has never done it before.

R: We need that information.

R: I think that's not a very good spot there.

R: Yeah, but if it was in the front you would just skip it anyway.

R: They explain everything right here. It's not like, because you can't use this if you have all kinds of deductions, and this that and the next thing. So what would be the point?

R: You would have to get another booklet and read that.

R: You would have to

R: If you are questioning whether or not you can TeleFile, and maybe whether it was the best option for you. You know what I mean. But not that. I mean But the fact of the matter is, if it's not in a good spot, if it's something that probably needs to go in the front, like references, usually think of something in the front of

- the booklet, as opposed to the back. But that's, that really should be up where you are filling out that little checklist, or maybe on the next page. As far as OK, yes I qualify for the TeleFile, but here are some other things, and I can get some other information on this.
- R: These are the two most important, pages 6 and 7.
- R: Yes.
- M: (inaudible) some of you went directly to Page 7?
- R: It tells you exactly what to do.
- R: The only time I really thought about it is when it comes to interest (inaudible) and I kind of got to thinking, I know there is probably a limit and you kind of think, oh, let me dig back and find out that yes, it's \$400 over, whatever the case might be. And you proceed on and you are like oh, no. I will be honest with you, having not really thought about it has been like I should have gone ahead and filed anyway, even if I was over the limit.
- R: That's my (inaudible).
- R: Well it says it right here too. It says if over \$400 you can (inaudible). So ...
- R: That's true.
- R: I think I probably went to here first. And then after I was done with the phone, then I probably went back in and, you know. Actually I went, opened up and looked at this and filled out as much as I could without saying, no I don't want to donate money to the Presidential Election. And I ...(inaudible) and then I went back.
- M: Anything else you think is unnecessary? The pie chart?
- R: Yeah.
- R: Just because it doesn't make me feel any better knowing where it's going. Exactly. I don't mean to be so cynical but
- R: Besides that can change. In a moment's notice.
- R: Let's just say in what 99 was, I don't have a problem with the pie chart. It's kind of interesting to see how big a chunk goes to Social Security and Medicare. So I kind of like the little pie chart. And I am not the accountant type person, where I am into that, but I thought it was interesting. The only page I really didn't care

- for was Page 3. We already had the ad for e-filing on Page 2. And now we get to see this person (inaudible).
- R: Maybe they should put the information from the back on the TeleTax instead of on this page. Instead of
- R: I thought this Page 2 was applied to this thing. I didn't realize it was e-filing. Well it says it real big right there. But Isn't that strange?
- R: This is the form to call on the phone. I don't understand.
- R: She talks about how, her fiancé or whatever, can't use TeleFile this year because he has over \$400 in interest or ...
- R: Well it doesn't tell you how to do it.
- R: The option to if you are not eligible for ...
- R: It doesn't exactly tell you how to do it though.
- R: It puts it in your mind. Consider doing it.
- R: Because I did go to the IRS web site. Oh my God. No, I am better call and (inaudible).
- R: Now what happened when you went to the IRS web site?
- R: It was, for one thing, I have a McIntosh and everything is file transferred in Windows. Which is totally frustrating for me. And you know, I don't do well with downloading this and trying to open it up. I am sorry, we don't have a program to open this document. Well, what the hell did I go here and spend all this time, and it was just a total frustration.
- M: So you would rather call and (inaudible).
- R: No. I just want to skip all that. And just do this quick thing and be over it.
- M: Anyone else go to the IRS web site?
- R: I helped a friend at work with her taxes and she had wanted to e-file. And (inaudible) and I can't help you. Because I can't figure this out. As far as there are (inaudible) as forms and what have you. And I will be honest, I am not a tax expert. So therefore, I depend on TeleFile and stuff like that. So ...
- R: It is confusing. It is overwhelming.

R: Is there e-file booklet? Like this?

M: There are instructions that you can get and of course there are lots of ways that you file. You can use Quicken Turbo Tax, there are some free ways to do it.

R: See because I figured out from looking at it, that you had to buy Turbo Tax and you know there

M: Spend money to do it?

R: Yeah. And I was, to heck with that. We will just make a quick phone call and that will be it.

M: Anything else? Anyone call the IRS for information? Rather than get on the Web site?

R: No.

M: Any other unnecessary information? And I know we have some differences of opinion on some of these, and that is fine. Anything else?

R: Well I think this page with where they are trying to sell you cologne, or a dress or (inaudible). Just because ...

R: It caught my eye and I was like, what is she talking about.

R: Otherwise

R: And if they give you, see like this web site address. That is just like the very beginning address. They give you some address that came up to some e-file business, that might make it easier.

R: Right. Welcome to e-file.

R: Yeah. This is just like Hi. This is the IRS Website.

R: Good luck.

R: Exactly. We have 10,562 topics for you to look at.

R: WW.Efile (inaudible) so you can go directly to it.

M: Anything else? You can put this aside, but do keep this open for further reference. For 2001 taxes, the IRS is considering further simplification of the TeleFile package, and I have a mock-up that I would like you to have a look at.

And one thing that has been mentioned in some of the groups that we have done is that this is nicer paper, and that's largely because it's (inaudible).

R: Right.

M: 25 million.

R: I bet your name sticker is going to be right there, so it is going to be real obvious what this is.

R: Yeah. That is an improvement right there.

M: Just take a minute to look through.

R: Yeah, I was wondering why the (inaudible) was such a big page. So that I could (inaudible).

R: Do they send it out to people who aren't eligible?

M: No, they look at the previous year and

R: I assumed that like she was saying, because I got it, I was already eligible. So I didn't go down the list as carefully as I probably should have.

M: I think several people mentioned that, too. That just the idea that you got it

R: I will expect next year I will get one, but I don't think I will be able to use it next year.

M: Because you expect your circumstances to change?

R: Well, I am sure I will have more than \$400 interest next year. I guess that is good. But then, that means I can't use this form. So it's almost like I shouldn't.

M: Let's try and capture some of the differences that you see. Cover.

R: Right off the bat the cover is a lot better. It's not any question what you are getting here. Especially if your address label is right below the TeleFile. Hey.

R: You have IRS right across the top. Here it is in very small type, too.

R: (Inaudible).

R: They did away with the ads on Page 2 and 3 for e-filing so they don't confuse you and make you think this isn't TeleFile or e-file or what is it.

R: (Inaudible) chart, it looks like they might have an extra boat. You have to hold that page down.

R: Ok.

R: For better or worse it's....

M: What else is on that back page?

R: The disclosure that they had on the inside before. So they just put two things on the page instead of the ...

R: Page 4 and 5 are the old one. It's much simplified.

R: Yeah.

R: Which is nice. And if it doesn't really pertain to you then ..

R: It looks like they are keeping two, while we were skipping two. Like you were saying.

R: Which is the (inaudible) all the questions. But you can file by phone and then the area code.

M: What is removed in this one?

R: Page 2.

R: Page 6 also. Simplifies your (inaudible).

R: The 4, 5 and 6.

R: Yeah, the picture of the check with the (inaudible) and the account numbers, that was good, right across from the thing where you write it in. Because not everybody knows the difference. You know.

M: So you think that was ...

R: I think it was better right across from the form. In the old one.

R: Here is my question too. On this earned income credit, are they just dying for you to figure out if you can Please read this twice. It's over here, and there is a checklist over here. I mean.

R: I really don't understand what it is. I know I am just not eligible for it.

R: I don't know If there is a reason to use so much space. Right there on the tax file record and it's right there. On Page 2.

M: So that seems a little

R: It's kind of, how necessary is that to have it in two spots. I mean, it discusses that your qualifying child, and a checklist down here on Page 2. And then they are taking up more space on the actual tax file or tax record on Page 3.

R: Yeah, I think that earned income credit ought to be on a different page.

R: I was thinking one place or the other. You know what I mean. I don't know why it's here and here.

M: Move the check example to ...

R: Yeah or something.

M: Anything else? (Inaudible).

R: I think the texture of the paper is nicer.

R: Also the stuff back on Page 4, 5 and 6. You know, I think you need that stuff there. I mean, you wouldn't necessarily read it if you didn't have any problems. But if you did, then you would know where to get it.

R: It's there (Inaudible) to have it. If they have your tax file record there, and then the next page like, here is the instructions. They trust you to know how to use them, I guess. That's good or bad or not.

R: That's weird that the back is empty. It's usually, they use all the space.

R: I think they probably left it blank purposely, because there is nothing on the back to help confuse you. You need, the only thing you see on the outside is your address and the fact that it's from the IRS. You don't start with the other side and think it's trash and throw it away.

R: Yeah.

R: So I don't mind that at all. I think that's probably good.

R: Yeah. Focus on what it is.

R: They did make the print smaller on the new issue, but that is so they could get all the instructions and guidelines onto Page 2, so you obviously need good eyesight or need to have your glasses close at hand.

M: And Page 2 at the top, you could file by phone if, so that is another way of presenting this checklist. Which do you like better? Do you like the bulleted or the checklist?

R: The checklist.

R: Like he said with the A's and B's.

M: How many prefer the checklist? To the bulleted list?

R: Not me. I actually prefer the (inaudible). Same thing, but it's obviously a worksheet to make sure you read through it and qualify, whereas the other one on the new version you might not read through it all. It doesn't look like something you really read to do the taxes.

R: Again, if you get this too, you usually qualify to do your taxes by phone.

R: I don't think that's 100% the case.

R: I mean, if you usually get this ...

M: Based on the previous year. That is not to say there might not be some differences. Of course the interest might go up and you might purchase a home and have ...

R: I have this page. My interest went up. Plus also you have the phone number up here.

R: Even though it takes the whole page it looks easier. It tells you whether to go on with it or not.

R: You know that TeleFile phone number is like microscopic. I can hardly see that.

M: Where is that?

R: Page 3.

R: I don't even see it.

R: In that logo up there.

R: It says right there.

R: They should put that in big letters across the top or something.

R: Yeah.

R: They have it in large letters right below G.

R: It's in there otherwise.

M: How about Page 2? The instructions for your TeleFile tax record. Is that as easy to find? As usable as the page in the old one?

R: It's easy to find. It's just smaller type once again. A little bit harder to read, but it's still right there across from the form you are filling out or going through, so I don't have a problem.

M: So the location is OK?

R: I think location is good.

R: I think too.

M: Any other differences that we want to add to our flip chart page? Let's look at our list.

R: I have a suggestion. You know, like this Page 3. That is the page that you would say, that's what I do. Rip out that one page. If they had this, the one with the phone numbers and the web site, Page 5. If that was on the back of Page 3, you would be saving some useful information, not just some junk that you wouldn't even look at later.

M: So if you put that on the back of the actual form, then you can tear that out.

R: Then you would actually have something useful on the back of that. If you needed to refer to it or do something later.

R: So you actually ripped out one page and didn't keep the whole booklet.

R: Yes.

R: I just shoved the whole booklet in the file, because it had all the instructions and everything, and I wanted to keep the whole packet of stuff.

R: If they come with questions.

R: Be down to that one page and try to explain why I did something without all these instructions available, so I...

R: Well, I went through my file cabinet one year, and I had a really thick file of all the booklets from all the years, and I just ripped out the one page that I needed with the W-2 stapled in and condensed it by about 2/3's.

R: Maybe you should have just thrown out all the stuff that was five or six years old.

M: Well, let's look at our list, and let's go through each of these and try and reach consensus about whether this is a desirable change or an undesirable change. The change or the addition on the cover, in terms of telling what this is? Is that a desirable ...

R: Yes.

R: Desirable.

R: Yes.

M: How about doing away with Pages 2 and 3. The marketing and (inaudible).

R: Desirable.

R: Yes.

M: Anybody disagree? Let's see. Putting the pie chart and the disclosure page on the back page. Is that desirable, undesirable?

R: I would say it's no big deal.

R: Right.

M: No big deal. Putting the old pages 4, 5 and 6. The EIC information checklist on Page 2.

R: Desirable.

R: Yeah.

M: That's desirable. Not having the check writing information adjacent to the form?

R: That's desirable.

R: It doesn't matter to me either way, because I won't

R: It's just a matter of not enough room for everything to be on this page, that is something that I think, as long as they reference where to get the numbers off

- your checks, see Page something or other, would be fine. I don't have a problem with that.
- R: I got (inaudible) banking perspective, just because you would be amazed what the (inaudible) here give us the numbers off the bottom of your (inaudible). There are two separate numbers and they are two totally different things.
- R: And if you don't know they all come ...
- R: I think the picture is important. I think it's important that you put it on that page. Because you are calling, you are not going to be flipping through to see what numbers you want to give them, and to insure that you do get your money correctly, the picture over on Page 2 would be more beneficial.
- R: I agree with that.
- M: Anyone else?
- R: I think (inaudible).
- M: We have a couple of people who (inaudible) it's undesirable. So. Having the EIC information in two places, not one. Is that a desirable change or ?
- R: It's better.
- R: It should be on one page. It should be better.
- R: One place or the other.
- R: Yeah.
- R: That is the way it was in this booklet.
- M: So we think this is undesirable ...to some folks it doesn't matter.
- R: It's undesirable.
- R: There is only so much you can get on the Page 2 to help fill out the form. And if you want to cram it all over onto Page 2, you are really going to need a magnifying glass.
- R: I thinkEIC can go on ...
- R: Does it need to be before that worksheet?
- R: I'm sorry.

R: Does this page, if we left out one page, does it still need to be before this page?

R: How many people are eligible for that?

R: This says you have to use a different form anyway.

R: I don't understand that, because it says, less than \$10,000. And you're at least age 25.

R: It doesn't look like what's on page 2 for earned income credit, adequately explains it. Because there is more stuff on Page 3 regarding the total income. Maybe they could condense what is on 2 and what is on 3 into one spot on Page 2. Because Page 2 isn't complete, and Page 3 isn't complete in regards to EIC. Combine it or explain it better in one spot would probably be more desirable than having it in two places.

R: I agree.

M: So this is.

R: I don't even understand how it applies to this form. Where does it say on the Earned Income Credit?

R: L. If you found L, you have to have an answer.

R: Oh.

R: It says if you want to take this credit, you must file schedule EIC and form 1040A. So that (inaudible).

M: The information on Pages 4, 5, and 6. Now location (inaudible)?

R: Yeah.

R: Small print.

M: Is that undesirable?

R: I can read it.

R: It doesn't matter to me.

R: It will in a few years.

R: I don't like the smaller print. I think for old folks ...

R: But it is dark. It's not like they have

R: It is small but not ... now wait a second. It's a lot darker print than this thing was, though.

R: That is probably because of the (inaudible).

R: Well, I can tell you, from somebody who never wore glasses until I suddenly needed reading glasses, it makes a difference.

R: I have trouble with small print at times.

M: Do you want to say that's undesirable?

R: I would rather the print be larger. I would say it's undesirable. That's my opinion.

R: I think it's better than just the white background and purple.

R: Yeah.

R: I do too.

R: A black on white is very distinct. Better than purple. I don't like purple on white. So I don't disagree with you.

R: That's what I mean. Because

R: Do you think that print is that small that it can't be read, though?

R: I'm not saying it can't be read. But without my glasses, it can't. And the larger print, what is the population of the United States? What is the average age? Nowadays. It's not true.

R: I mean, to me,

M: (Inaudible)

R: You mean all the authorizations and disclosures are small. But they should be in this booklet too.

R: You've got Page 2 and

R: Instructions are the same.

R: Eight on the old one and four on the new one are exactly the same.

- R: (Inaudible).
- R: You go to Page 5 of the old form, Earned Income Credit and Page 2 of the new one. Earned Income Credit. You don't see a difference in that print size. I will loan you my glasses.
- R: It's only like a font. It's not a huge difference. One's like 6 one's like 4.
- R: Page 8 and Page 4 are very similar. Page 8 (inaudible) and that page is different. But again I think (inaudible) it must be on that document.
- R: I don't see why just that one thing gets a whole page.
- R: Everything else is (inaudible).
- R: If you are going to do it, it tells you how. And a lot of people aren't going to do that. So.
- M: Now let's compromise on that one. (Inaudible). Let's see, the tiny phone number under the logo.
- R: Now that is small print. I have to
- R: What print. It's under that.
- R: I think the state has their number at the top.
- R: It needs to be in bigger letters. It says, where it says TeleFile tax record. The numbers need to be that big. Across the top.
- R: The important thing is, when you get to the point of making the phone call, they do have it on larger print on the form. After you have done A – G and you are ready to call, the number is at least somewhat larger there.
- R: I think there should be (inaudible) access area there. If you can't see it, what's the point. I say take it out or make it bigger. One of the two.
- R: It looks like it was a logo for (inaudible) and they want to still use it.
- R: See, it's the same logo that's on the front of this one. But it does have the phone number. They just crammed the phone number in .
- M: So I guess what I am hearing is, it's undesirable. Either take it out or make it bigger.

R: Right.

R: Against a (inaudible) background too.

M: Let's go back and look at the things that we said were desirable. Cover information, 2 and 3. Having all the information for 4, 5, and 6 condensed on page 2. Having the additional instructional information on 4, 5, and 6. Of those things which is most important?

R: First one.

M: Those changes.

R: That is probably true. We would have a tendency to (inaudible) to throw it like that. With this form you would know right away.

R: Yeah, you got to have, it's got to get your attention before you are even going to open it.

M: Any other opinions on this? Anyone have a different view? So this is the one that we Did everyone make their own call to TeleFile or did someone else in the family do it?

R: I did it.

M: Did any of you call more than once? Either this year or last year?

