STATISTICAL INFORMATION SERVICES AT IRS: IMPROVING DISSEMINATION OF DATA AND SATISFYING THE CUSTOMER

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Beth Kilss and David Jordan

Statistics of Income Division, U.S. Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608

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IRS's Statistics of Income (SOI) Division conducts statistical studies on the operations of the tax laws and publishes annual reports on corporations and individuals, the quarterly *SOI Bulletin*, an annual research report, special periodic reports and compendiums, and the annual IRS *Data Book*. The IRS World Wide Web site provides users an easy option for accessing these reports and other SOI data and also serves as a conduit for releasing other IRS information. Periodic news releases to the mainstream media announcing key products raise awareness of the data SOI makes available to the public. SOI's Statistical Information Services (SIS) office, comprised of statisticians and economists, has emphasized top-quality, customer-focused service throughout its 14-year history and strives to provide timely, accurate, and well-documented guidance on the availability of SOI data and other statistical services.

This paper will provide an overview of SOI efforts to improve and expand data dissemination. In the first section of the paper, some background information about the SOI Division and its Statistical Information Services office is highlighted and outlined. The second section discusses recent improvements to SOI's web site. The third section looks at innovations in data dissemination through the web site, the SIS office, and news releases. In the last section, some results from a recent survey of SIS customers are presented, along with how SOI is using these results to identify problem areas and improve customer service.

Background Information

Congress created the Statistics of Income Division nearly 90 years ago in the Revenue Act of 1916, some 3 years after the enactment of the modern income tax in 1913. Since that time, the Internal Revenue Code has included virtually the same language mandating the preparation of statistics. Section 6108 of the Code currently states that "…the Secretary (of the Treasury) shall prepare and publish not less than annually statistics reasonably available with respect to the operations of the internal revenue laws, including classifications of taxpayers and of income, the amounts claimed or allowed as deductions, exemptions, and credits."

SOI's mission is to collect, analyze, and disseminate information on Federal taxation for the Office of Tax Analysis, Congressional Committees, the Internal Revenue Service in its administration of the tax laws, other organizations engaged in economic and financial analysis, and the general public. Its mission is similar to that of other Federal statistical agencies--that is, to collect and process data so that they become useful and meaningful information. However, SOI collects data from tax returns rather than through surveys, as do most other statistical agencies. These data are processed and provided to customers, in the form of tabulations or microdata files. Although the IRS uses SOI data, the primary uses for SOI data are outside of IRS, in policy analyses designed to study the effects of new or proposed tax laws and in evaluating the functioning of the U.S. economy.

Throughout its long history, SOI's main emphasis has been individual and corporation income tax information. However, growth has occurred over the years in the nature and number of studies undertaken. In addition to individuals and corporations, SOI Division also conducts statistical studies on partnerships, sole proprietorships, estates, nonprofit organizations, and trusts, as well as special projects or studies of international activities. In 1980, the SOI program consisted of 26 projects; now, in 2003, the SOI program consists of over 60 projects. While the number of projects has more than doubled over the past 20 years, this growth has been accompanied by even larger increases in the amount of data extracted from the various tax and information returns during that same timeframe.

SOI Products and Services.--Statistics of Income information reaches thousands of outside tax practitioners and researchers, State and local governments, the media, the public at large, and staff within the IRS itself through SOI's published products and electronic media. SOI user inquiries come from a wide array of interests. The detailed income and expenditure data provided on tax and information returns are highly regarded and more reliable than similar survey data because there are penalties for misreporting. SOI information is published in the quarterly *Statistics of Income Bulletin,* which contains four to eight articles and data releases of recently completed studies, as well as historical tables covering a variety of subject matter; separate annual "complete reports" on individual and corporation income tax returns, which contain more comprehensive data than those published in the *Bulletin;* and the annual *Corporation Source Book,* which presents detailed income statement, balance sheet, and tax data by industry and asset size.

