

# ClearlyBetter

A publication committed to identifying, developing, and promoting effective communication tools for organizations and individuals

Center for Clear Communication, Inc.

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## Plain Language at Work

# IRS Takes the Challenge to Improve Tax Forms

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**T**ax forms have long been at the top of many people's lists of complex, exasperating documents. Understanding that if they could develop easy-to-understand forms and instructions, IRS staff knew that they could reduce errors, streamline processing, and lessen the frustrations of thousands of taxpayers across the country.

And, after two years of persistence, they did just that.

IRS just unveiled a newly designed and rewritten Form 941, *Employer's Quarterly Federal Tax Return*, which employers use to report wages, as well as Social Security, Medicare, and income taxes collected. Taxpayers will file the new version for the first time at the end of this quarter, relieving the tension for some 6,600,000 employers who file more than 23,000,000 copies of this form every year.

### Why did IRS redesign the form?

In this project, IRS tried to accomplish several goals:

- Reduce the burden for small business owners, especially for "Mom and Pop" shops who fill the form out by hand and do not hire outside taxpreparers;
- Simplify the form and instructions to reduce the number of errors that taxpayers make on the form;

- Reduce the number of notices that IRS sends to taxpayers as a result of those errors;
- Maintain the level of compliance; and
- Streamline and improve internal processing, thus reducing transcription errors and costs for handling the form.

### How did we conduct the project?

With IRS's Office of Taxpayer Burden Reduction leading the effort, we collaborated with a team of IRS experts from various departments throughout the agency. At different times during the project, the team also sought feedback from the tax professional community and the public.

During the project, we:

- Interviewed a wide range of subject-matter experts;
- Reviewed error reports and IRS research reports;
- Gathered critiques from outside sources, media, publications;
- Raised questions about every line to determine if it was needed, how it was used, and who used it;
- Designed, redesigned, revised, revised, and revised again;

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Before

- Conducted one-on-one cognitive interviews with a small sample of taxpayers; and
- Revised again.

During the final phases of the project, IRS conducted focus groups as well to make sure that taxpayers agreed that we were on the right track.

### How did the form and instructions change?

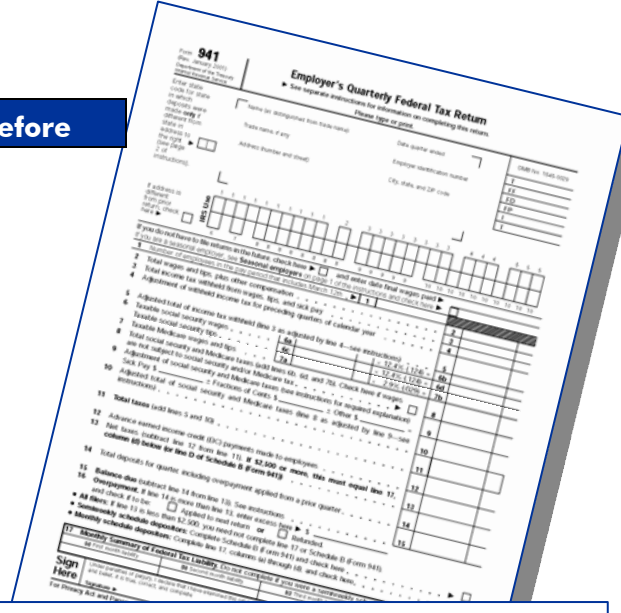
Since we started from scratch with the analysis — identifying all the data elements and questioning their relevance, as much as possible, we threw out the old design and created an entirely new look and feel for the form. On the new two-page form, we:

- Screened the background to highlight entry spaces (most helpful to those who fill the form out by hand);
- Segmented the content logically, dividing the information into manageable parts that give users a sense of structure;
- Designed the form to comply with new scanning equipment (The old form was processed manually. Since the redesigned form will now be scanned, the IRS predicts that the number of transcription errors will decline significantly.);
- Made all questions overt (The old form had buried several key questions.);
- Clearly identified the quarter for filing (this was one of the most error-prone segments of the old form);
- Grouped the adjustments so that users could skip them if they didn't apply; and
- Simplified how taxpayers reported their deposits.

For the accompanying instructions, we made sure that every line was explained and showed the mathematical formulas in a way that mirrored how people actually do math.

This project was so successful that IRS adopted the approach to develop several schedules and their instructions. We are now working on Form 940, another employer form. See the new form and instructions at [www.irs.gov/pub/irs-pdf/f941.pdf](http://www.irs.gov/pub/irs-pdf/f941.pdf).

After



 This image shows the redesigned Form 941 for 2005. The form is significantly cleaner and more organized. It is divided into clear sections: Part 1 for basic information, Part 2 for quarterly data, and Part 3 for adjustments. The layout uses clear headings and distinct boxes to separate different types of information, making it much easier for users to find and enter data. The overall design is more professional and user-friendly.