R: I did last year. It was my first time. I was a little panicky. I went through the whole thing. It gave me what my number was, and I was like, I don't know why I didn't just say go with it, it gives you that option if you want to go ahead with it. Or you just want to take information. I guess mull it over. I don't know. Last year I held off, and I did call back. But this year it was just straight forward. I went ahead with it. I think there is a nervousness about, because by going ahead and trying to go ahead with it, you are committing for life. You are. Well, if I didn't do this right and I can do this right. I am real panicky, what I do on the phone, because it asked if you want to check the number that you just input. I checked it twice. You are just very nervous about that.

R: I called twice last year. With the wife out of the room, when it got to the point that the other spouse has to confirm all this information. And I didn't know it was just punch in whatever numbers, which I guess theoretically illegal or fraudulent. But this year I wasn't worried if she was in the room or not.

M: Ok. So you knew more about the process.

- R: I didn't know how she had to confirm that she was aware of stuff and just punch in her silly numbers.
- R: Last year I called, I tried two or three times, but the customer service number and my social security number didn't match up. I tried it. I really wanted to do it and I kept trying and it wouldn't work. So I had to send the paperwork in.
- R: Was it your phone key pad? Because I have trouble with mine sometimes.
- R: No they said it was wrong on the form. The label was wrong. It was very frustrating.
- M: One thing that I heard in at least one of the other groups was that some people hung up after finding out how much their refund was or how much they had to pay, because you go into the process not knowing that, and they wanted to know that before they hit that confirmation button. Is that an issue for anybody? Either this year or previous years.
- R: No.
- M: In your mind, think about what the maximum amount of time would be for completing your tax return on the telephone. What is the maximum? Think in your mind the maximum amount of time that you think would be tolerable for doing a TeleFile return. And we will start with Rosemary. But tell me what number you were thinking of, regardless of what other folks say.
- R: Thirty minutes or less.
- M: As a maximum time.
- R: Knowing that you (inaudible) getting through, I would say 18 minutes.
- R: I was thinking of 30, but 15, I mean. Thirty as a max maybe, and 15 as more of a optimum time.
- R: I am confused by the question. Do you mean ...
- M: To actually
- R: When you pick up the book and your W2 until you're finished or when you go to make the phone call.
- M: The time for the call, not the preparation time.
- R: Oh, 15 minutes. It better be less than that.

R: I think of the number like multiple W2s, and I think it gives the option of up to 6. I would say 15 – 20 minutes maximum. That's with a worse case scenario.

R: Absolute maximum 15.

R: I would say 10 or 15.

M: As the maximum.

R: Yes.

R: I would say 15 maximum.

R: Fifteen, too.

M: How about the ideal time? Thinking now about the maximum. What do you think would be an ideal time for you to file a return?

R: 7 to 10.

R: Yeah.

M: Anyone else have another number in mind? Currently the IRS provides the 800 number to do Telefiling, of course we talked about it with respect to the (inaudible) and we talked about it down here. How many of you would be willing to pay for that call yourself? For that long distance call. As opposed to doing an 800 number. OK. Next question. How much do you think it would cost for that call?

R: It depends on whether you can get through. You have to keep calling back and calling back and it is going to add up the cost.

R: I don't even want to know.

R: It should be free.

M: It should be free.

R: Yes.

R: Since we are paying our taxes

R: Is this a service of the government or are we

R: It should be included in your taxes.

- M: Kathy, your point was that it would discourage people?
- R: I mean this is, (inaudible) it is easier and simple and you can do it in five to 10 minutes and done. (inaudible). And pay money on top of that.
- R: Well 15 minutes times 20 cents a minute is still only \$3. Or I don't, that is insignificant. In my mind.
- R: You want to pay \$3 but you don't want to give \$3 to the Presidential Fund or whatever?
- R: How much is a stamp? You know that.
- R: You are already paying for a stamp or you're not if you don't want to. But it's still a matter of...
- R: What she said ... what if you don't get through. You keep calling...
- R: But you don't get charged for a long distance call until you get through. If you call and it's busy, there is no charge there.
- R: Didn't someone say they went through the process and
- R: Do they give you a message, because if it gives you a message that says all operators are busy right now, you could wait a half hour.
- R: Well if you get stuck on hold or something. That might become a horrible ordeal. But it depends on how long you are stuck on hold.
- R: I am going to say this again. This is a service of the IRS that should be free.
- R: Well the government takes as much as they can get out of you. I mean they can do one thing where they would pay the cost on it. Actually, we are paying it anyway.
- R: Look at all the people who pay tax services, though, to do theirs.
- M: This current filing season, the IRS introduced what they call the self selected PIN, personal identification number, to do it yourself for all of the electronic returns except for TeleFile. And what that would do is eliminate the need for the IRS to do your customer service number, which was on your label, and it's the number that you enter here, on your return. And if you are going to have to use the self selected PIN, a taxpayer has to know two pieces of information from their previous year's tax return. One is the adjusted gross income and the other is the total tax. My question is whether that is information that you would have readily

available to you. Do you keep your tax records where you can readily find that information?

R: I don't care enough about choosing my own PIN to go dig it out.

R: Yeah.

R: I'm not

M: But this question is whether you have that information from your previous year's return available to you? How many people have that?

R: If I can find it.

R: Yeah.

R: You can find it. You can go get it.

R: But it's just a number on the (inaudible) that's easier. Except for if it's wrong.

R: (Inaudible) social security.

R: Well it could easily be a number that you make up as your own 4 digit PIN as opposed to digging out past year's tax record.

R: But they have to identify you somehow before you can do that.

M: The options are either the IRS assigned customer service number or the self selected PIN. But to have a self selected PIN you've got to have those pieces of information. So they know it's you.

R: It's not really a self selected then, it's just go dig it out and this is the one we are assigning you.

M: No. You would pick it, but in order to know ... tell us this information we can verify it's you.

R: I would just assume let them assign it.

M: Anyone prefer the self-selected PIN?

R: Would it be good for more than one year?

M: Yes.

R: Once a year. Shoot, it's not like your ATM number.

R: Write down on a piece of paper and you are gong to lose it.

R: But the following year that self selected PIN number may be different because your income and your tax will be different. And it would be self-selected each year.

M: No, you would get it forward.

R: So it would only be a one time thing. And it's self selected.

R: It sounds way too (inaudible).

R: I would like them to give me a number.

M: Too complicated. Let me ask if you were trying to persuade someone who qualified to use TeleFile on their taxes, how would you go about doing that? What are some of the things that you would say to them to persuade them to use it?

R: Beats doing all the math.

R: It's easy and you get your refund much quicker.

R: I think, amongst my friends and what have you, we talked about it. And really the sales, the thing that makes it worth it is the fact that you can have it direct deposited. And not have to mail in a form and all that crazy stuff. So being it's deposited and the phone does the math for you.

R: Saves time.

R: It's like error proof.

M: Anything else.

R: Quick and easy.

R: To me it's a big difference. Faster. And I was amazed that I didn't get a busy signal.

M: It worked well.

R: Yeah.

M: How about barriers to doing TeleFile? What do you see as things that might work against people using TeleFile?

- R: The first time might kind of throw them. Because they are not sure of what to do. And they are afraid they will make a mistake.
- R: I work with some people who were less educated than I was, and they were just, we had to call in to make our benefits selections, and if you didn't call in, you didn't get it. And you know, they had a supervisor they had to sit down with them and do the phone call for them, because they were just like techno phobes. They were afraid of that. They get their paycheck, and get their dollar bills, and keep it in their hand. They were just afraid of the technology. And I think less educated people, that's an issue.
- R: I can see that being an issue. As far as whether or not they are inputting the information correctly or what have you. I think that's a similar fear. With people like she is, inputting it accurately and therefore that the end result is accurate.
- R: And it does time you out after a certain amount of time. It's not a very long time and it will keep repeating the question, so if you are nervous and trying to find something, and they keep repeating the question, keep repeating the question. It's like, lay off, because you can advance. When you are done with the question, you don't have to wait for them to finish all their stuff. You can just advance right along. It's not like they need to keep repeating and repeating, etc. When you are done, just enter it and go. And if you are done faster, then just go. They don't have to time you out really quick.
- R: It's beneficial again, if maybe you didn't think you understood the initial question. And to repeat it. Granted, I don't think they give you enough time, because they are right on your tail after ... and I think in that respect it's good. And I think it's good that they allow you to verify the number that you input more than once.
- R: If they could just give you the option to ask again. And I think they do on a lot of things.
- R: They say like, do you need more time. That would be good.
- R: Once it loops, it's just gone.
- M: What are the barriers to TeleFile that you can think of?
- R: Well, if you can't read. That would be a problem. But they would have a problem with any of it.
- R: I think some people are really (inaudible) putting information on electronically out there. Just because it's just you're not sure, I know it's going through a

- computer bank somewhere, but there is still this constant, you know, teenage kid out there, getting it into his account. You know.
- R: As far as that goes, it seems like the computer security is better than telephone security.
- R: Well, that is what I mean. The telephone is (inaudible) anybody could, well not anybody but,
- R: Interact it and change it while you are putting it in.
- M: So security concerns.
- R: I don't know if the technology even exists for that though.
- R: You know like on computers they have all that encryption and there are different layers of encryption and this is like the medium and this is the high security. Does that even exist on the telephone? I don't know.
- R: I think as long as you do it on a corded phone you are OK. Unless someone is actually physically tapping into your line. But I need another cordless, so obviously it doesn't matter to me.
- R: What do the instructions say about doing it on a cordless?
- R: I don't know.
- R: The same.
- R: (Inaudible).
- M: If you will bear with me a minute, I will go and see if there is anything I missed that my colleagues would like me to ask, and I will be right back.
- R: I don't care how much security there is on computer, it can be cracked and it's a matter of ... once someone knows your social security number, and maybe not even that much about you. They can find out almost anything they want, including your bank account numbers. It's kind of like you're at the mercy ...
- R: If you don't have it on your check, they ask for it. If you are writing checks.
- R: I don't really trust, as far as my checking account, now the new trend is, if you order something through a catalog or whatever, oh, just give me your checking account number. No way. I'll give you my credit card number. They have some security on it. But your checking account, no way.

M: No other questions. So thank you so much for coming tonight. You have been a really good group, and I think we have had a good discussion, and if you will see the hostess on your way out, that would be great.

Appendix J: Transcript – St. Louis TeleFile Non-users

**IRS TELEFILE FOCUS GROUP
NON-USERS
ST. LOUIS, MO
MARCH 22, 2001 – 8:00 PM**

- M: Introduction...Please introduce yourself just by first name only and tell us what you do for a living and how long you have lived in the area.
- R: My name is Joe and I work at ?? as an Account Supervisor. I have lived here for 12 years.
- M: Merits is?
- R: A performance improvement company.
- R: My name is Bernice and I am retired, and I work at St. John Mercy as a nurse's technician. I have been retired seven years.
- R: My name is Amy and I am retired. I worked for the employment service for about 25 years.
- R: My name is Woody and I worked in construction. I am retired.
- R: I am a Julie and I am a student at Southeast Missouri State, but I am doing my student teaching up here. I will graduate this May, and I have lived in St. Louis my entire life, which is 22 years almost.
- R: I am Tom and I am a student at the University Missouri, St. Louis. I work at ?? as a cashier and I have lived here all my life, 21 years.
- R: I'm John and I work for a courier service. I have lived here for over 30 years.
- M: Let me ask you if you have received this, this year from the IRS...that is the TeleFile tax filing package....does anyone remember receiving that?
- R: Yes.
- M: Can you tell me anything about it?
- R: It just had my name on it and instructions on how to go about filing my taxes over the phone.
- R: I never received one.

R: I remember getting one, but I just put it in my parent's room, because I didn't really know what it was or if that was how I was going to file.

R: I got one, but skipped it, because my parents do mine.

M: Have they done your taxes?

R: Yes, they have.

M: Did they use TeleFile?

R: No.

M: Okay.

R: I don't recall getting one.

M: Let me ask how you have filed your taxes this year? If you haven't done it, how are you planning to do it?

R: I haven't done it. Probably use the 1040.

R: AARP took care of it.

M: They will help you with it?

R: Yes.

R: I have already filed with the 1040.

R: The same...

R: I haven't filed yet, but I don't know how I am going to do it. What are some ways, because I can try to figure it out...

(Laughing)

R: I use the 1040 EZ. I haven't applied yet.

M: The TeleFile package, which allows you to file using the telephone, was mailed to eligible tax payers this year. I want to pass out copies of this and have you take a look at it, and then we will be talking about it.

(Reading)

M: Here is how it would have appeared if you got it in the mail.

R: Okay.

(Reading)

M: Let's talk about it. When you open this up, is it clear what it is? Does it leave any question in your mind?

R: It is clear.

R: Clear.

R: I don't know how you couldn't recognize it this time of the year.

(Laughing)

M: Is everyone aware that you could file your taxes on the telephone?

R: Yes.

R: It depends on a lot of things, right?

M: Yes. We will talk about that shortly. How about turning inside to pages 2 and 3...What kind of information with regard to this ??

R: Filing on the Internet?

R: Does this have anything to do with filing on the telephone, or is it two totally different things?

M: That is an interesting point...that it confuses the two. Telefiling is considered a form of electronic filing, but a lot of people think of the Internet when they consider electronic options.

R: But you don't have to get on the Internet to do the TeleFile?

M: Right.

R: This is basically just an advertisement for this then....like look what else you do, right?

M: There are not any right or wrong answers...I am just trying to figure out what you think.

R: Okay.

- M: Anyone else have any reactions to this page 2?
- R: Refunds within 10 days, that seems ridiculously quick.
- M: It does happen. We actually had someone in the last group that said they got their refund in 7 days.
- R: Amazing.
- R: I have a friend who got theirs quick, and I haven't gotten mine yet, and it has been almost a month.
- M: How did they file?
- R: I don't know if they filed this way or not, but they did get it in a week.
- M: So, this page is talking about some options and it is also talking about some benefits of using TeleFile. How about over on page 3....

(Reading)

- M: If you were thinking about filing using TeleFile, would that be helpful to you, do you think?
- R: No.
- R: For me, probably. Because I would see that it was easy and it took ten minutes, and for me that is appealing. It also lets you know that not everybody can do that, because if you have saving bonds for college or other things like that...it helps you realize that not everybody can do that. You may not qualify or meet the criteria that you have to have to do that.
- M: Any other reactions to that page?
- R: I was thinking that it makes it sound quick and easy, and it is appealing to more to the college age level people, because they are into more technology and they are willing to go and try out more technology.
- M: How about somebody else...what is your reaction to this page?
- R: I like what this says. I have already filed this year, but I don't know if that would be for me or not.
- R: You will fill out the form and then just call it in on the phone.
- R: Is that like talking to a machine, right? You don't have anybody helping you?

M: No, you just key in the correct responses on your phone.

R: If you key in and they just take what you have keyed in and there is nobody helping you...I see. It is just a one sided thing. You put in the information and they take that information.

R: How do you know who they are talking....

R: This is high tech and this is for college kids.

R: Yes.

M: Because you give them information, you also need a customer number that is on the label here.....You have to have that number to do this.

R: Oh.

M: How about turning to page 4. This is just a check list that you can use to determine if you can qualify to use TeleFile. Any reactions to this page?

R: Seems pretty easy if you can figure out all what those things are. I honestly would have to ask my parents....just looking...I don't know.

M: It seems easy if you know what they are to start with.

R: Well, yes. It seems easy....it is just the yes or no check list.

R It seems pretty straight forward.

M: Anybody else?

R: I like it. It lays it all out for you and maps it out pretty clearly if you can use it or not.

R: It is really appealing to somebody who doesn't have a lot of things to deduct or all those other kinds of things that come along with your taxes as you get more financially involved...I don't know the right way to say that. For working part time in the summer, this seems really geared or helpful to those simpler tax filers. Does that make sense?

R: True.

R: If you have a lot to deduct, I don't think that I would go with this.

M: You really can't use it, because it gives you the standard deduction.

R: Right.

M: How about this page 5 on the earned income. What are your reactions? If you are thinking about filing using TeleFile, would this information help you determine whether you were eligible or not?

R: This would probably help me if I worked, but since I don't work and I am a student, I would probably just see that it says...EIC is a credit for certain people who work and I probably would just flip to the next page. They are laying it out and letting you know right away who this is for, and I would just skip it.

M: How about those of you who are retired...would you skip over this page?

R: I think that I would have to have some help.

R: I am not sure.

M: Page 6...This is the instructions that you would use in order to complete this page over here.

(Reading)

M: If you were going to use TeleFile, do you think that it would be easy to figure out what you needed to do for this?

R: It sounds pretty easy but when I got to "C"...you cannot use TeleFile if you receive, and they list three things. I would probably have to ask my parents if I did any of those. Other than that...I just don't know any of those technical...

M: So, some of these for first time filers...that is a bit difficult to understand?

R: Right. I don't know if there is a way to put that in layman's terms so that other people could understand...it may just be the name of that form and you just have to know. Other than that, it seems pretty step by step.

R: It seems if you are not doing it right, they will not accept it, right?

M: Right.

R: So, you would be rejected and have to start over again.