Other SOI publications include special compendiums of research, which are published periodically on such topics as nonprofit organizations and estate taxation and personal wealth, and research articles, published in a series of reports, usually annually, which document technological and methodological changes in SOI programs and other related statistical uses of administrative records. More recently, SOI Division has become the publisher of the Internal Revenue Service *Data Book* and the IRS Office of Research's annual research conference proceedings.

The IRS World Wide Web site offers easy access to these products and other services free of charge at www.irs.gov/taxstats. More specifically, at this site, users will find a combination of files presenting tax-related data on individuals, corporations, and other entities; articles about SOI data; information about SOI products and services; and non-SOI products, including the *Data Book,* Compliance Research projections, and nonprofit Master File microdata records. At present, over 1,734 files reside there.

Statistical Information Services Office.--Over 14 years ago, SOI created its Statistical Information Services (SIS) Office to facilitate the dissemination of SOI data and reports and respond to all data and information requests. This office was established as a direct result of the management study mandated by the Office of Management and Budget Circular A-76 process in the late 1980's, which required SOI Division to determine its "most efficient organization." The establishment of the SIS office was one of a number of recommendations coming out of the A-76 process. Within 2 years of the decision to centralize responses to all data and information requests received in SOI, the SIS office opened for business in early 1989.

During the first 5 years, there was a steady increase each year in the number of telephone and written requests for SOI data and publications. Little by little, the SIS office began to establish a reputation for always providing an answer or at least a referral to someone who could provide an answer. In the midst of building up reference materials, setting up a library, and training new staff to help handle the growing workload, the technologies available were also changing. Word processors, typewriters, photocopy machines, and telephone were the main tools used to support this work at the beginning. Fortunately, within a few years, a computerized system for tracking and recording all customer requests was designed and implemented. The system is periodically updated and refined to keep pace with the changing functionalities of the SIS office, and it is used to permanently record all requests received, invoice customers for reimbursable products, and generate various reports about customers and their requests.

In more recent years, SOI has expanded the SIS function to better serve the public, first, by means of an electronic bulletin board (in 1992), and, more recently, by participating with the rest of IRS on the World Wide Web (in 1996). As electronic dissemination has grown dramatically, the number of written and telephone requests has declined, but questions that do not lend themselves to answers over the Internet have grown more complicated.

The current SIS staff handled nearly 2,800 information requests in Calendar Year 2002, and an equal number in Fiscal Year 2003. During FY 2003, about half of the requests were received from e-mails and faxes, while about 47 percent were over the telephone. The remaining requests were from letters or face-to-face meetings with "walk-in" visitors. The top three groups of requesters responded to directly were: consultants (22.5 percent), private citizens (17.2 percent), and other IRS offices (9.3 percent). After these categories, the next most frequent requesters were: universities, corporations, State and local governments, Federal agencies, and the media, accounting for about 31.0 percent of all inquiries. The remaining requests (about 20

percent) came from students, nonprofit organizations, associations, law firms, accounting firms, Congress, banks, foreigners, and public libraries. While in recent years the overall level of direct requests has stayed fairly constant, Internet downloads continue to rise, which has enabled SIS staff to focus on more detailed research for customers seeking material not available from the website. Many requests involve duplication of perhaps 25 or more years of historical material that is either not available all in one place elsewhere, or only available in hard copy. As always, any data provided, whether published or unpublished, are distributed free of charge, except for certain reimbursable products, which are sold to recoup dissemination costs.

Improvements to SOI's Website

Not so long ago, delivering customer products and disseminating SOI data electronically meant providing data files on several magnetic tape reels or on diskettes to customers for use on their personal computers. In June 1992, the Division took a major step toward disseminating its data electronically when the SOI Electronic Bulletin Board was established. By dialing up the EBB, users had access to SOI files (primarily tabulations from *SOI Bulletin* articles, data releases, and the historical data section), files from IRS *Data Book* tabulations, IRS Master File microdata records of exempt organizations, and documents containing projection data produced by IRS's Office of Research.