M: At the end you are given a confirmation number that you keep. If you have questions about your return, you use that when you call up. That is your proof that you filed. How about the sample check over here on the bottom of page

- 6...that is helping you to understand how to fill out the routing number and the account number if you want the refund directly deposited...is that clear?
- R: Yes.
- R Yes.
- M: How comfortable would you feel having the refund deposited directly?
- R: I would prefer it. It makes it easier. I wouldn't have to go to the bank and cash the check...I have other things to do.
- R: I would rather do it myself. When employers give me that option, I do it myself because I want to make sure that it is done. So, I have never done that direct deposit. I wouldn't do it.
- R: I think it would make it much easier if they deposited it for me.
- R: It is easier for me to do it.
- R: I would prefer to do it myself.
- R: I would rather have it direct deposited, because with school and work, I am too busy to make time to go deposit it.
- R: That is where it is going to go anyway.
- R: Can they do that to any bank?
- M: Yes, if you had this information.
- R: Oh.
- M: And they tell you where to find it on your check....
- R: Okay.
- M: Let's go to page 8...

(Reading)

- M: What is going on, on this page?
- R: I don't know.
- R: I have no idea.

(Laughing)

R: Now, they are going back to, do you have to file...didn't we just do that on the previous page?

R: Yes.

R: It was pretty clear and concise. I think it would be better served if it was before that information...when you were talking about my filing rather than flip back here, and I have already done it and now it says...do you have to file, when should you file...

R: This should come before the check list.

R: Yes.

R: Yes.

M: So, it seems like it is in the wrong place?

R: Yes.

R: Yes.

M: How about page 9? Has anyone ever used any of these ways to contact the IRS?

R: ?? a PC and downloaded forms and an instruction book.

R: I am hearing that if you call the IRS, you sit on the phone for hours. So, I have never called them.

R: Yes, that it takes forever.

R I have called, but it didn't take that long...I was concerned about my refunds, and it didn't take that long to get somebody.

M: Okay. How about page 10? How to use Tele-Tax as opposed to using TeleFile.

R: Isn't that the same thing? What is the difference?

M: Anyone want to answer that.

R: I don't know. I think it is the same thing.

R: Sounds like the same thing.

M: TeleFile is a way of filing over the phone. TeleTax, despite its similar name, is just a series of recorded messages on specific topics related to filing your taxes. Some of these listed down here...you can call on the phone with any of these numbers and get information. It is another source of information by that is by telephone, but it is not a specific way of filing.

R: Okay.

R: Oh.

M: So the similar name is confusing?

R: Yes.

R: Yes.

R: Yes.

M: Page 11...what is going on here is that if you have to pay tax rather than get a refund, this is a payment voucher. Anyone see any other ways you could pay, if you owed?

R: Pay monthly.

R: Direct Debit.

R: Credit Card.

R: Is there a way to make arrangements to pay, but not pay all at once?

M: That is an option.

R: Okay.

M: On the back cover....Any comments?

R: No response.

M: We have gone through this, and the IRS is interested in determining the minimum amount of information that tax payers need to file their taxes. If you were thinking about filing using TeleFile, is everything that you would need in here? Is there anything that seems to be missing from this package?

(Reviewing package)

M: Anything that comes to mind that isn't here?

R: Since you do it by phone...I mean you use a telephone for this, right?

M: Yes.

R: You really don't need a whole lot of paper. If I could use that, it is simple enough.

M: Does there seem to be enough information to help you determine whether you could or couldn't use it?

R: I think there is.

R: Yes.

M: Let me ask the reverse...is there anything in here that you think is unnecessary?

R: This is kind of cheesy....they are just trying...

M: Page 3?

R: Yes. It is a cute girl....that is just advertising, but some of it you don't need. You wouldn't have to have that.

M: Anything else?

R: Well, I like this...you have to fill this out before you call it in so that it will be correct when you call it in.

R: I don't think I could...

M: Is there more information that you would need or you just wouldn't be comfortable doing it the first time?

R: I don't think that I would feel comfortable doing it the first time. I would need somebody to help me through it the first time, and then maybe next time I would be able to do it.

M: Anything else that could be eliminated here?

R: This should be moved...general instructions should go before.

R: Yes.

M: So, the general instructions on page 8 seem like they should come before you do your taxes?

R: Yes.

R: Yes.

R: That would be good.

R: Maybe on the opposite of this page...page 4.

M: Anything else?

R: No response.

M: The IRS is thinking of ways to simplify this package for next year and beyond. I have a prototype that I would like you to look at. Everybody comments on the difference in paper, and that is because these are a mock up whereas these are actually the real thing.

R: So these would really be made on this paper?

M: Yes. That is because these are mailed to about 25 million tax payers. It would be very costly.

R: Okay.

M: Let's take a look at these....First, if it came...

R: I think it looks better.

R: Yes. It also tells you what it is more clearly.

R: Yes.

R: Here they have, Do Not Throw Away....you have to open it up to figure out what it is. It is right on the outside here.

R: I think it is more concise.

R: Less is more.

M: Page 2....what is happening on page 2?

R: They have combined a couple of the pages to be more simple. Instead of having this yes/no checklist, they just make bullets...

M: Everybody see that?

R: Yes.

R: I think that you could figure it out without checking in a yes/no box.

R: Yes.

R: I don't think you need the test/quiz format.

M: Anybody prefer this format?

R: I like the bullets.

R: I like this instead of this.

M: Okay.

R: They put three whole pages just on this one page.

R: They put the instructions in the right place this time....no, they didn't...the general instructions are still behind it. But the individual line instruction is good.

R: Yes.

M: Anybody prefer this longer check sheet to the bullets?

R: No.

R: No.

M: Do the bullets give you all the information that you need to know?

R: I think so.

R: Yes.

M: How about the section under that...instructions for your TeleFile tax record...what does that replace?

R: Page 6.

R: I don't like how they don't have that check....

R: Yes.

R: Because I really wouldn't know how to do that if that check wasn't there.

R: The check is all the way in the back though.

R: Oh, it is? That is kind of silly.

M: You would like the have the check opposite?

R: Yes. It says line E and G in bold...which should really go over here where instructions are...that is way over on page 6. I think it should all be right there....A through G...like the old one.

M: Is everyone following that?

R: Yes.

R: I agree.

R: I think skipping around is not cool, and it will turn people away from doing this if they can't just bang, bang, bang...figure it out.

M: Anyone disagree?

R: I agree.

R: I think it should be opposite too.

M: Earned income credit, which page does that replace?

R: Does this need to be on this page or did they just run out of room?

M: I don't know. Do you think it looks good there? Does it serve a purpose there?

R: No.

R: No.

R: No.

R: It is like they just stuck it somewhere.

R: It just clutters that page up.

R: Yes.

R: The phone number on that page is so small now.

R: That should be big, I think. Definitely.

R: Yes. It should be kind of by itself like here....now, it is grouped in the middle of all this tax stuff.

M: So, the number is not as obvious?

R: Right.

R: They also have....the help with the EIC checklist on this page and ?? checklist over here...I think that is not all together yet.

M: How about the form itself?

R: Too small.

M: Is it easy to fill out?

R: Maybe if you get rid of the check list and enlarge that a little, it might be a little more beneficial for people. I think it should be a little bit bigger.

R: The page seems kind of busy.

R: Yes.

R: Yes.

R: If people are transferring this information and using that and dialing that, I think it needs to be a bit bigger so it is more clear and less mistakes could be made.

M: So, it might not be clear enough?

R: Yes.

R: Like over here you had two tone...you had different shades on each.

R: Yes.

R: You know where to fill it in.

R: That is a good idea.

R: You really need to get rid of that checklist on that page....it is kind of insignificant to the form.

M: Any other comments on page 4?

R: Two tone would be good.

M: Did anyone notice the phone number up here?

R: I did.

R: I did.

R: No.

R: But it is tiny...the only reason that I knew was because I was looking for the cartoon phone that was on the front of this. I think this looks really cartoony.

M: It is pretty small if you were going to try and call.

R: Yes.

R: The number needs to be big at the top. When you register for your classes or something at school, the number is everywhere. It should be easy to find...

R: Yes.

M: So you don't have to search for it?

R: Yes.

M: How about pages 4 and 5...an differences there?

R: The general instructions are still behind the ?? page.

M: ??

R: Yes.

M: How about page 6?

R: The check needs to be moved, in my opinion.

R: Yes.

R: I liked how on the first one it was two tone. I am really into the two tone after you said that.

R: Highlight it.

R: Yes. That would make it really easy to read.

R: I agree.

M: How about on the back page?

R: They have to have those charts? I guess they do.

M: Actually, it is required by the law.

R: Oh. I was going to say that that is kind of wasted space because I don't really look at that.

M: Let's summarize the changes that we are seeing in this 8 page version without the 12 page version that we looked at first. We talked about the....

(TAPE SHUT OFF)

R: The front cover is a little more legible.

R: Yes.

R: You identify with it a little easier.

R: It is more appealing...the front cover is. This looks more like...I don't know...the simpleness of it. More official. We are talking about government business here...

R: Right.

R: Oh, yes.

(Laughing)

M: Other differences?

R: It is more concise and...

R: It got rid of the unnecessary ads.

R: Yes.

R: I think they were trying too hard to relate or fit in with the young people that are in college that have loans...

R: This is just more compact.

R: More clarity, because I was confused with the e-file as oppose to the TeleFile.

R: Yes. They need to get rid of that.

R: I like the two tone...

R: Yes.

M: Any other changes?

R: They moved where the check is.

R: And the checklist...they eliminated that...the yes/no. They reduced the form size.

R: They changed the format of the checklist.

R: Yes.

R: They reduced the size of the phone number.

M: Anything else?

R: No.

M: Let's take our list and try to reach a consensus about whether these are desirable changes or undesirable changes. How about the front cover?

R: Desirable.

R: Desirable.

R: Desirable.

R: Yes.

M: How about making it more concise and compact?

R: Desirable.

R: Desirable

R: Desirable.

R: Yes.

R: I think that goes along with making it more compact and more concise, if you were putting things in the right order.

M: Okay.

R: As long as it has immediate information.

R: Not junk it up with this on the side of this...you know what I mean...that is what I mean by that.

M: How about eliminating the ??...positive or negative?

R: Positive

R: Positive

R: Positive

M: Or desirable?

R: Desirable

M: It eliminated the confusion about the Internet filing and the TeleFile?

R: Yes.

R: E-file...yes.

M: Second page...drop that....

R: Yes.

M: Is that desirable or undesirable?

R: Undesirable

R: Undesirable

R: You don't need it.

M: Okay, so that is undesirable. Eliminated the two tone?

R: Undesirable.

R: Undesirable

M: Okay. Moved the sample check...put it on the back?

R: Undesirable

R: Undesirable

M: Changed the format of the checklist?

R: Is that page 4?

M: Changed this to the bullets at the top of page 2....

R: I like that.

R: That was good.

M: Desirable or undesirable?

R: Desirable

R: Desirable.

M: Anyone disagree?

R: No

M: Reduce the size of the tax form?

R: Undesirable

R: Undesirable

R: Yes.

M: Let's look at our desirable things...the front cover, more concise and compact, eliminated confusion about the Internet and TeleFile, changed the format of the check list. Which of these is the most desirable change?

R: More concise and compact...oh, wait...Like which one would we like them to do the most?

M: Yes, which seems like the most desirable for the changes.

R: Eliminate the confusion of the Internet I think.

R: So, you think it would be a good form if they just eliminated that?

M: Of all these changes, which do you think is the most desirable? It is not saying that you couldn't make all of them.

R: I think the second one...

R: More concise.

R: Yes.

R: By making it more concise and compact, you are getting rid of that stuff.

M: So, it encompasses more?

R: Yes.

R: Yes.

M: Now, looking at the undesirable changes....eliminated the two tone appearance, move the sample check, reduced the size of the form, reduced the phone number. Which of those is the most undesirable?

R: That is tough.

R: It is tough

M: We can leave it there....This is a question for those of you who do remember receiving this package. Specifically, why did you decide not to use TeleFile?

R: I just got married at the end of last year and our salary exceeded the maximum.

M: So, you were not eligible?

R: Right.

M: If you were still single, do you think you would have used TeleFile?

R: Yes, I have used it the past 2-3 years. I found it to be convenient.

R: I know I received it. I did it last year like this. This year I did the 1040 EZ. It does make it pretty easy.

M: What would it take for you to file using TeleFile in the future?

R: I don't think...our salary would probably exceed that.

M: Okay. How could people be persuaded to use TeleFile?

R: If somebody I knew said it was easy and quick and don't worry about it...it only takes a few minutes.

R: Yes.

M: How about you, John?

R: Personally, I think there is probably a lot of people that don't even know about it.

R: Yes.

M: Okay. Let me ask you to take a pad and pencil....If you were going to use TeleFile, whether you were eligible or not...what is the maximum amount of time that would be tolerable to spend on the phone doing TeleFile?

(Writing)

M: John, what did you have?

R: One hour.

R: I put 15 minutes, because the advertisement says 10 minutes.

R: I put 15 minutes, because anything else I have ever had to do over the phone hasn't taken more than 15 minutes.

R: I said one hour...

(END OF SIDE #1)

R: I said two hours, but I know what we go through...

(Laughing)

R: I put 30 minutes.

R: 10 minutes.

M: Write another number....this is going to be the amount of time that you would consider to be ideal to file with TeleFile. Not the maximum...the ideal amount of time that it should take on the phone to file with TeleFile.

(Writing)

R: 10 minutes.

R: I said 10 minutes.

R: 30 minutes

R: 30 minutes

R: 8 minutes

M: Currently the IRS provides an 800 number to use for filing with TeleFile. How willing do you think people would be to pay the long distance charge to make a TeleFile call?

R: If it was quick, then I would do it.

R: No.

R: I don't think so...everybody has an 800 number these days.

R: No.

R: I agree.

R: I wouldn't pay.

M: We touched on online filing using the Internet...How many of you have a home computer?

(Inaudible)

M: How many of you are linked to the Internet?

R: (Pretty much everybody)

M: Is that something that you would be interested in doing in the future...filing online?

R: Yes.

R: Yes.

R: If the site was secure.

M: So, security would be an issue?

R: Yes.

R: No, I wouldn't...it intimidates me.

M: Is security a concern?

R: Yes, it is.

M: How about you?

R: No, not really. You think that because it is the government site, it would probably be okay.

M: This filing year, the IRS, for all of its electronic filing except TeleFile, introduced what they call the self selected PIN...a personal identification number. Similar to what you have for ATM. In order to use a self selected PIN, you need to have a couple pieces of information from your previous year's tax return...the total tax you paid and your adjusted gross income. Is that something that you as tax payers have readily available?

R: Yes.

R: Yes.

R: You would have to have that to do the filing on the Internet?

M: Yes.

R: Yes, I have that.

M: On the TeleFile package that came out this year, there was a label and it had a customer service number, which is a number that identifies you...you needed that number or you couldn't file TeleFile without that. If you had a preference, would you rather use a self selected PIN or the IRS assigned customer number?

R: Self select.

R: Assigned

R: I would say assigned, because I have so many PIN numbers and passwords for every little thing....If it is on the label, I think it would be a lot easier and you wouldn't forget it.

M: How many would prefer an assigned number?

R: (6)

M: What do you see as the advantages of the self selected?

R: I normally know what my PIN numbers are. A lot of my PIN numbers are roughly the same...I try to keep them around the same. It would be a little easier for me to remember.

R: I made a mistake...I want the self selected because I have to remember it. I want to make my own.

M: Okay. Are any of you who are eligible for using TeleFile seriously thinking about using it?

R: I would use the Internet one before I would use that because I am more...

R: I would think about it.

R: I would use it.

R: It is good that there are different options. I will definitely use one of these two when I do my taxes...the TeleFile or the Internet one.

M: Okay. What do you think are the obstacles that people might face filing with TeleFile?

R: You can only use it if it is mailed to you.

R: It is not like a 1040 EZ or 1040 A where you can pick up just about anywhere.

M: Any other obstacles?

R: No.

R: With mine...it is the minimum/maximum requirement.

M: If it wasn't for that, would you use it?

R: Yes. I would definitely use it.

M: I am going to go back in the back room to see if there are any more questions...

(Moderator Left Room)

(Moderator Entered Room)

M: You have answered all the questions...thank you for your time.

Appendix K: Transcript – Atlanta TeleFile Users

**IRS TELEFILE FOCUS GROUP
USERS
ATLANTA, GA
MARCH 23, 2001, 6 PM**

- M: Intro...Let's begin. If we could go around the table and just introduce yourself, first name only, tell us what you do for a living and how long you have lived in Atlanta.
- R: Marcus. I have lived here all my life. (Inaudible) 16 years. That is pretty much it.
- R: My name is Thomas. I am in between jobs so to speak. I program computers, mostly mainframe computers, and I have been in Atlanta since 1995. I am originally from Cleveland, Ohio. Came down here because I liked the weather and the climate.
- R: My name is Brian. I work in insurance claims for an agency, just started there about a month and a half ago. Been in Atlanta, went to high school in Atlanta and went to college and came back in 1996.
- R: Hello everyone. I am Philip. I do independent contracting, promotional marketing. I just got out of college. I have been here in Atlanta since 1996. Came here for college and that is about it.
- R: Michael. I went to high school here and went off to college, came back and work for Watoba(?) Bank.
- R: I am Heather and I moved to Atlanta in 1996, after college, and I work for Delta Airlines.
- R: Hello, I am Valerie. I have been in Atlanta since 1985. I am a silk and wool presser.
- R: I'm Michael. I am a full time resident here in Georgia. I am employee for the Centers for Disease Control.
- M: We are just introducing ourselves, first name only and if you tell us what you do for a living and how long you have been in Atlanta.
- R: Okay. My name is Alice and I am sorry you got interrupted. I work in hospital administration at St. Joseph's Hospital and I grew up in ??? since first grade and have lived in Atlanta my adult life in Virginia Highlands.

M: All you missed was I did a bit of an introduction talking about the fact that the IRS is the subject of the group, and we are going to be talking about TeleFile tonight, and we are doing audio recording of this session, and we have one observer back here, so that is about it. Okay, let's jump into our topic tonight. Can any of you tell me what the TeleFile package looked like when you received it this year?

R: It looked like a magazine paper.

R: It was purple.

R: You could tell it was a TeleFile package (unintelligible).

R: You could tell it was an IRS package.

R: It lists your name and address and gave you your customer number.

R: It was very thin.

M: Compared to what?

R: Compared to normal. Compared to the normal tax sheets that we have to go through, it was a lot thinner and a lot less that you had to write.

R: Yes.

R: Really.

M: Any other initial reactions?

R: I am quite pleased with it. It was like I was telling a couple of them, I was upset at my ex-roommate last year, he went through TeleFile and I had to go through the regular process, and I was really upset and I was really happy to receive it this year.

M: So, when you received it you knew exactly what it was?

R: I knew exactly what it was.

M: How many of you have filed in previous years using TeleFile? Five, okay. The rest of you were new to it this year, okay. Those of you who had done it previous years, did you notice the package was any thinner?

R: I noticed the changes in some of the questions, they were shorter, I noticed the time to file was short.

R: I also noticed that, I guess in the process itself, that not only are you able to file with federal government, but you can just segue right into the state government and you can do both in one sitting, get them out, rather than having to call 2 separate numbers and do all that stuff, you are able to do all that in one sitting, which I liked.

M: So, you could do your Georgia state taxes at the same time.

R: Yes.

M: Okay, someone said last year he used the long form, do you remember what form that was with the paper filing?

R: It was a 1040 I believe.

M: How about the rest of you that did not use TeleFile last year? Do you recall?

R: EZ.

R: I did it at Block's and signed it at the end.

R: A 1040.

R: Actually, I would like to make this comment, the easiest thing that really blew my mind was that you did not have to do the math or anything or worry about all the calculations and screwing it up, worrying about did I screw this up, the IRS is going to find something and say I owe them something.

M: So, one benefit that you saw was that it was essentially ...

R: Yeah, you just type in your numbers and they came up with the amount you either owed or what they owed you.

R: And no flipping through those 5 or 10 pages.

M: The tax tables?

R: Yeah.

R: (Inaudible)

M: Did anyone else have trouble hearing the voice?

R: I liked it because it repeated itself, hit one again, if you agree. Keep going.

R: I think I put everything in like 3 times and then moved on because I thought...

R: I did not go any more than once. The lady was real nice.

R: It was easy to dial with the speaker phone. I could sit there with the paper and it is not like you had to do a lot.

M: As a reminder, let me pass out copies of this year's pages.

R: We have to file again.

M: Once is enough. Did everyone who got one, even before we open it up, realize what this was?

R: Of course.

R: Yes.

R: At this time of year, we recognized it (inaudible).

M: You were expecting it, or expecting something.

R: I knew it was tax related, but I did not necessarily know I could TeleFile until I looked through.

R: Mine was not folded in half so.

R: Sometimes the stickiness comes with.

R: Can I ask a question?

M: Sure.

R: On the front of this it says official business, penalty for private use \$300, what does that mean?

M: I am not sure you would use that for private purposes, use this to avoid putting a stamp on something. Okay, so no one confused this with junk mail?

R: No.

R: No.

M: Is that what I am hearing, okay, everyone. All right. Just take a minute to look through it and we will go over what is in here.

- R: I have to say, I get tons of junk mail and tons of magazines, because I do mail order stuff, but if I had not seen the big IRS, I don't know that I would have read this closely.
- R: I opened it right away and still went up and picked up the 1040EZ from the library because I did not feel, not open it necessarily, but I get mail and stuff that looks like this and say well, I will just open it when I get a chance. If I had known this was TeleFile right away, I would have saved a trip to the library.
- R: The other thing for me, too, is my mailman delivers the mail on foot and he folds all my mail together, and sometimes stuff gets stuck to magazines and stuff. It is not like he has a truck with it all like that, he carries it on, and maybe that is why mine was flat, but it is very common for me to have mail stuck inside newspapers and magazines so.
- R: I got a card or postcard saying I was going to get my TeleFile in a few weeks.
- R: I think I did too.
- R: So, I was kind of expecting it. I did get something, I forget what it looked like, sort of a postcard, but it did say, you will receive your TeleFile in a few weeks and this is the correct address or something, and you send it, no I did not send it back, I think it was confirming my address or something, but I got something a few weeks before I got this, saying I was going to get TeleFile, because I moved last year and I did not TeleFile. Before I used TeleFile, but I changed addresses last year and could not TeleFile, but I was excited I was going to get the package.
- M: Anyone else get a postcard?
- R: Something in the mail.
- R: (All talking at one time.)
- R: It said if you file, do you want to file TeleFile, and I sent them something back, and they sent me this.
- M: Okay, let's open up the packet. What I am hearing is that everyone knew what it was?
- R: Yes.
- R: Can't miss it with that little emblem IRS on the top there.
- M: How many did what Marcus is saying, that he turned immediately to Page 7?
- R: Oh yeah.

- R: In fact, I did not even know what all the other stuff was.
- M: How many people turned directly to? Show of hands. Almost everyone. Okay.
- R: If I am not mistaken, I don't think (inaudible) I am not sure.
- R: They had it, because I got mine direct deposited.
- R: Yeah.
- R: (All talking at one time.)
- R: This is at least the 3rd year of me doing it.
- R: Yeah, I think the 4th for me.
- M: Let's look at Page 2. This might be the first time someone looked at this and that is fine. Can anyone tell me what is going on in this page?
- R: Basically trying to promote this, saying it is a lot easier than doing the other process, don't do the other process, hey give us a try, we are new, been around a couple years and basically as time goes by, it is probably going to be the thing to take the place of the old one.
- R: As I looked at it, the first thing I did was went to who can file, to see if I even qualified, I did not bother reading any of it until I knew I could even use it, and then I think I went back to the benefits before I realized why I should do this.
- R: This to me seems to be promoting the online service, and I actually went to the IRS online service because I was going to try to do it electronically, and I found that to be cumbersome and the only thing I could find my way to was sites that were charging \$20 for me to file it online, and when I found that I saw TeleFile, so I thought with the online, I thought that would have been a much easier route for me personally, but it was very cumbersome.
- R: I thought that one of the first things appearing to me was free filing, when I saw that I was really, because I always buy those Quick Books every year and do my taxes because it is in plain English, fill in Line 7 here and that stuff, and when it was free I thought, I don't have to buy the Quick Books software which is usually \$30 to \$40.
- R: Or Turbo Tax and stuff like that.

- R: Yeah, exactly, and the same thing, I thought well, maybe I will just go online and do it, because I had a comfort level that I could print them and all that and then same thing, it is like you can't file your taxes online.
- R: This says free here, it says free filing online, web site, check it out, I could not find anything free, just pay sites.
- R: The one thing I liked about, again I don't know, I sent information through like Amazon.com and the like and web sites, but I tend to feel if I got an 800 number to call, that I feel a lot more comfortable giving my information over the phone like that, rather than the web site links. The security, that was one of the things I liked, knowing that my information was secure.
- M: Anyone else think about security when they were doing this?
- R: I think at least I can call my congressman if something happened.
- M: Heather, were you going to say something?
- R: No.
- R: Were they supposed to call us back after 48 hours?
- M: Where? Okay, if you file on your computer you get an e-mail acknowledgment. Did that happen last year when you filed online?
- R: Well, what you do is, you go through your modem, I don't know how it connects from there. Quick Books and Turbo Tax is very user friendly, you don't have to deal with any papers that look like this, or web sites or anything, you just say file online now, and turn on your modem and it sends the information to whoever. I don't know and I don't care, it is taken care of. Same thing, I don't care who I called to do this, as long as it went through and someone at the IRS got it and I got a check back.
- M: How about Page 3, what is going on here?
- R: For me it is the cute girl, talking about her fiancé, damn it, no, it is Derek, sorry, and I think it is an approach to say, I am a busy person, I have got, I am getting married this summer and so forth, and just an appeal that, hey, I am one of you guys too, and I have done it.
- R: In my opinion, it is a waste of taxpayer dollars, that page, but when you look at the printed perspective they needed one more page so I did not even read it.
- R: Well, in a way I kind of agree with why they did it, because once again they are trying to relate to, I don't know what their target is as far as age range, but like,

- she is eye candy, #1, so that right there will get you, and then #2, they make a comment in there about the \$400.
- R: For some people she is eye candy.
- R: (All talking at one time.)
- R: I would rather see Derek.
- R: They should have shown both of them.
- R: Yeah.
- R: And the dog and kid or whatever.
- R: But they make a point here that is really interesting, they were talking about how her fiancé did the \$400 interest from the savings bond and saying he can't do it because of that, but when he gets out of school or whatever and he does not take out savings bonds or whatever, might be stock, and then he can use TeleFile, and I thought that was interesting, because it was basically saying, look, if you can dabble in stocks or use bonds, you better be aware that you might not be able to do this.
- R: (Inaudible)
- R: Did anyone even read this page when they got it?
- R: I didn't.
- R: I didn't even see it.
- R: (All talking at one time.)
- R: I did like Alison did and said, who can file by phone, and I did all the blocks and said, yes, I can do it and went straight to do it.
- R: Yeah, that is all I cared about.
- R: And then I read the information I needed to file, I did not care about all this, I got enough to read.
- R: Really.
- R: Yeah, I didn't read this page at all, I did kind of like the font and the colors, though, because that caught my eye, and I just kind of glanced and I thought making it look younger. Cosmic font.

R: It is definitely more appealing than the standard 1040 small print.

R: Yeah.

R: Just plain boring type.

R: And the borders and pictures. All the time getting forms like this and I never have seen a picture, this is the first time I have seen a picture.

R: Again though, the picture is not appealing to everyone.

R: Well, it can be with the smile, because they are saying it is easy.

R: Sad eyes.

R: Yeah, but I am saying it did not appeal to me the same way it did to you. I was not more interested to learn about this person.

R: If it was Derek, yeah then.

R: Or Philip.

M: Okay, let's turn over to Page 4.

R: Less than how much money?

M: Who looked at this? Five, okay. Did you actually go through it or did you just read through it?

R: I just read through it.

R: I did.

R: I just did it in my head, and then I went back later when I was ready to file my taxes and said, I can do this. I put it with all those other books I got from the IRS, but I had never seen this before either.

R: I will tell you what was going on in my head when I was looking at this, I was like, okay, please each number, please yes, you know, you don't want to have to go through it and like.

R: Yeah, you get to the bottom and you are like yes.

R: This page, I went there first, Page 9, calling for help. This is what I call, and I said they are going to put me on hold. Let me see what this thing is.

M: That is the first I have heard that. Interesting.

R: I need the help.

M: So, actually this page caused anxiety, because when you got down here you were worried that?

R: Yeah.

R: It is the stuff at the top that is the easiest, you know you are going to get through and as you get lower, you are like okay, come on.

R: (Inaudible)

M: Anything in here that was unclear?

R: (All talking at one time.)

R: I would have found it.

R: I probably would have found this if I had looked at it.

R: It stressed me out a little, annoyed me a little. I guess I have done TeleFile at least 2 or 3 times, and I know I am single and I know I can do TeleFile.

M: So, you didn't need this?

R: Yeah, I didn't even look at these numbers.

R: Is it true, does the IRS know who they are sending it to? I mean, did everyone in here get one of these and everyone could use it, right?

M: Yes. Well, they send it to people who meet the criteria from the previous year, but of course, not everyone who receives it in a given year necessarily uses it.

R: Something might have changed, right, because I thought the IRS probably knew more about me than me so.

M: Yeah.

R: How do they know who to send it to?

M: Well, they just looked at what forms were filed last year and if you had just W-2 and interest under \$400, and then the computers would do.

R: Another thing is that this caution at the top should probably be #12 of do you have a touch tone phone, do not use this, that is another thing that is a requirement. Again, it is small print, I am sorry, but I don't read that, which is probably bad. I am not proud of that.

R: They should put like a warning or something, like a little stop sign here, a caution sign, something there would make it better.

M: There are not too many rotary phones.

R: Yeah, right at #12, do you have a touch tone phone.

M: Okay, did anyone actually file using a cordless or cell phone?

R: Cordless.

R: I used cordless.

R: Cordless.

M: And it worked okay then?

R: Yes.

R: Yes.

R: Yeah.

R: Yes.

R: I think it is also a question of privacy, too, if you are using a cell phone or cordless, anyone can listen to you and again, that is just a little privacy issue, too.

R: Well, what kind of telephone that you should use, a handset phone?

M: Yeah.

R: Yes.

R: So you are not having to hold a phone and put in your social security number and listen and you might miss part of the messages.

R: (Inaudible)

R: People can hear you on a cordless phone?

R: Yeah, it is like a walkie talkie, people can listen in.

R: They got to pick up your wave though.

R: (Inaudible)

R: (All talking at one time.)

R: The one thing I liked about this page is it did have a flow chart attitude about it and said continue, keep on going down, and it has this line where it says stop, you can't do it, you might as well stop here and not go on to the further questions, that is helpful.

R: The only thing that could hurt that is, like it is almost a game in a way, makes you feel special if you made it through, but if you don't, it is like sorry, guy, you are out of luck, you have to do this.

M: Okay, so it makes you feel good if you get through it, but not so good if you don't?

R: Yes.

M: How about Page 5 on the earned income credit? Did anyone read through that initially?

R: No.

R: No.

R: It didn't apply to me.

R: That is the first question they ask you.

R: No.

M: How about Page 6. What is going on here?

R: They are just telling you how to do your routing number if you want to have direct deposited to you, and explaining where to find your routing number on your check if you don't know where it is.

R: I did like that, because I did the automatic and I wanted to make sure my numbers were exactly right when I punched it in the phone, in case that last space somewhere. I like the picture of the check.

- R: The one thing though, I thought I was really missing a page because it only tells you exactly what to do through Line G and when you use Turbo Tax you don't go through, it does not give you these descriptions that say have you, were you divorced this year, and it tells you to take this thing, it does not say federal adjusted gross income, it says take box whatever, and my W-2 does not say federal adjusted gross income, so I had to sit there and figure out which one do they mean.
- R: Yeah.
- R: Yes.
- R: Because my W-2 does not say that, and it does not reference any box or anything on your W-2, which is my understanding W-2s are standard, but when you do Turbo Tax or one of those, it says take the amount from line, from Box B and put in here, and there was no explanation exactly what that was for.
- R: One thing I realized is that when you take C and D and you add it to all your W-2s, that turns out to be your adjusted gross.
- R: Are you an accountant, see I don't know that. I am pretty ignorant when it comes to doing my taxes, I just fill in the numbers and hope that is right and hope I don't get audited.
- R: You said that when you used Turbo Tax, it said what?
- R: It just asks you in everyday language all the questions and it fills in the fields for you.
- R: I noticed that when.
- R: Instead of saying what is your federal adjusted gross income, it will say enter the amount from Box E on your W-2 here.
- R: Who, Turbo?
- R: Yeah, the little questions pop up on the computer screen and it says enter in box.
- R: TeleFile tells you what the federal adjusted gross income is, it will tell you over the phone where it is on the W-2.
- R: But when I sat down and I thought I had to fill this out prior to getting on the phone, I thought I would have to put all that in.
- R: No, you don't have to.

R: (All talking at one time.)

R: Right.

R: Like last year I used the old forms, so I had to actually go through and look at the charts, especially for these Lines I through L, you have to go through these charts, so the first thing I did was I looked at this and see A through N on here, and I go over here and see A through G, and I am wondering where is I through N, and I am looking, and it does not even, they could at least say that Lines I through N will be given to you over the phone.

R: Right, exactly.

R: Yeah.

R: I thought I just had to fill this out and then put the numbers in over the phone.

R: Yeah.

M: Okay, you thought that it calculated for you.

R: You don't have that chart next to you.

R: Part of it, too, was see this little, TeleFile will tell you the amounts to enter, I did not read that, because it is just going, what is this and this.

R: I should read it.

R: You should.

R: If they had like along this page on line 6, they would say, no, line so and so and what would be given to you over the phone.

M: Okay, make it more obvious especially for the first time.

R: Yeah.

R: To be honest, they could put it on the front page and say, you don't have to look at any tables or do calculations, and I bet more people would say, okay.

R: That is why I did it, the first year I did it and was like wow, I never did anything, so I was waiting January when they come and I am like, yeah, here we go.