Four years later, in the fall of 1996, a select group of SOI and other IRS products became available to the public in the "Tax Stats" area of the IRS home page. Initially, the site included over 700 files, which have more than doubled to 1,734 files currently. This year alone, 259 new files were added, including new unpublished files. SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including annual IRS *Data Book* tables, Compliance Research projections, and nonprofit Master File microdata records. Improvements to the website have been slow in coming over the past 7 years, in large part due to the fact that SOI Division does not have direct control over the site, although recently this has begun to change. One major improvement is that SOI is able to upload files and make changes to the site within 30 minutes, whereas previously, the Division was forced to go through several channels to update pages, which could take 1 or more weeks.

More dramatic changes are on the horizon, although the extent of those changes to Tax Stats remains to be seen. However, the future looks promising because the SOI Director commissioned a Tax Stats Web Advisory Group--an inhouse team of Internet-savvy staff members working with several members of SOI's Consultants' Panel--to investigate various options for improving the site design [1]. The group is evaluating the current Tax Stats website and recommending changes to improve accessibility, visibility, other important aspects of web design that enhance the site's capabilities, and overall effectiveness as a medium of data dissemination.

During FY 2003, the group evaluated the effectiveness of other U.S. Government statistical websites and dozens of corporate and organizational sites and gathered the first ever data on customer satisfaction as part of the survey conducted by SOI's Statistical Information Services office, which is discussed later in this paper. In the near future, the group has plans to survey two specific user groups--the National Tax Association members and the Federation of Tax Administrators [2]. The Web Advisory group also helped develop prototype pages to experiment with content organization and layout, presented examples of prototype pages to the Consultants' Panel members of the group for their feedback, and began to work with the outside contractor who manages the website to develop the taxonomy for organizing all irs.gov web content.

The following is a list of some of the specific enhancements that the advisory group is proposing:

- Develop a Tax Stats-specific search engine.
- Add database and query capabilities so customers can create their own tables.
- Add scripting capabilities to support dropdown boxes, online surveys, and other functionality.
- Identify the Tax Stats portion of irs.gov as SOI Tax Stats.
- Allow SOI to use a greater variety of formats, font sizes, colors, typefaces, and graphics on all pages.
- Allow the addition of a shopping cart so customers can select a number of different files before downloading.

Looking ahead, the goals and objectives of the group are to:

- Continue development of prototype pages and eventually solicit feedback from other external users regarding effecttiveness.
- Continue evaluating whether capabilities within the current irs.gov environment are sufficient to satisfy distinct customers' needs.
- Schedule writing classes to train SOI staff to "write to the Web."
- Explore alternatives that would give SOI Division more control of site management.

The Advisory Group has an ambitious agenda, but progress is being made. This group is moving ahead with plans to conduct usability testing on proposed changes next March, which will allow them to develop guidelines for creating improved web pages by June, and begin programming new pages by next summer.

Innovations in Data Dissemination

Data dissemination is an important part of SOI Division's mission. Webster's Dictionary defines disseminate as "to scatter widely" or "to spread out," which SOI has been able to do more successfully in recent years because of new technologies. Improved technologies have also allowed SOI to increase the amount of data produced over the years, as well as the speed with which they are produced, but these increases have also served to increase the expectations of users. Several innovations have been implemented in the past few years, and some quite recently to improve dissemination of SOI data. This section looks at innovations in data dissemination through the website, news releases to the media, and the Statistical Information Services office.

- **IRS World Wide Web.--**If all proposed improvements discussed above and others yet to be decided are implemented, the Tax Stats portion of the IRS World Wide Web site, www.irs.gov, will greatly improve SOI's ability to disseminate data online. Recently, intermediate steps have been taken to enhance data dissemination. For example, SOI's Webmasters used a different format to post *SOI Bulletin* material on Tax Stats. Instead of executable files, for each article or data release, there is now a PDF file for the entire article (including tables), plus separate links for each of the Excel tables.

  In addition, SOI's Webmasters have changed pages on Tax Stats that relate to the *SOI Bulletin*. They have added links and a separate page for the historical tables/appendix of the *Bulletin*, changed the "landing" page for the *Bulletin*, and added new pages for each issue of the *Bulletin*. These small steps will go along way toward improving data dissemination--the historical data are now easier to find, and the table files on Tax Stats are much more user-friendly.