R: And 1 and 2, now that I did it, I realized it is saying, Step 1 is fill in lines through D and then Step 2 is to call, and I think maybe if it is all written in 1, ABCD and

- 2, do that. It was very easy once I got on the phone. I did not have any problem at all, but I thought I had to have all this information prior to.
- R: Right. I was just on the phone doing it and I was like, oh I looked at my W-2 and thought where is that, it was just a moment of pause.
- R: But they should tell you.
- R: When she is talking to you, I think she says in Box 2 from your W-2, take this and put it here, I am pretty sure.
- R: They are real accurate telling you what to do.
- R: But they don't have the same terminology.
- R: Can I ask a question?
- M: Okay, not same terminology as the W-2.
- R: Would it have been better where they had Line E, F, G, H right here, they would like move those to the top and then move 1 and 2, move A, B, C, D down, would that have made it easier, get your direct deposit stuff at the top?
- R: That would have been better at the bottom, I think.
- R: Yeah.
- R: The bottom.
- R: I think if they had at the top something that says, before you call, do these things, and then when you call, this will be done for you. So, before you call, and even if it just says, have your W-2 ready, have this and that.
- R: I actually hung up after I called the first time, because I assumed it would be pretty easy, and one thing, that is one here is the fact that it does not state you can also do your state one. I had on state I was used to doing EZ, so I also had my state to do, so I thought, well, I am going to have to fill out state, so I actually had to hang up, look at everything, make sure I had everything together, and then call back.
- R: You should only do it once, and if you hang up, you are not going to be able to do this step.
- R: If they would have a note saying, you can also do your state.
- R: They do, it is right here, that is the problem.

- R: Yeah.
- R: Just as we all said, when most people said they turned straight to Page 7.
- R: Okay, federal and state, they should have a reminder in here saying, stay on the line or please have W-2 and your state forms available, because where it said the state, I said, gee, I could go right into state, and realized I had to hang up and get my state forms.
- R: To me bullet points are real simple, like just outline here, if it had important reminders and they had those things, don't call from your cell phone, you can file both your state and federal in one phone call, just some bullet points, reminders and maybe even incorporating this thing, this is free, secure, all those things. And then do the following steps, almost like a book, tell you exactly what to do.
- R: Even where you had one checklist on here before, have another checklist saying, items to have available, then you have your W-2, all this, so if you have your routing, if I am looking through this, it is wait a minute, I have to stop and get a sample of my check, get my routing number information, have a checklist of things I need to have with me before I even make the phone call. Then that way I can have all my paperwork here. I can do it in one sitting. Some kind of checklist.
- R: And then have all these detailed explanations behind all that, the references that walk you through in extreme detail of exactly what A means, B, those explanations and I think including explanations, even for the information that is given over the phone, like if this is the first time, they are not real clear what exactly is your federal adjusted gross income. I mean everyone around this table sounds very intelligent, but a lot of people that file their taxes, it may be the first time they are doing it, or they don't know.
- R: Or don't want to go through it, you know, and that is why so many people pay other people to do their taxes.
- R: Right.
- R: Here is another thing for me. I knew I was going to be getting a refund, but had I been in a situation where I had been borderline and not know, this does not really say you have an option for paying later, I would not want to go through this phone call and it said, oh, we are taking your money out of your account right now and I might, if I was not prepared for that, it would be a little shocking, and there is no information here to tell you that, so really I filed a couple months early, and I may have wanted to wait until later, especially if I had to pay.

- R: I owed on state, because I went through the state one and it was like, oh well, I don't know how they want me to pay for this, I denied it and I said, I will just send it in because they said I owed. I did not know how I was going to pay for it over the phone.
- R: That is the other reason I think you need explanations for I, J, K and L, because you probably do want to look at private filing, if you don't, so you really need to, some people want to calculate prior to doing that and then double check it with the system.
- M: What are your options if you have to pay?
- R: Send it in.
- R: Or you can have it deducted from your checking account.
- R: Credit card I think.
- R: Or you can do a 1040 revised form.
- R: I think if you look on this form and it says you can pay by credit card.
- R: Visa.
- M: On Page 11?
- R: On Page 11.
- R: Oh, way back here, it says if you owe money, call now and pay by April 16, it would be nice if that was on here rather than, you can usually say well, I owe money and I have to pay it right now, it is not made clear that I can wait until April 16 to pay.
- R: There is one good thing about if you do owe, at least they, I know they came in January and I got mine in January, that left me with ample time if I did owe. That is a plus.
- M: And if you have it automatically deducted in H, you have the option to pick the date.
- R: The information, everything you probably need around these 11 pages, but it just does not seem to be in the order that you would logically, step by step, this is what you need before, like you said before, gather up these documents, if you want to calculate it ahead of time, here is the stuff, and turn to Page 10 for a detailed explanation. A real easy step by step, and including the last step to be get your refund, or process the refund, or how do you pay, and that probably needs to

be the last step on this, or the last step would be verification or whatever, but if they add on the actual physical steps you have to take and then all the detail underneath there, with maybe reference pages in the back explaining what A, B, C and D are.

R: I was thinking as I was looking through this is, you have this checklist here, I was wondering if they can have a flow chart or a map that says, this is how you can call to say so we can be able to prepare when to do stuff and when to have stuff ready and in some sort of order, and showing arrows or charts or whatever to be able to.

M: So people would know what to expect.

R: Icons on this, that is true, you go through your documents, you make the phone call, you get the refund or you pay and then you verify it.

R: Right, like a little road map.

R: So you can listen to it as many times, as long as you don't have your confirmation number, they can tell you again if you miss some of your boxes, can you? Do you know what I am talking about?

R: As long as it is not all the way through, yeah.

R: As long as you have not put in your final.

R: I hung up, I did that, I called back, but then you have to go through every single step again.

R: Yeah.

R: Then you hear it again.

R: Yeah.

R: But you have to repeat every step.

R: That would be good.

M: How many people hung up during the call?

R: I had to call back.

R: The first time.

M: Yeah, tell me, Thomas why did you hang up?

- R: I hung up because first of all, I got to the point where you could be able to do your state stuff and I realized I did not have my state stuff together at the time, and so I hung up and got my state form filled out and then I redialed again and started going through the process. That is the only thing that got to me.
- R: I think I did the same reason. I think I also hung up another time because of call waiting and then called back.
- M: Oh, so someone called you when you were on doing your.
- R: I had to call back, you have to call back and start all the way at the beginning.
- R: I am writing a note saying if you don't want to be interrupted, say you are call waiting if you got it.
- M: How about you Philip?
- R: It was the same reason, the state, as soon as I heard about that you can do both at once, and like hang up now if you have that information, okay, hang up.
- R: I did my federal and then it said, if you want to do state, but you have to be prepared, and it kind of threw me off because this is my third year, I am never prepared. I have my W-2, punch some numbers, get my refund, I am finished, but they made it sound like the state was a little bit more time consuming, maybe I had to think a little bit more and I was like, I will just do it by hand and I still have not done it.
- R: I might be wrong, but if I remember correctly, I think I had to enter in my date of birth and all that, social security, general information, and then it said if you want to file state, to call back, rather than at the very beginning it said if you want to do your state taxes as well, it will be an option at the end, and I would have to punch in that information because you have to do it all again so.
- M: So, I would have to have that before you do anything?
- R: Yes.
- R: One or both, yeah.
- R: I did get a little flustered, because I put in all my information and then it said about state and have your information, and I thought, is this the same information, and I thought what else do I need to gather.
- R: Then you are concerned if you hang up, will you be able to redo it, and I don't have it, so I am going to hang up and then if I can't redo it, I will just have to send

- in the EZ, but hopefully I can redo it and I was able to redo it. Of course, I had to go through everything again.
- M: So, it was not real clear from this that you could break it off and try again, and you just went on and did that.
- R: Right.
- R: I knew you could try it again, it was just basically being prepared next time, that is the way I saw it.
- R: I think I did the same thing as Heather. I heard the message about it and I was like oh, I have to start reading, so I was like, maybe I should stop and really read it.
- R: They made it clear to you also in the, where they were talking to you saying if you continued to go through the process, and you don't have your information ready for your state taxes, it will not go through, you are going to have to do it by hand.
- R: That is what I wanted to know.
- R: Yeah, it did say that, but it said additional information, it didn't say if you have all your information for state, and I am assuming it is the same information, it is just, that is why I was saying, what other information do I need, I thought.
- R: I am trying to remember what other information you needed for the state anyway.
- R: I kind of got flustered.
- R: I think you needed, you got the federal withholding, the state withholding and state taxes, the only thing I liked about the state situation is you did not have to go through all those friggin tables.
- R: Yeah, and that is what threw me off, because I was like, enter in 2 or 3 numbers, you tell me what I get, but the way they said it for the state, it was like be prepared, I have forgotten the terminology, and I was like man, I did not even look at state, so I was more intimidated than anything, and I just did federal and stopped, and I guess I will do state one day.
- R: I got the other books, the regular books I get for the IRS and the state tax, and I thought, maybe I need to have my state book here. I think I did exactly what you guys did, and I heard something and thought, oh, do I have to fill that form out, it was not, so I hung up and read some of this.
- M: Let's look at I through N. How many of you recorded this confirmation number?

R: A couple, I did not know they were helping you fill it in.

R: I got to about the third box and (unintelligible).

R: I filled it out prior to doing it so.

R: I knew it was important to fill it out because I was like, I am not going to have any mistakes here, if they send back, if they deposit a certain amount and it is not right, I am going to have this information here stapled to the information.

M: Now did anyone not record the confirmation number? Once you finished, what did you do with this information?

R: Stapled it and put it in my file.

R: (All talking at one time.)

M: Has everyone got it where they can find it?

R: Yeah, I just put my W-2 in here with this and file it away.

R: Yes.

R: The other thing I liked about the entire process is you got a chance to get some feedback from the phone saying, yes, this is exactly what you entered, is this correct, no, you can go back and reenter stuff.

M: So, if you hit a wrong key you can reenter. How about over to Page 8.

R: I have never seen this.

M: Anyone read this information?

R: No.

R: I looked at this trying to figure out just to see if there was anything that explained, was I filling this in right, again I did not use the form correctly, but I did look through here trying to figure out what to do.

M: So you were looking for specific instructions for the form on that page?

R: Why are the general instructions after the form? Not that I have ever looked at them, but it is like she may want to read this first and then she is like, okay, I am prepared, and then have the form, rather than see the form, kind of get tempted a little to enter some numbers and then go back and look for the stuff.

R: That was the first time I saw this debit authorization, I did not see that before.

M: And it kind of pertains to what went before.

R: Yeah, with regard to having your deduction from your account.

R: Here they were talking about having information, stuff ready, the tax forms.

R: Hey, there it is.

R: (All talking at one time.)

R: When you call, have this stuff ready.

R: That is if you have to call for questions, calling IRS for tax help.

R: Yeah.

R: Before you start going through this.

M: Yeah. How about over on Page 9, calling the IRS for help, quick and easy access, access to tax help and forms?

R: I just glanced over those. I figured everything prior to this was going to be explanatory and if I ended up needing something I would refer to this back here.

R: When I was making a decision that if I had to go out and buy Quick Books or was I going to do this, Turbo Tax or this, I did read this about the personal computer, that is what led me to the IRS site that said, you know you can't file electronically through the IRS, you still have to buy Quick Books or pay the fee, so I will do TeleFile.

M: Anyone else call the IRS for help this year? Several people went on the web site.

R: I called them because I wanted to know what was, I had owed, I had like, I wanted to make sure everything was going on smooth and I could not do my personal, and they told me they would work with me with the information I was providing them, and I knew more about it than they did, they kept going through and checking each thing, and I was right the way I was telling them, and I think I was eager, I did not want to overpay them, I wanted to stop and have no problems with taxes, because I know that I will pay the tax and it stopped, but they were very helpful in telling you what to do. I called them about 4 times in a week.

M: Was that because you could not get through?

R: No, I was getting through, unfortunately I just wanted this to stop going over and I did not want to overpay, and I did not want anything to screw nothing up. I know how they operate. I was just mind boggled.

M: Anyone else call the IRS?

R: I hate to call them.

R: Me too.

M: Okay, how about over on Page 10. Anyone see this page before?

R: I saw it as I went through it. I did not pay attention to it.

M: What is TeleTax?

R: Function that we were using this form for, to be able to enter information here.

R: It is in where you can call and put in a number where you call for pre-recorded messages and all that stuff.

R: Okay.

R: This says how to use TeleTax, but it really does not say what it is or why you want to use TeleTax.

M: Okay, so that could be improved by telling you what it is and why you might want to use it.

R: Actually it does, it says check the status of your 2000 refund.

R: I did not even realize you could do that because I did not read it, it said how to use TeleTax.

M: Did anyone call and check the status of their refund?

R: No.

R: It only took, it went through so fast.

R: Yeah, mine got here fast.

R: In 10 days, okay, one operator told me it might not be for 10 days, another operator told me it takes 10 days, I am telling you it will only take 10 days, and when I checked my checking account it was there and it was not 10 days. It was

- not 10 days, it was 10 days, but then the computer can tax any of my money and get rid of the liabilities, that was done correctly.
- R: I think on the phone it actually said to wait so long before calling to check on the status. I don't know if it lists 10 days or 21 days, it might have been 3 weeks, but I never needed to call.
- R: (All talking at one time.)
- R: It was reliable to me and a true statement, because I got mine within the time frame.
- M: How about the rest of you that got refunds? How long did it take?
- R: Not long at all.
- R: About 8 days.
- R: Oh, 2 weeks.
- R: It was 10 days.
- R: One thing they mean, do they mean 10 business days or 10 calendar days?
- R: It usually means 10 business days.
- R: They don't count weekends.
- R: I think I did mine on a Tuesday or Wednesday and I had it the following Thursday or Friday.
- R: Yeah.
- R: I forget.
- M: How many of you did not do the electronic deposit of your refund? Anyone else?
- R: I just know when I got my bank statement a couple weeks after and it was already in there.
- R: I have Bank of America, actually, where you manage your money to be able to get your checking account on the computer, and I downloaded my balances and there it was there, like right away I was able to see it there.
- M: So, it is done pretty quickly.

R: The one thing I liked about it is that it was clearly marked as IRS refund when it came from the Treasurer.

R: It was not marked ACH?

R: No, it was marked Department of Treasury and I thought, wow, it really works, tells what it was.

R: Well, they say ACH-Department of Treasury.

R: Yeah.

M: If you were redesigning this form, what are some of the things that you would want changed about it?

R: The form or the whole booklet?

M: The whole booklet.

R: The forms in the back and the tables here.

R: This part with the pie charts, it is totally over my head, I am not interested in that. I would rather see something, especially when it is folded, I would rather have someone here saying the quickest, easiest way to file your taxes.

R: Yeah.

R: Really, because I will look at this now and it hurts to look at that.

M: This is required by law.

R: (All talking at one time.)

R: In that place it is required?

M: No, (inaudible) and then the privacy act thing.

R: Now does this have to be where it is located on the form?

M: No, I don't believe so.

R: If you were to put like a blurb on Page 3 where the pie charts are on the back, I would say, I would not have.

R: (All talking at one time.)

R: Take this home and put something friendly.

R: I think it is fine and very self-explanatory. It gives you the right information if you are going to be a reader and smart person, you need to do it yourself.
(Inaudible)

R: That is my...

R: (All talking at one time.)

R: Mike, is this your first time reading this?

R: You read all of this?

R: I read it.

R: I think the first time I got it, I just went and did it and have never read anything in this book.

R: Yeah, but.

R: I don't have a problem.

R: A lot of the government information needs to be there, because I know I am single and not married and have no kids, I don't need all that. I find it a little cumbersome, so I don't read through any of this.

M: Philip?

R: I think that everything in here is probably vital as far as understanding what you are doing. I just think it should have been rearranged. The way it was placed was not right at all.

R: Yeah.

R: I like this little part on the pie charts, because I am a political science major and I deal with Medicare funding all the time, so I think it is important for citizens to know how the tax dollars are spent.

R: Would you put that on the outside, the first thing you see?

R: You are absolutely right. I think I would take these marketing aspects of why this service is so great and put that on the outside.

R: After I used it I was really happy, that is why.

- R: I kind of stuck it somewhere and said, I will go get my EZ form, and had this been more clear and more inviting, I would have probably opened it, and you know.
- R: Then the first page, in my opinion, should have been, do these apply to you, yeah, that page, can you use this service and then you have your, exactly what you need to do it and then have reference information in the back with these purple headings, key terms, you know. If you need to talk to someone at the IRS, this is what you do. If you need tax forms, this is the information you need.
- R: Or some sort of like, table of contents to say Page 1 is this, Page 9 is this and page so and so is this, that would be.
- R: Yeah.
- R: I was just going to make a comment. Most people don't pay attention to the table of contents, they are just going to try to get through as quickly as they can, but on this, the main sheet, there should be something saying, if there are any problems and you need to find out any information, refer to the back pages, the back pages would be these and so, but then this would follow up all of that.
- R: For each step, have a reference for more information on Page 7, Page 8, that kind of thing.
- M: Let's look at a mockup of a comparable page to this form for future years. Now if you take one and pass it down. The first comment we always get is, I like the paper better, and the reason this paper is different is because it is a mockup.
- R: Oh, this is nice.
- M: The reason they use this is it goes to over 25 million people.
- R: Not as pretty.
- M: Not as threatening?
- R: It is not as pretty.
- M: Oh, not as pretty, okay.
- R: Wrong girl.
- R: They should have that big IRS logo right there in the corner there.
- R: The old one you open up and it is inviting, this one I open up and go, oh there is that pie chart again.

R: Yeah.

R: Yeah, there is your ad right here, there is your pretty girl.

R: I miss the logo.

R: I like the logo and I still would rather it say state and federal or federal and state, especially on the outside. I mean not that it is done this year, I know for next year, but if it is the first time using next year they may go through the same thing we went through.

R: I like the old one opening to the front page, rather than having the front page here basically. This, when I open it as mail, I automatically think of this as the back, so when I open it up this is actually the back, it is a little confusing.

M: Okay. What do you think of having this information if you receive it folded like this?

R: I have a question. Where would our name and address go? Right here?

M: That is a good question.

R: It would go right here?

R: My guess is right here.

M: Yeah.

R: But then there is like wasted space here.

R: Get another girl to advertise.

R: Have something like this is the end of it, so here is your checklist saying, have you done this before, you do all of, have you done all of that.

R: Yeah, it is kind of wasted space.

R: Is your address correct.

R: Even that, that little thing about free filing, fast refunds, security and accuracy and all that.

R: Is there any way you can find out who you are talking to on that computer, does she have a code number, that lady person there.

R: (All talking at one time.)

- R: I like how they got it 5 pages.
- M: Okay, so it is shorter.
- R: Well, I don't like how the old one has the A through whatever and this one, the old one has A through G to look at and this has nothing, so I don't want to go into this and say automatically, oh, personally what I would do, is have something I can refer to before I start filling it out, or have that security as well that I can refer to this as I am going along, and there is nothing to do that.
- M: So, you want to be able to...
- R: (All talking at one time.)
- R: Here it is.
- R: It stops at D and it is not even that clear over here. I did not even notice that really.
- R: Another thing, too, is the way TeleFile works is that you are not having to actually turn in a form, you don't have to have it all in one page, you can spread it out, you understand why they have all the explanations on one page and a form when you are turning in, you have to mail in the form, why not make it a real easy walk through, this is what you do first, why does it all have to be, it looks like you are trying to get all this crammed on one page.
- R: I mean you can do it on 2 pages saying what you need to do first.
- R: She is saying basically that it is really so small, it is almost like they are trying to pull the wool over your eyes basically. Small printed writing, this, that and the other, who wants to read a lot of stuff that is small.
- R: Think back before we had the EZ and the e-file, we had to do these long forms and we had to put all these figures down, we had to write this stuff in. I think this is very simple for us, they have shortened this for us, AGI and extended exemption in your tax book would compute this for you and back then you had to compute stuff yourself, and if you made an error your refund could be rejected and you had to wait an extra so many months to get your refund. This is short.
- R: Sure, but.
- R: It is very self-explanatory, like the keyboard.
- R: But you are a former IRS employee, this makes perfect sense to you.

R: Yes it does.

R: That is what I mean, you have the knowledge.

R: We have to read first before we go about doing things.

R: (All talking at one time.)

R: Not everyone is going to do that.

R: Not everyone is going to do it, but that is why a lot of errors are being created and it is frustrating if you make the error.

R: That is not the public's fault, it is the public's fault, but guess what, the IRS has to find a way to make it easier for them because they want their money, okay, and if you want your money you have to make things easier for people.

R: Customer service.

R: Right.

R: Exactly.

R: I think it is easy, you know, a 70 year old woman, my mother, did hers by the phone and she had no problem and I said, well, what is wrong with a 21 year old having problems with this.

R: But your mother filed taxes for 50 years.

R: I filed taxes every year.

R: So you are familiar with it, what about the people that are not familiar with it? People that are doing it for the first time.

R: The first time of course, but that is when we say, read first.

R: But if you want us to read first, put the general instructions before the forms.

R: Or make it more inviting, like the old form does have its limitations, at least it is in big print and it is easier to find what you are looking for. This, I look at this new proposed form and I feel like I am hunting to find what I need.

R: Yeah.

R: It can be intimidating.

R: Everyone is a little nervous when they file.

R: No, they are nervous when they get on the phone and what is next, I owe this money, government going to take this, oh.

R: You get a little jittery and you are looking and then yeah, small print, government, you can't mess with the IRS you know, it gets a little, you can feel a little agitated.

M: So, it is harder to find the information.

R: (All talking at one time.)

R: All I can think of is, if I don't do this right, I am going to get audited.

R: That is right.

R: That is what I think about when I fill out the forms or do anything with my taxes.

R: Yeah, 10 years later.

R: Exactly.

R: My first reaction is they are talking about the form and you go through A to D and all of a sudden, where is E, F, G and H and you have to go all the way to the back of the book to find out line with the, it does not, it is like the check is right here, and on the old form it is right here along with the, it is guiding you, I don't like the check way back here.

R: Yeah, the check needs to be right near the forms so you can just fill out your numbers.

R: Well, we do have a lot of stupid people out there, so try to get them to do that.

R: Michael, I agree your point is valid, people should read it the first time they are doing their taxes, they should, but it is not user friendly. If I read this thing cover to cover, it is still not going to help me when I sit down to do this. I may be like oh yeah, I read somewhere about that, but it is not user friendly so that someone is less intimidated to sit down and file their taxes. I used an accountant forever because I could not figure out the packages, and I think I am reasonably intelligent.

R: There is no rhyme or reason to it.

R: And what you just said, you do have a valid point, let's say you do read it, I read this and I would still be confused.

- R: Why?
- R: Day to day mind, you know what you make.
- R: We are not talking about me, we are talking about every individual, we are representing everyone right now, okay, that has to file.
- R: Yeah, an 18 year old, a 17 year old.
- R: I'm sorry, I am representing me.
- R: I mean, hey, you have to read first and the package is very self-explanatory. She is going to tell you what to write down.
- M: Okay.
- R: That is why I said when I got this, I liked it because I was on the phone and I say, when I am looking for help, I want someone to talk to on the computer, but this 800 number, that is who I call, then I call that number to see and then I call back again when I am ready.
- R: See, how I would like to see it is, I see they are trying to eliminate space by getting rid of this one page checklist to this small checklist here and remind you, these are my first set of bifocals and I don't know how easy it is for everyone else to read.
- M: Everyone got that, that this, that page is now at the top.
- R: If we are going to follow form by form, I like you can eliminate that who can file by phone right there, I would like to say, okay, you can file by phone, have this information available, your little checklist right now, these are the forms, your state form, your W-2 forms, whatever stuff you need to have available, and then going to the instructions with your TeleFile tax record, with that check there to show people where to look on the check for your routing information, and then maybe on the back of the form something about earned income credit, or maybe have a form, have your earned income credit here, and have the form itself here. That would be my two cents.
- R: I would like to say one thing. Michael says it is very self-explanatory, you read through it and the woman just tells you where to write down, but that does not say that anywhere in here. The only place that it says she will tell you any of the amounts is on the tax file record, that is the last thing you are going to do, you are not going to do that when you are filling it out.
- R: Right.

- R: So, if I went all the way through this, it is not going to tell me until I am actually looking at this and start doing it.
- M: And if you were doing it the first time, that might be confusing?
- R: Yeah, very.
- R: Yes.
- R: Yes.
- R: I understand.
- R: And the natural instinct for a taxpayer is, I need to sit down and figure out what my taxes are and then I tell the IRS, it is not oh, the IRS is going to give you what you owe us, because that has never been the case.
- R: Right.
- R: I mean I am 35 and have been filing taxes since I was 17 and they have never told me, oh this is how much you owe, or this is how much you have to pay, it has always been, I calculate it and hope and pray it is right and I don't get audited.
- R: And they should use that as a marketing tool, put that on the front, you put 2 numbers in and they will tell you how much you are getting or if you have to pay or something like that.
- R: Let the IRS tell you what you owe.
- R: And then you won't screw it up and if you do, it is their fault, not ours.
- R: Another nice thing about this previous one is the things we all seem to like are real easy and visible, much larger font, 12 point font should be standard for people that, I mean my boss won't let us do anything less than 12 point font anymore, but is maybe just shade in purple the sections you would actually be interacting on the phone, so those people that have already done this can skip all the explanations and go, this is what I do, okay now move to Step 2, so that the actual part you interact in is highlighted so that everyone can see it. Again, I don't think you have to cram all of this on one page and spread your instructions throughout. I think you can put your, this is what you do, follow this, see if you qualify, do a little research, go to the back of the book for more information, and then do this before you call, when you are on the phone, do this and important reminders, maybe on the front or something, and then if someone walks through it, this isn't work, but we keep it anyway, it is only 4 pages.

- M: Okay. Let's capture some of these ideas on the flip chart. We have talked about some of this, but give me again what is different about this new package compared to the old one that you used this year. Differences.
- R: The fonts.
- R: The fonts.
- R: It looks, the best way I can describe it is no frills, it is a no frill form. The old form has a lot more touchy feely attitudes toward, but this new form is no frills.
- R: A little colder yeah.
- R: No frills, colder, and it is back to the old way of doing business.
- R: I feel like they are trying to make it more inviting by cutting stuff out and making it shorter, where I think they kind of are defeating the purpose where it doesn't flow. The old form may have had more pages, there are things that are good, it is not getting rid of information that is the thing they need to do, which is what this seems like they are aiming at, it is getting rid of stuff. I think it would be better to just make the information they have flow better.
- R: Yeah, and the example of the check with the routing numbers, you want that.
- R: They made it smaller, but they put it in the back.
- R: I like the areas where...
- M: Okay, is this the difference we are trying to capture, we are trying to capture what the differences are, okay.
- R: Yes, you would only highlight the small, yeah.
- R: One thing, there are icons on the other, again it is more user friendly, it has the form, it has the phones, the telephone number hardly appears on this other form.
- R: Really.
- R: You have to do a little more reading.
- R: I liked the icon with the phone.
- R: I like on the old one you open up to the front page, instead of opening up to the back on the new one.
- R: Right.

R: We respond to pictures, do not mail, that is very clear, that little icon does that.

R: Yeah, symbols.

M: Any other differences?

R: The idea is, right off the bat it says 10 minutes, that would be an inducement for me to get my taxes done in 10 minutes.

M: So, it does not tell you right off?

R: No, I can't see it.

R: I like on the front of the new one where my address is, it says TeleFile, because I associate TeleFile with more rapid and easier to use thing, as opposed to the old one.

R: It also has the same form that the 1040 has, the same format, you know how you have the line going through the booklet and everything, so it reminds you that, okay, this is IRS, you are used to that.

M: And the new one does not look as much like that.

R: Yeah, you don't have that same look. There is no look. There is no IRS insignia, you know.

M: Okay. Any other differences?

R: Someone may have said this, that this little list of benefits is not really in here.

R: The one thing that we keep discussing on the old one that is list of benefits, that whole list of benefits is more electronic filing, it does not even have anything to do with TeleFile.

R: Yeah, that did kind of throw me, because I did look and I was like, what is that there for.

R: When we first started discussing it, we are all comparing it to TeleFile when it does not have anything to do with TeleFile.

R: Some of those benefits do apply to TeleFile, free filing.

R: Yeah.

M: And of course, TeleFile is considered more of electronic filing.

R: Not the way it is described here.

R: Yeah, you think of e anything, you think of...

M: Any other differences?

R: The one thing I feel is claustrophobic, the walls are closing in again.

R: Yeah.

R: What?

R: To me it is getting more like the standard 1040, where it is not at all inviting.

R: You know, on Page 6 of this new version, at the bottom there it says, expecting a refund, expecting to owe, it is a little bit, that is not really clear again, that step by step would be, it is interesting how they laid that out what to do.

R: You got big print up there.

R: They should keep the big print.

R: On the old one it really does not say, be in the same format, expecting a refund, this is what you do, expecting to owe, that is what I mean. It is not broken down like that, right.

R: You got bigger print up there?

M: Yeah.

R: This is a different format.

R: I can see the reason why they have to have these 2 forms, the 855 at the end because it makes it easier to tear these numbers out at that point.

R: As much as this girl is worthless and not necessary, what it does is it makes it more inviting. I look at it like just an ad in a magazine I would want to read, and I would glance over it, but it is something that makes it more inviting. This, there is nothing in here that makes it inviting.

R: Yeah. I don't know if I liked the girl so much, and I really did not read these front pages, but I did like the font and it did seem friendly.

R: Yeah, it did not feel as official.

R: It does not scare you, that is what the IRS always does, is scares you, and I was not that scared.

R: It is written as almost a marketing or customer friendly for sure, as opposed to, oh my gosh, here is the IRS telling you what you have to do.

R: The whole thing about it is that people get scared around tax time, I know, especially new people that are learning how to do this, make it to understand in some sort of fashion.

R: It just kind of tells you, you are screwed.

M: Okay, it tells you?

R: You are screwed.

R: You are right.

M: Okay. Let's look at our list and revisit each of these and decide whether it is, from your perspective as a group, a desirable change or an undesirable change. Okay, no frills, colder, is that desirable or undesirable?

R: Undesirable.

R: Undesirable.

R: Undesirable.

M: Okay. No list of the benefits of using TeleFile such as was on the old Page 2. Is that desirable or undesirable?

R: You mean from a taxpayer's perspective?

M: Yes. Thinking about what you have seen in the 2 forms, do you think that?

R: I think it is undesirable.

R: Yeah.

R: I want to see the benefits in using this.

R: I want to know what my benefits are.

R: It could be a little more concise than they were here.

R: Yeah, like on the outside, I already know I am going to be saving time, and that I am by using TeleFile as opposed to another way.

R: What does this have to offer me?

R: Right.

R: No incentive to change to TeleFile from your regular.

R: Right, to where the current one naturally gives you a reason to do it. Here it is, just like fill this out and that is it.

M: So, know what is the benefit to you.

R: You would almost think that now you have to do it by phone or something, you got this and it did not tell you this was your choice.

M: The 12 point font, but this one is smaller.

R: The 12 point one is desirable, the smaller one is not.

R: Right.

R: Yes.

M: How about too compact?

R: Undesirable.

R: Undesirable.

R: Undesirable.

R: Cramped.

R: Yeah.

M: Okay. Looks like the old way of doing business?

R: Undesirable.

R: Undesirable.

R: Undesirable.

M: Does not flow well, for example, the check routing numbers on a different page?

R: Undesirable.

R: Undesirable.

R: Undesirable.

M: The whole issue that it is not as friendly looking, it is more official looking?

R: Undesirable.

R: Undesirable.

R: Undesirable.

R: Same as claustrophobic.

M: Claustrophobic?

R: Undesirable.

R: Undesirable.

R: Undesirable.

R: Anyone got a pair of scissors, maybe we can cut out.

M: Okay, no icons?

R: Undesirable.

R: Undesirable.

R: Undesirable.

M: More like the standard 1040?

R: Undesirable.

R: Undesirable.

R: Undesirable.

M: Phone number hard to find?

R: Undesirable.

R: Undesirable.

R: Can I go back to that, more like standard 1040 and, that is conflicting, because it can be undesirable, but then it can be desirable, because it familiarizes you with it.

R: So, they can go either way.

R: Right.

M: Okay.

R: You know how to fill out a 1040.

R: To me, the 1040 was never desirable in the first place, so.

M: Phone number hard to find?

R: Undesirable.

R: Undesirable.

R: Undesirable.

R: Undesirable.

R: Yeah.

R: I mean, they have it like the TeleFile logo up here and, but it is really easy to find right here.

R: It is really small.

R: It is buried in here.

R: Oh, it is in that logo?

R: A lot of people won't see that.

R: (All talking at one time.)

M: Does not include the sections on what to do if you have to pay, if you get a refund? It is not clear?

R: Undesirable.

R: Undesirable.

R: Undesirable.

R: Does not include sections.

M: Okay, let's see, opens to the back?

R: Definitely undesirable.

R: Undesirable.

R: Undesirable.

R: Undesirable.

M: Does not tell you that it takes 10 minutes?

R: Undesirable.

R: Undesirable.

R: Then it is going to be less.

M: TeleFile in a folded cover?

R: Desirable.

R: That is the only thing to me that is more desirable, that I know this is TeleFile and it will save you time.

M: And the new cover does not have the IRS look? Desirable or undesirable?

R: Doesn't matter really.

R: It doesn't matter.

R: It should have some type of reference, like this is the IRS.

R: I think it should have the logo.

R: The logo and this is TeleFile.

R: Just that it does not have that emblem on it.

R: I think it should definitely have that.

R: And the TeleFile logo too. You want people to see.

R: (All talking at one time.)

R: You want to know it is official, so you don't throw it away, but you also want to know that it is easy and something inviting, something you want to do.

R: You definitely want to see the government logo and you want to see TeleFile.

R: They could ideally, with this blank space, they could use TeleFile, they could actually shrink a lot of this stuff down on this one page, and put that in this page right here, and have that, that way you know it also opens it up to that, and they could also put some blurbs, maybe even shrink this down to half of here and put a checklist down in here. Open it up and there you are.

M: That is a real good list. Okay. Let me ask a couple more questions. How many of you personally made the phone call to do your TeleFile return? Okay, everyone did. Let me pass out these pads real quick. On your pad, what I would like you to do is write down the maximum amount of time that you think is tolerable to complete a TeleFile return, and I am talking about the time on the phone, not any preparation time. What is the maximum amount of time that you think is tolerable? On the phone.

R: Actually doing your TeleFile?

M: On the phone. Now draw a line under that, and thinking now not about the maximum, but the ideal time, what amount of time do you think would be ideal to spend on the phone doing your TeleFile return? Let's start with Mark. What did you have for your maximum?

R: The maximum I put 15 minutes on the phone.

M: Thomas?

R: I put 10 to 15, but I will go with 15.

M: Well.

R: 15.

R: I went with 5.

R: I said 15.

R: I said 15 as well.

R: I said 5 to 7.

R: 15.

M: How about the ideal?

R: 10 minutes.

R: 10, but I like to have the IRS read my lines and get it done before I call.

R: 5.

R: 3.

R: I said 5 to 8.

R: 10.

R: 10.

R: 10.

R: 5.

R: I could not do 5, I need closure.

R: You need reassurance.

M: Now currently, the IRS provides a toll free number, an 800 number, to do your returns. Would you be willing to pay the long distance charges to do that yourself?