  Perhaps one of the more notable improvements during FY 2003 has been SOI's ability to make its published products available sooner because of a new printing contract. SOI staff now deal directly with their contract printer as opposed to many layers of other IRS and Government Printing Office staff. Furthermore, turnaround time on printing has improved to 2 weeks or less compared to 1month or more. Hand in hand with this improvement is the more timely placement of *SOI Bulletin* articles and data releases on the Web because of improvements in, and more control over, placing files on the Web as noted earlier in this paper.

  Another fairly recent improvement to the Website is the addition of the Tax Stats Dispatch mailing list to which users can subscribe to receive announcements about new products and services, which currently has around 3,000 subscribers.

- **News Releases and Other Marketing--**SOI Division has an abundance of tax-related data and information available for use by the general public. It is a unique data source that is well-known in the tax community and in the Federal statistical data arena, but is not commonly familiar to the public as, say, Census data are. In addition to increased awareness of SOI data, which has resulted from their availability via the Internet, the SOI Division is taking further steps to promote the use of its data through other means. Within the past year, SOI staff began working with the IRS Media Relations office to improve news releases to the main-

stream media, when a publication is about to be released to the public. News releases are now being written to focus on one or two things that are of interest in a particular publication. They are shorter and to the point and designed to attract the attention of a wider range of journalists. In particular, SOI is trying to get the attention of more than just the *Wall Street Journal* and *The New York Times*, i.e., the Associated Press, Bloomberg, Dow Jones, Reuters, and *USA Today*, for example. SOI has also taken steps to expand news releases to cover other publications, products, and services beyond just the quarterly *Statistics of Income Bulletin*, which, for the most part, has been the only publication announced to the media. SOI Division staff are also asking in current and future publications for a specific citation when SOI data are identified with the hopes that repeated "branding" of our products and services will raise users' awareness and improve SOI's visibility as a producer of financial statistics from various tax and information returns. IRS Internal Communication Division is also helping SOI to expand the visibility of SOI data within the IRS itself by using multiple communications tools to make Service-wide IRS employees aware of SOI and what it has to offer.

- **Statistical Information Services office.--**The SIS staff is constantly working toward improving its ability to disseminate SOI products and services more quickly to more customers. The Web improvements already discussed have reduced the number of routine calls received by SIS staff, enabling them to improve response times and followups on more complex calls, which require research. SIS staff members can provide more data electronically on diskette or CD-ROM because of improved equipment to produce them. In addition, better mechanisms are now in place for responding to e-mails received via the Tax Stats Website, which are forwarded to the SIS office, where SIS staff are able to respond more quickly. However, to ensure a better understanding of what SOI's customers need and want, and to enable those responding to customer inquiries to continually improve service to the customer, SIS staff conducted their first customer satisfaction survey in 2003.

Statistical Information Services Customer Satisfaction Survey

SOI Division has employed a variety of methods over the years to elicit customer feedback and expectations and to share that information with SOI staff so that they can improve service to the customer on many levels. One method to receive customer feedback about publications was through a user survey, which was included in certain publications. Another way to deal with concerns and expectations of the professional user community at large has been through the SOI Consultants' Panel (which SOI Director Tom Petska discussed in another paper in this session)--one of several forums that SOI uses to make long-term improvements in availability and accessibility of SOI information [1].

Other customer feedback has been received through formal meetings with users, a notable example being the Public-Use File Users' Group (also mentioned in the Petska-Kilss paper) and the Statistical Information Services (SIS) office through informal conversations with users. More recently, however, customer satisfaction has become a major part of the Internal Revenue Service Mission Statement:

> "Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all."

To help achieve that mission and assess how it is perceived by those it serves, SOI Director Tom Petska has given his full support to the use of customer satisfaction surveys to evaluate SOI effectiveness as a data provider to its customers, including the Office of Tax Analysis and the Joint Committee on Taxation, which were first surveyed in 2000, and then the Bureau of Economic Analysis, which was first surveyed in early 2002. In late 2002, Tom requested that SOI further expand its survey efforts to include those SOI customers served by the Statistical Information Services (SIS) office. Thus was born the SIS Customer Satisfaction Survey, which was completed in late August 2003.