R: No.

R: No.

R: No.

R: Keep it as it is.

R: Could they give me my money the next day?

R: Really.

R: That is my money, I still have to pay to get it.

R: I would pay \$3 to get my refund the next day.

R: Extra money to file my taxes, you are paying taxes, you know.

R: No.

R: For the refund?

M: No, it is free now with the 800, would you be willing to pay the long distance charges?

R: I would do it, but I would resent it.

R: (All talking at one time.)

R: That is like having to put a stamp on this and having it sent, same thing.

R: Depends on how long it is going to take, if you have to hang up and call back.

R: Out of the question.

M: Okay, we have had that same reaction everywhere.

R: Personally, if they had an IRS branch in Atlanta, it would make sense that you could dial up and not have to pay anything.

R: I would still pay not to stand in line and get my money quicker. We are talking what, 10 minutes and do it after 11, you are looking at a \$3 call, if I could get my money the next day, I would definitely pay \$3 to get my refund, but if I have to wait 10 days, no, keep the 800 number.

R: But a lot of other people who don't make long distance calls would fear that a little bit.

R: Right.

R: Or don't have long distance.

R: It would interfere, it would deter a lot of people.

R: It would be irritable, irritating.

M: Okay, so.

- R: The thing about the 800 number is you can do it from anywhere, you can call from a friend's house, if you are staying with relatives, yeah.
- R: A pay phone.
- R: Or on vacation, if you have some time on vacation to get taxes done, or if you realize you are going to get a refund and you are about to go on vacation, you are going to be able to get that refund in your account, and you would have enough for vacation money.
- R: Yeah, because you would definitely have to think, I guess some people would use their long distance carrier. I make my long distance calls from my cell phone, so I know I could not do that.
- R: I agree. Why should I have to pay, it is bad enough that I have to pay this just to get my money back.
- M: Let me ask another question. This year the IRS introduced the self-selected PIN, the personal identification number, or the do it yourself PIN, for all the electronic filing products, except TeleFile, and of course TeleFile you had on your label the customer service number, which you put here and had to have in order to do your taxes. Now to use that self-selected PIN, taxpayers have to have 2 pieces of information from their previous year taxes, and those 2 pieces of information are the total tax and the adjusted gross income. Now how many of you keep your tax returns from a previous year and would readily have that information available?
- R: I do, but I would not want to fish for it.
- R: Yeah, I was going to say.
- R: I could not tell you where it is, but I have it.
- R: I file it away and think okay, this is where it is if I am going to get audited. I don't want to have to refer to last year's taxes to do this year.
- R: Yeah, that would scare me.
- R: I have all my tax files in a file for years.
- R: I have to wait until my W-2 came in and then I was ready, I did not have to go to the basement.
- R: Tax should always be available, because if you go to purchase a home you have to have a couple years of taxes.
- R: I have it, pull it out, but why should I try to make it easy.

M: Sounds like everyone has got it, but some people could find it more easily than others.

R: Now, my question that I am curious about, and it just occurred to me, is the customer number the same each year or does it change?

M: I believe it is the same, but the IRS assigns it. I will check on that, but it comes from the IRS.

R: But if it is the same every year, we were assigned our social security number and if this is a taxpayer, like another identification number, we have PINs and passwords galore, this is just another one that we can't remember.

R: But you only use it once a year.

R: I am not going to remember.

R: Why can't the last 4 digits of your social be the PIN number.

R: Too many people with the same last 4 digits.

R: Oh really?

R: Yeah.

R: It could go based on your name also, even though the last 4 digits might be the same, you would still have a different name.

R: Since working at Delta and I work in the ??? department and we assign PINs, and bad idea, people do not keep track of extra.

R: It could be Smith with 0033 last, you are talking about millions of people.

R: With the Internet and with banking and the whole 9 yards, I have a spread sheet on my computer that keeps track of all the passwords and user ID's and so forth.

R: The customer number is fine.

R: Plus again, it is on this piece of paper, I don't have to go looking for it.

R: Really.

R: It is in one place.

M: Is there anyone who would prefer the self-selected PIN?

R: Forget it.

R: Now, self-selecting means we would choose, you pick it yourself?

R: You pick it yourself.

R: Choose your own number.

R: But you need to be able to have last year's pieces of information to verify?

M: To verify.

R: Yes, that is right.

R: You only use it once, maybe 3 times in the same week and then you are done.

R: Yeah.

R: Let them supply it.

R: It sounds like a good idea, but the only problem I guess you could see coming from that goes back to what you said, like if you decided to come up with some numbers, what if someone else came up with those numbers and they would be like oh, you can't use those numbers, you have to come up with another number.

R: Right.

R: Something else to deal with.

R: Yeah.

R: The advantage of having it in here is that it is separate from your actual W-2 and everything, if someone gets a hold of your W-2, I don't know what the advantage is of someone else doing my taxes would be, but it is nice that you have them separate, so it is a self-selected PIN, I would feel more secure actually having it on the form that I am going to do, that I already know I have that form and that number is being provided for me. I would feel less secure if someone else had access to putting something in.

R: Right.

M: If you will stay for just a minute more, I am going in the back and see if there is anything else they want me to ask you and I will be right back.

R: Do we get to see who is behind the door?

M: Not usually. (Moderator leaves the room.)

R: Pay no attention to the man behind the curtain.

R: Or woman.

R: They have some eye candy back there.

R: Come on out.

M: I have one question and 2 clarifications. If the order on this new one could be changed more in accordance with some of your suggestions, overall would you prefer the 8 pages or the 12 pages?

R: 12 pages.

R: I don't care how many pages.

R: I don't care.

R: I just need 2 pages.

R: Less pages.

R: Less pages.

R: Well, 12 pages is still thinner than the other IRS thing, so...

R: I don't read them, so it does not matter.

M: How many would prefer the 8 pages, assuming the flow were more acceptable?

R: I don't care.

R: I don't care.

M: I am only going to ask 2 choices, between 8 and 12, so?

R: It doesn't matter.

M: How about 12?

R: That should be right.

R: Does not matter.

R: I just realized that if you have 12 pages, that means the print is going to be larger for you to read.

R: More pages, big letters.

R: But as a taxpayer, the best way is the better.

R: Yeah.

R: The person interested in ecology says, save a lot more trees.

M: Okay, just quickly. This half of the page was reserved for marketing, but they have not decided what it might be, some kind of marketing information similar to...

R: The picture of the girl.

R: Yeah.

R: (All talking at one time.)

M: Okay, the final point is, the customer service number is different each year, but of course you have to have it in order to do TeleFile.

R: As long as it is in the forms.

R: Right.

M: Okay. That is it. You have been a super group and I appreciate your coming tonight.

R: Thank you.

M: Give yourselves a hand.

R: Yeah.

M: Just leave them. I will take care of that.

R: Thank you.

R: Nice meeting everyone.

R: Nice meeting you.

R: See everyone at the bar.

R: Yeah, really.

Appendix L: Transcript – Atlanta TeleFile Non-users

**IRS TELEFILE FOCUS GROUP
NON-USERS
ATLANTA, GA
MARCH 23, 2001, 8 PM**

M: Intro . . . I am going to ask you just to identify yourself by first name only and tell us what your occupation is. Tell us how you filed your taxes this year and if you haven't done it, how you plan to file them.

R: I am Gwendolyn. I am an administrative assistant. I plan to file the same way I always do.

M: Do you know which form you are going to use?

R: I think the 1040 EZ.

M: Okay.

R: I am George. I work at the Post Office. I do the 1040 EZ form.

M: Thank you.

R: My name is Paul. I am a schoolteacher and I will probably do mine online.

M: Thank you.

R: My name is Tim. I was working for an insurance company until a couple of days ago. I am now working for Home Depot. I am going to file my taxes with a 1040 EZ.

M: Great.

R: I am Debra. I work for CAP schools. I file mine through the mail with the 1040 EZ.

R: My name is Giselle. I do medical billing. I did my taxes on the web.

R: I am Kim. I work at Emory University. I have not filed my taxes. I use a 1040 and I am going to try and do it online.

R: My name is Carl and I am a service manager. I am going to file probably a 1040 EZ.

M: Did anyone here recall getting a package from the IRS, a mailing this year that was a TeleFile package?

R: Yes.

M: Who remembers getting one?

R: I got that.

R: I didn't get that. I got an e-file thing.

R: I got that.

M: How many folks got that? All right. Now Paul may not be a good one to answer this, because he has got it there and I will bet that he has looked through it. But those of you who received it, tell me what you remember about it?

R: Honestly, I threw it in the trash. I was like what is that?

M: So you really didn't know what it was so you just tossed it. Anybody else?

R: The same. I mean we are not real familiar with it. I think that it is the first year that it came out. Right.

R: No.

R: Well, it is the first year that I have seen it.

M: And that doesn't mean that you have received it in previous years. It was available.

R: Most of us are used to the old way. I use the 1040 EZ and that should do it.

M: Okay you didn't know what it was. Let me pass these out. This is the package that was sent out this year.

(Moderator passes out materials.)

M: Let's just go through this page by page. Most people received it like this in the mail, with a sticky on it. It was folded in half. Actually, look at that. Those of you who are seeing it for the first time, and even those who recall it, what is your reaction to that?

R: I don't like to see that.

M: Anything else?

R: The color threw me off. The purple.

R: It doesn't identify what it is. I would have just thrown it out.

M: Okay, because it is not clear?

R: You get so much junk mail every day.

R: Exactly. It does say, do not throw away, but we don't look at that.

M: And, of course, if you turn it over you see this.

R: I think if you saw this, I might have looked at it.

M: Okay this thing, the cover when you open it up. What do you like about this cover?

R: Free.

R: Two easy steps.

R: Ten minutes.

R: Exactly.

M: If you have never heard of doing your taxes on the telephone before, does that tell you that you can do it on the phone?

R: Yes.

R: Yeah.

M: Let's turn to page two. What kind of information is it giving people here?

R: It is just telling them that it is the fastest, most accurate way to file your tax returns. Then it just goes about filing faster and faster refunds.

R: It just gives you the benefits.

R: Also the second one from the bottom, you can have it directly deposited into your account.

R: Well you know, I was skeptical, because mistakes can be made. I just like to be sure about things. Until it has been proven amongst other people that you talk to, I really wouldn't. I am a little skeptical.

(All talking.)

R: Maybe I would have to read it then.

R: I have done that for the last two years. The check is in there and it is fine.

R: I just did it before. It always goes in there.

R: So this is basically for the easy method. I mean if you had a lot of deductions, could you use it?

M: No you couldn't use it. It is an electronic telephone version for the EZ. How about page three? What about on there?

R: It is targeted to the young audience. It is a young girl. To the young people that think they can file online. It is a new way to pick up the new generation of people that are filing. They are young. She is with her fiancée, they are saving cash.

R: I wouldn't even read that page.

M: Carl, would you have read that page?

R: No.

R: I would have figured it was a testimonial.

R: Why are you asking Carl? Because he is a guy he is going to look at the girl. Why don't you ask the girls?

(All talking.)

M: Any other information on this page? She talks about TeleFile, but how about her fiancée there?

R: He says he can't file.

M: Derrick doesn't qualify. Page four, Who Can File By Phone.

R: I would probably read each one just to see if I qualified and see if I could do it by phone.

M: Let's see Paul, you are the only one that remembers getting the package and didn't throw it away. Did you get inside here at all?

R: Nope. It didn't even make it into my intentions. It was in my wife's car. It didn't even make it into the house.

M: Is this sort of information helpful?

R: Yeah.

R: I would have probably read this and determined if I could have used it before I went anywhere else.

M: Is everything here fairly clear?

R: Yeah to the extent whether you can use it or not.

R: You answer yes or no. If you answer yes, to any of these certain questions you are boom, kicked off the island basically.

R: Exactly.

R: It is pretty simple. It says continue. You can go on from there. If you say no to a certain answer or whatever, then you need to stop. You can't file by phone.

M: How about page five? Earned Income Credit. Would this be helpful to you if you were trying to do TeleFile?

R: I think for me I already know that. I think that you would probably know by now, if you have been filing taxes awhile, if you were eligible for earned income. Unless a law changes or something that would make you eligible, I wouldn't pay really much attention.

M: Anybody else? Everybody has much the same reaction?

R: Yes.

R: Yes.

R: I think if you highlighted that tip a little more people would try and find out what the earned income is if they didn't know. That is basically telling you what it is.

M: How about page six and seven, because they kind of go together? What is happening on page six here?

R: The print is too small.

M: The print is too small on which page?

R: Six.

M: On six, okay. What is going on here?

R: What is that A, B, C and D?

M: A, B, C and D what do those refer to?

R: On the other page.

R: That is the different forms.

R: Different forms that you can use.

R: Or what to put in essentially.

M: E, F and G if you want the electronic payment or electronic refund. For that information, go here. And then if you do owe, H is how to pay it electronically. Then what date you would like to have it taken out.

R: Can you run that by me again? What day?

M: If you, in H here, if you have to pay additional taxes and you want to have it withdrawn electronically.

R: Okay. I thought that you were on page six.

M: Well, we are moving around here a little bit. Okay how about the sample check at the bottom of six? It goes over to page seven.

R: That is if you want it. You have your refund directly deposited.

R: E, F, and G.

R: Okay got you. I wouldn't have done it. It takes too much time. I like my electronic thing.

R: Some people, if they have questions, they can look at this page and then they can refer to the right page.

R: Okay.

M: Anyone else?

R: I agree with her. If they had told me to look at page seven, I would not relate page six to page seven.

R: Yeah.

R: Yeah, that would help.

R: Or make a note on the left-hand side to say, this is going to page seven.

R: If you need further explanation, refer to page six.

R: You should put a heading on it. Maybe just instructions for the next page.

R: Right. Exactly.

R: It is on there you know, but we are just not looking at it. It is not standing out.

R: Really they should go to seven before six.

M: And the other thing with TeleFile is, when you enter A through D and you have your checking account information if you want direct deposit, that is where you stop. Then you make your telephone call to this number and then there are prompts. A voice asks you to enter on your telephone each of these pieces of information. And then after you have done that, items I through M essentially are calculated for you, and you just write those down and then you confirm that, yes I do want to file my taxes this way. You are given a confirmation number down in N.

R: It is calculated on the phone for you?

M: Uh huh.

R: I through L? I mean what about this?

M: Yeah, all that information is calculated for you based on the information you put in here. So those boxes you would have to fill out as a taxpayer.

R: You would stop at this?

M: Right.

R: Wait a minute. So after you complete all this, from A through H, you call this phone number, and then based on what the IRS has on your W2 forms . . .

M: What you key in?

R: What you key in, okay.

R: Your income.

R: You have to key all that in before you actually make the call.

- R: Well, just write it in and then you enter it.
- R: They will be talking to you.
- R: I think she was thinking, and maybe I am wrong, but I think she was thinking you just called and it automatically knew . . .
- R: That is what I thought she said.
- M: No, it doesn't know anything.
- R: It has to be based on your income.
- M: So essentially it is another way of filing a 1040EZ. The other piece of information that you have to have is up here on this corner, your customer service number. That is something that would be on the label that comes with this. So if you don't have a label that has been sent to you from the IRS, you can't pick this up and file. It is just sent to people specifically.
- R: You mean who can file this way?
- M: Yes. Of course, that is not to say that in any given year something might change and you might have interest, or you might have this couple over here who got married and pushed their income up over, or something like that. So that is essentially what it is. Then if you notice down here it says don't mail, so you don't mail anything. Except if you decide to mail a payment, then there is a little thing on that page if you don't have it deducted automatically, and that is the one piece that you might mail. Paul, do you like it?
- R: Yeah, that is good.
- M: What reaction do the rest of you have to this? Is that something that sounds like a way that you might want to use to file your taxes?
- R: Basically if you really kind of look at it, it basically seems really pretty simple. You are basically filling out the form. Then you are basically keying in information. That is for people who don't have to pay. But people who owe the IRS . . .
- R: Or the EZ form, because I can't do this form. I guess that is why I didn't get it in the mail.
- M: Well, we had some people in other groups who wanted to know how much they needed to pay or how much they were getting back, and they would make the call and go through it. Then it tells you if you are going to have to pay or how much

- your refund is, but then you have to confirm yourself on file and then hang up. They find that out until they are more comfortable with that information.
- R: So as long as you don't confirm it basically it wipes it out?
- M: Yeah.
- R: Okay.
- M: And the other thing I, s you can also file your state taxes at the same time. That is offered as an option, and you can either take it or not take it.
- R: I think it would be good, but I think like, on the front page it should say, for people that don't have interest over \$400 or just to get through to people so they know if they can use it or not without even looking at it. On the front cover it should say this is sent to people who are single.
- M: You can be married, yeah.
- R: Well, when you are married you have a lot more deductions. You can itemize. Like he said, mainly for single people that don't have a lot of deductions. But if the front cover said that, you would know whether you could use it or not. Some of us in here might not be able to use it. I probably could have. But \$400 interest, I mean you can accumulate that in a year if you have different savings plans or whatever, IRAs or whatever.
- M: So more people may be using this next year.
- R: Yeah. I like it. I mean as far as the quickness. A lot of people when they look at it don't know if they can use it or not.
- M: Okay, they don't know what it is. Tim, what were you going to say?
- R: Basically the same thing.
- R: I think some of the benefits of filing this way . . . like I am not sure that these things that they pointed out on page two are the best things to represent the positiveness of filing this way. You know, like the free filing part and the fast refund. I think it is the ease of only having to complete these eleven lines that make this beneficial, and not necessarily it is free, or that it is fast, or that it is paperless. Do you know what I am saying? I think that you are emphasizing the wrong things.
- M: Okay. Let's go to the flip chart and let's pick up on that idea. If you were going to persuade someone to do this, and put down some messages that you were going

- to put into the booklet for next year, what are some of the things that you would emphasize?
- R: I think it is good. It says free, fast, paperless. I think it is really good.
- R: But it doesn't say easy. It doesn't say like, eleven steps. You know what I am saying?
- R: Yeah, it could have a little more of the easiness.
- M: Okay, it doesn't say easy and that could mean different things?
- R: Yeah.
- R: Yeah.
- R: Less than 1% error and things like that. You know within two days if they accept it.
- M: Now that is on the online filing. You have the two days.
- R: They use the e-file example and that has nothing to do with the TeleFile. Unless I am reading it wrong. That is what I got, the e-file. It is not the same as the TeleFile. That PIN is not the same. You don't use the PIN number that they are talking about here for this. Why put this in here if it doesn't? You know what I am saying? The only reason why I know is because I got the e-file. You have the e-file information and you are sitting here looking at TeleFile, you are thinking that all these things are applying to this one thing and it is not. It is not.
- M: And, of course, e-file to the IRS includes online filing, but also TeleFile is considered.
- R: But they should differentiate and say there are different methods. They don't say it on this paper.
- R: Yeah because everyone has a phone. Not everyone has a computer.
- R: That is true.
- R: Well, most everybody.
- R: They should say e-file for phone or computer online or whatever.
- R: Right.
- M: Any other advantages?