This survey, developed last fall by two of SOI's mathematical statisticians, Kevin Cecco and Diane Dixon, in close consultation with the authors of this paper, was approved by the Office of Management and Budget (OMB) in December 2002. A month later, SIS staff began implementing the survey, which they planned to give to a total of approximately 400, or 1 in 4, customers. These customers were being randomly sampled from among the daily roster of calls and e-mails, including requests from consultants, corporations, the media, academia, State and local governments, and other Federal agencies.

The survey period was originally set for January through July 2003. However, with six people sampling customers, there were difficulties keeping track of a sample rate of 1 in 4. Therefore, in order to increase the total number of customers sampled, SIS staff decided to extend the survey by 1 month.

Throughout SIS's 14-year history, staff has emphasized top-quality, customer-focused service and striven to provide timely, accurate, and well-documented multimedia products. They now hope to use the survey results to identify problems as well as successes and incorporate those results into plans for improving customer service. In particular, SIS staff hopes to evaluate its effectiveness as a data provider. The survey questions (17 of them) dealt with communication, characteristics of staff, opinions of products, and overall satisfaction, as well as timeliness, completeness of information provided, and usefulness of the Website. Surveys were either faxed or e-mailed to sampled customers, and results were expected to help SIS:

- Determine if SOI products/data satisfied customer needs.
- Determine if SOI products/data were received timely.
- Determine if SOI's Website is user-friendly and what would make it more so.
- Determine the type of media customers prefer for receiving SOI data.
- Determine the type of new products customers would be interested in receiving.

Results from the Statistical Information Services Office Survey.--The following is a summary of results from the survey:

- Total Surveys Distributed…….288
- Surveys Completed…..……142
- Survey Response Rate…….49%
- Respondents Who Were First-Time Customers……...……45%

Additional Results from the SIS Survey.-- Much has been learned from the survey. SOI mathematical statistician Diane Dixon analyzed the results extensively and met with the SIS staff to help interpret them. The question on overall satisfaction, for example, showed that customers are generally satisfied. About 87 percent rate their overall satisfaction as "very high" or "high," while only 3 respondents, or 2.3 percent, rated their overall satisfaction as "low" or "very low." It also appears that 35 percent of respondents learned about the SIS office from the Tax Stats website and that 45 percent of respondents were first-time users of SOI's Statistical Information Services office. Of those surveyed, the largest customer groups were Federal, State, and local government employees, consultants, and other researchers. Other more open-ended questions showed that customers want to receive notices of data releases, and an overwhelming percentage want to have access to downloadable files on the Website.

There is more to learn from these results, and over the next few months, SIS staff will carefully sift through them to plan improvements to customer service. Planning is also under way for another customer satisfaction survey in 2004. It is expected that the survey will continue on a regular basis because of SOI's strong commitment to its customers.

Summary and Conclusions

IRS's SOI Division is a world-class statistical organization with an abundance of tax-related data, which are available to the general public. Although these data are being disseminated widely, there is much more that can be done to broaden the distribution of available information. SOI is continuing its efforts to improve customer service, increasing its efforts to raise awareness about SOI data, working harder to make its data more accessible to users, and expanding efforts to disseminate its products and services more widely than ever before. This paper has been an overview of recent developments and provides a brief glimpse of activities to expand the customer base. It is hoped that by making this presentation at a professional conference such as this, SOI will be introducing even more ana-

lysts and researchers to the rich body of statistics so readily available from the Internal Revenue Service, and, with a bit of luck, it may even get suggestions for further improvements to give those products and services the audience they deserve.

Notes and References

[1] Petska, Tom, and Kilss, Beth, "Recent Efforts To Maximize Benefits from the Statistics of Income Advisory Panel," paper presented at the Joint Statistical Meetings, San Francisco, California, August 2003.

[2] The current irs.gov environment will not support online surveys, but that will be changing very soon. Once it does, the Web Advisory Group plans to survey Tax Stats users on a regular basis.