R: I think page three is better used by listing some of the stuff that makes you ineligible to file, instead of talking about giving the lifestyle story. I am really not interested in her story. I am interested in the message her story is trying to deliver. So give me the message.

R: Disregard that.

R: I don't need to know that it is her fiancé. You can just tell me that they have more than \$400 interest and they can't use this form.

R: Also, with this picture, it could be more helpful if this picture was more or less depicting the positive things of e-file. She is smiling and she filed by phone and got a refund in ten days. Something like that.

R: This whole story, this whole page doesn't need to be there.

R: If you are going to do this and list all the reasons why all the people can't use this form, I don't need this little story.

R: It could be like, can I use your phone? I want to do my taxes. There would be a bunch of people sitting around.

M: In the group that we just had, someone mentioned that one benefit was that you could do it from any phone. With the 1-800 number you could do it. Anything else that you could think of that might be emphasized in the brochure or in the packet?

R: As far as?

M: Encouraging people to file this.

R: How easy it is without all that. I mean, some of these are good ideas to be honest. The ease is the thing. To try and get the younger people.

R: I was just noticing on this back page. I don't remember the other one, the forms from last year, if you could actually use your credit card. I guess that you could use your credit card if you owed and it is charged to your account.

(All talking.)

R: We don't know anybody that has done it. I don't know if anybody else has. But just that improvement.

M: Would it help if they said x million people did it last year?

R: Yeah. Some feedback.

R: If they want something like that personal on that page, then here. Or something like that.

R: I think it would go a long way to prove.

R: Use part of page four for a case study. Or where you are listing the eleven steps. Not the whole page.

M: Okay. So those are good. What about some very general instructions? Not necessarily having to do with this form, but if you have other questions. At the top you have the authorization. At the top of page nine.

R: So you could do it April 15th if you wanted.

M: And then on nine you have some sources of information. How are you going to contact the IRS? Have any of you ever had occasion to call the IRS?

R: Yes.

R: Yes.

M: Well, tell us what happened?

R: Of course you have to wait a long time.

R: A long time.

R: And I pretty much . . . I think it really depends on the person you get and what kind of day they are having. The person I got was pretty easy. They helped me to do what I needed to do and take care of what I needed to take care of. I couldn't say that I had a bad experience with the IRS except for paying money.

M: Okay, you got through and you got the information that you needed?

R: Uh huh.

M: How about you Giselle?

R: What I was doing with that e-file thing and I needed something . . . my return from last year. They gave me a telephone number to call for the return, which should have made it easier, because that would have given me the PIN number. I stayed on the phone for a very long time, and then I got an operator and he couldn't help me because the computer was down and he was in California or something. They told me to call right back and I may go to another location. I

did that, and eventually what ended up happening is I printed the form to send in and just sign in.

M: You gave up.

R: Yeah basically. I couldn't get the PIN number. That is why my taxes are unfiled now. I couldn't get the PIN number to do it.

M: Do you have the information that you need now to get the PIN number?

R: I just printed the form. I just haven't actually sent it yet, but I printed the form that I signed and then mail in. I have never got the actual information for the PIN number. If there was like, even with that, if there was a way that you created your PIN number from your Social or something like that. Instead of having to find out about last year's thing, then that would be easier.

M: Has anyone been on the IRS website?

R: Uh huh.

R: I avoid that.

M: All right. Over on page ten. TeleFile. This is just a way . . .

R: Okay, this is the one that you can call in. Like say, if you file your income tax and you could call and see if they have processed it or whatever, and when are they going to mail it. Yeah, I have done that before.

M: And then you can also get information on various topics.

R: You just use like the four last numbers of your Social Security number or something.

R: That is what it is especially for? Just to find out if it has been done?

R: Yeah, your status.

M: Other than this, is there anything in here that is unnecessary?

R: That lady on the page.

M: This lady?

R: Yeah.

M: Anything else?

R: How long has this been going on? This TeleFile?

M: Well since the late or mid-nineties.

R: Nineties.

M: And it sounds like this is the first that a lot of people have heard of it.

R: Right. Right.

M: Anything else in here?

R: I mean what is this really telling you? By looking at it?

M: Oh, you would pick on that one. That is required by law to be in all the taxes, the pie charts.

R: I could look at it and say, what does it mean really.

M: And the other piece required by law is this. Okay. For the 2001 tax year the IRS is thinking about simplifying this form, and I have some prototypes that I would like you to take a look at.

(Moderator passes out information.)

M: One thing about this that I will mention is that everybody says oh, I like this paper better. Well, the reason why is because this is a prototype. So I will mention that right off.

R: It is more expensive paper?

M: Yeah.

R: Why are they upgrading? Using the taxpayer's money I guess.

M: No. This is just for the prototype.

R: A prototype can be used for the real thing.

M: It comes like this in the mail. What is your reaction to it?

R: I would open it up and I would put it with all my stuff that I need to do my taxes. Everything is in there. Whatever you need. Use it. If not, give it back to me when you finish.

M: Do you think that people would be less likely to toss this?

R: Yes.

R: Oh yeah.

R: Uh huh.

R: Yes.

R: It is clear right there.

R: It comes folded?

M: Yeah it comes folded.

R: Oh, no junk mail.

M: Okay, let's look at this and tell me some of the differences that you notice between this version and the one that we have just looked at?

R: This looks like more of a government form. No frills on the side. Just right to it. No pictures smiling at you. And the headline right to the page.

R: It says that you can file by phone and then it goes through the instructions. It just basically walks you through it. It isn't like you have to read this big thing and what the heck is going on here.

R: Yeah.

R: It is something where you pretty much know what is going on.

R: You know if you qualify. That is the main thing. If you don't qualify, then put it away.

R: It looks more like some of their other stuff. Like when you open the book, the form is there and the other stuff. It tells you that these are instructions. It talks about line A. It took a lot of our suggestions without asking us first.

R: Do they have the check thing?

M: Yeah the checklist is . . .

R: Oh it is back here.

M: It has gone from this to sort of a bulleted format.

R: I like this one best. It is easier to follow for me.

R: Much better.

R: It is not as confusing.

M: What else do you like about it?

R: It has that page, that e-file page that we were talking about.

R: It is less confusing.

M: So it is not as confusing, page two.

R: Time is a premium these days. People have things to do so they don't have time to go through all that. Most people are not going to take the time to go through the book and read and try to figure out if they understand this. This is really directed to the form. It is very short.

M: Do you think that it would encourage more people to do it?

R: Oh yeah.

R: Yeah.

R: Less to read.

R: And even on the back it is so simple. It tells you how to prepare your payments. Where to send them to and everything, it is simple. They emphasize payments for a reason.

R: There is also less pages, right?

M: Uh huh. How about this page? Do you like this better than or less than?

R: I like this one better.

R: Better.

R: Better.

R: Better than.

M: Okay better than the old one?

R: Yes.

R: Definitely.

R: You can tell the difference as far as the paper quality. It stands out more.

R: It is appealing to use.

R: I like this one.

R: If it were up to me, I would keep it the same. Why use more money? There would be less pages though. I don't know. The government shouldn't be upgrading their paper.

M: This is just a sample for the groups.

R: You said prototype.

M: Well okay, by prototype I meant an example.

R: Okay. There is a difference.

M: How about over on page six? This sample checklist located opposite the form.

R: Yeah.

M: What do you think of locating this here?

R: I like it.

R: I like the way that it kind of explains. It says how it is directly deposited to your account or savings account. Then it kind of explains. Then on the other one it just basically kind of told you or it didn't even tell you that.

R: I like the part about the refund and they have the check there.

R: It just says if you want your refund directly deposited, complete E, F and G.

R: Yeah. Yeah.

R: But it needs to be moved up further in the document, because it still is like, on the corner it tells you if you don't know what your routing number or check number is, or you get to page seven before you try to figure that out.

M: It is harder to find?

R: You are saying it should be on page two for an option? It is on page three. You have E, F and G.

R: Why do they think that Earned Income Credit is so important?

R: It is for some people. They can't use TeleFile.

R: Okay.

M: Let me go back to the flip chart, and let's summarize some of the differences between this version and the older version.

R: Presentation.

M: Okay presentation is different.

R: More appealing.

R: This paper, yeah, is more appealing.

R: It looks more important. The cover makes you pay more attention to it.

R: You end up knowing what it is.

R: More to the point.

R: Yeah, opposed to this.

R: It gets your attention quicker. Don't you think?

R: Uh huh.

R: Yeah.

R: It is condensed.

M: Overall, it is condensed.

R: I think it is easier to follow.

M: Other differences?

R: Organization and information.

R: It looks more efficient. It looks like a government document.

M: Anything else? Anybody else? Okay, let's look at the differences here and see if we can't reach a consensus as a group on whether these differences are desirable differences or undesirable. How about the more appealing presentation? Is that desirable or undesirable?

R: Desirable.

R: Desirable.

M: Cover looks more important. Makes you pay attention and tells you what it is.

R: Desirable.

R: Yeah.

R: Uh huh.

M: It is condensed. Is that desirable or undesirable?

R: It is desirable because it is condensed to information that we need. They took out all the little pictures. It is shorter.

R: You can read it.

R: It is desirable.

M: Easier to follow.

R: Desirable.

R: Desirable.

R: Yeah.

M: Organization is different?

R: Desirable, because as a result of reorganizing the information you are better able to follow it. So the two tie together.

M: Everybody agree?

R: Yes.

R: Yeah.

M: How about looks more official?

R: Yeah.

R: Yeah.

R: Desirable.

M: Okay, all desirable changes.

R: I was just saying the government must haven't really realized that advertising does a lot. Compared to this and this, which one are you going to keep?

R: Yeah.

R: That second one.

R: I mean you get these types of things in the mail all the time. And you know me, I just toss them in the trash. I don't even look at them. You see IRS and you say wait a minute. But it is in the corner.

M: Okay, we talked about TeleFile a little bit and explained what it is. What would it take for each of you to use TeleFile in the future?

R: For me personally, is when I don't have to pay the government money, then I will use it. I mean like before, I owed them money but I used to have it directly deposited to my account because I like it that way. Whenever it is in there, it is in there. It is not like I am waiting for this money. I have to have this money. Whenever it shows up in my account it is nice to have the extra money in your account. With this method, it seems like it says within ten days the money would be directly deposited into your account if you choose that way. I would most definitely use it.

M: Okay, so that is persuasive to you. You are shaking your head yes.

R: I couldn't use it. I itemize.

M: If you didn't have to itemize?

R: Then I would definitely use it. It seems like something that would be right to the point and quick and easy, unlike many of the tax things that we have had to deal with in the past. I really dread filling these things out.

M: Anybody else?

R: That is the thing. A lot of people don't know if they can, and if you know you can, I would definitely do it. Ten minutes and the modifications they did on this sample, I would sell it to the younger audience. But the older generation, married people itemize and they can't. I would definitely use it.

M: How about you Gwendolyn?

R: Pretty much the same thing. I guess that would be it. That would make me want to use it. The speedy refund.

M: Okay, the quick refund.

R: Yeah. Instead of using the mail.

M: How about you Carl?

R: I guess word of mouth. Somebody that it has worked for. I have known somebody. If the IRS set up a help desk, like in malls and stuff, they could do the same for this. It is five years old and this is the first year that I have heard of it. All the stuff in this first one really was just advertisements and stuff. The testimony, that is what they ought to do. Get it out. I don't know if the IRS advertises or not, but they had a help desk and they could do the same thing with this.

M: That would be a fairly low cost way of getting the word out.

R: Right.

M: How about you Kim?

R: If I could, I would. It is easy enough. I mean I do everything . . . I mean if I could I would because it is self-explanatory. It is easy enough.

R: I like Carl's point. It could be even easier if they just went with what you made to someone in the mall and said, this is what I made and they did it for you. I mean, that would even be easier. Walk through it one time and then that should give you the idea.

M: How about you Giselle?

R: I couldn't use it, but it would be just as fast. It is definitely fast.

M: Deborah?

R: If I could, I would. It would be a lot easier, but I couldn't use it.

M: I want to pass out these pads. What I want you to do is write on your pad the maximum amount of time that you think it should take to do TeleFile. Not including preparation time. This is just the maximum amount of time on the telephone to actually do it.

R: What I would spend on that?

M: Yeah, your opinion about the maximum amount of time . . .

R: And I would feel good about it?

M: Yeah. The maximum amount of time.

(Respondents write answers.)

M: Why I asked you to write on the pad is, if you ask a question like this, and I looked at Gwendolyn and she said whatever time and then persuades . . . Under that number, if you would write not the maximum amount of time, but what you would view as the ideal amount of time to spend on the phone doing TeleFile. The first is the max and the second is the ideal amount of time.

(Respondents write answers.)

M: Right now the IRS says that it is averaging 11 minutes.

R: That is it. Eleven minutes.

M: But again, it depends on how many W2s you have. In one of the groups the other night, we had someone who had six W2s, so obviously it took him longer. Let's go around the table and tell us the maximum.

R: I said fifteen minutes.

R: So did I.

R: Thirty.

R: I said fifteen.

R: Sixty.

R: Fifteen.

R: Fifteen.

R: Five.

R: Thirty.

M: How about ideal?

R: Ten.

R: I put five.

R: Fifteen.

R: I put five.

R: Forty-five.

R: Ten.

R: Five.

M: Did anybody notice in here there is an 800 number, a toll free number that is given and that is the number that you use to call and file. What would people's reaction be if the IRS did not offer that 800 number and you had to pay long distance charges to make that call yourself?

R: No.

R: No way.

R: It wouldn't happen.

M: Okay.

R: I want them to call me.

R: No way.

M: In addition to the TeleFile product that we have been discussing, and this is obviously through the IRS and its partner companies offering online filing of tax returns. I just wanted to ask how many of you had access to the Internet? So almost everybody. How many of you were aware of the fact that the IRS partners with some companies to offer free online filing? Three. At this current filing season, the IRS introduced the self-selected PIN, personal identification number, or the do it yourself PIN, for all of the electronic filing products except for TeleFile. This is the situation that Giselle ran into. In order to select a PIN you have to have two pieces of information from last year's tax return. Those are your

adjusted gross income from last year and your total tax from last year. I want to ask how many of you could readily find that information?

R: I had my W2's but I didn't have my . . .

R: Oh, you didn't make copies.

R: I just couldn't put my hand on it when I was looking for it.

M: So that was last year's tax return?

R: Yeah.

M: If you had a choice, assume that you were going to file TeleFile and you were eligible to do so. Would you rather have a self selected PIN and have to find that information to obtain it. Or would you rather have the customer service number that appeared on the label and you just take it off and put it on there?

R: When you say . . .what did you say the first was?

M: Self-selected PIN.

R: Oh, in other words they select your PIN?

M: Yeah, right now.

R: No, I would like the one you fill out.

M: Who would like to have the self-selected PIN? Knowing that to get the self-selected PIN you have to have those two pieces of information.

R: It is complicated. It really is.

R: You get it off the label.

R: Or do they send it to you?

M: That is really all I have, but I want to step back here and see if there are any other questions that they have to ask you, and I will be back in a minute.

(Moderator leaves room.)

M: Okay just one more question, and it is directed just to some of you. As we went around the table, it is obvious that some of you can't use TeleFile because of your circumstances. But yet we recruited you from lists of people who had gotten a TeleFile package. What I wanted to ask you, was whether there was something in

your circumstances that had changed compared to last year that you might have been eligible last year but you are not eligible this year.

R: I got married. Ball and chain now.

M: Who else?

R: I read everybody's IRS mail in our house and my daughter actually got it.

R: I remarried.

R: I don't know why they sent it to me.

R: I could have done it. I am not going to send the government any money quicker than they need it. I don't rush it.

M: Anyone else that couldn't use TeleFile?

R: Yeah I couldn't use it.

M: Has anything changed in the last year?

R: No.

M: Well, that is puzzling. Okay. Thank you so much. I appreciate your coming out tonight.