

# **FEDERAL and STATE *e-file* CO-OP Marketing PARTNERSHIP PLAN**

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(Creating a demand for IRS *e-file*)

- **Introduction**
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# INTRODUCTION

## PURPOSE

Increase public awareness and use of Individual *e-file*.

The **purpose** of the Federal and State *e-file* Partnership Plan is to increase and broaden opportunities with State agencies to promote both public awareness and participation in *e-filing* for our mutual benefit. This marketing plan supports Individual *e-file* – particularly Federal/State *e-file*.

The Partnership Plan draws from numerous recommendations made by IRS Electronic Tax Administration (ETA), FedState Relations and States.

*Note: This is a working and flexible Partnership Plan that best serves the IRS and States. Some of these goals may be viewed as outside the scope of a marketing plan; however, we have determined that enhancing communication is necessary to achieving any of the goals in the Plan. Prior to drafting this plan, we asked State and IRS employees to provide ideas for improving marketing, and the Federal/State *e-file* process. This plan incorporates many of the ideas they provided.*

## STATUS

34 States & the District of Columbia participate in Federal/State *e-file* & five States have direct programs. States also offer TeleFile and On-Line Filing.

### **What is happening now -- the Service and many States are jointly supporting *e-file* in several areas.**

- Federal/State *e-file* (practitioner and On-Line Filing) allows individual taxpayers to file both returns at the same time.
- Form 1041 Federal/State *e-file* for business returns allows one stop service. Fiduciaries may file their Form 1041 and State fiduciary return in one transmission.
- Pilot for Federal/State TeleFile allows taxpayers to file both returns in one telephone call.
- Joint marketing products currently focus on filing both Federal and State returns at once with consistent messages about *e-file*.
- Local marketing partnerships are underway in several States.

### **Strategy – Establish a Federal and State *e-file* Partnership Team**

The Service recognizes that it cannot achieve our mandated goals for growth of IRS *e-file* on its own. Increasing our relationships with external partners, especially States, is a step towards broadening the strategy for *e-file*. Broadening the strategy includes joining and aligning efforts/initiatives in support of Federal/State and Federal and State *e-file*. Implementing this Plan will be accomplished most effectively by establishing a Federal and State *e-file* Partnership Team. This team will oversee the Partnership Plan as well as the development and execution of an associated action plan. The team will include appropriate representation from the IRS Electronic Tax Administration, FedState Relations, States and the Federation of Tax Administrators.

## STRATEGY

Expand communication and partnerships with States to achieve mutual and maximum support of *e-file*.

# GOALS and KEY STRATEGIES

## Major Goals and Strategies of Co-op Marketing Partnership:

### IRS GOALS

By 2007, 80% of all tax returns filed electronically.

### 1. Enhance and expand scope of communication between IRS, States and the Federation of Tax Administrators (FTA).

- 1.1. Continue to use IRS web site, State and FTA web sites and e-mail networks (when appropriate) to provide:
  - strategy plans, demographic research studies that identify market segments for *e-file* and/or Federal/State *e-file*;
  - current procedures and data on initiatives for payment options and signature alternatives;
  - timely information on new programs and modifications that impact State *e-file* and/or Federal/State *e-file*.
- 1.2. Continue to explore vehicles to enhance communications such as telephone conferences and videoconferences.
- 1.3. Continue to expand the list of recipients for *e-file* information.

### 2. Identify and recommend initiatives to create taxpayer awareness and demand for *e-file*.

- 2.1. Identify technical changes and improvements to the Federal/State *e-file* program.  
**Note:** Initiatives pre-identified per the ETA Strategy for Growth:
  - state only filing (the NUMBER ONE major enhancement identified by States); and
  - combined Federal/State acknowledgements.
- 2.2. Improve joint participation efforts in training, taxpayer education and outreach activities for Federal/State *e-file* (invite State participation when not present).
- 2.3. Expand Federal/State *e-file* information in joint training materials and/or courses for specialized markets (e.g. Understanding Taxes, Taxes and You and VITA training).
- 2.4. Jointly plan and sponsor both individual outreach programs and seminars to promote Federal/State *e-file*.
- 2.5. Include State participation (if desired) at the IRS Nationwide Tax Forums.
- 2.6. Continue to support FTA, State conferences and workshops including the FTA *e-file* Symposium.

## **PARTNERING**

Offering innovative products and services to the public that are simple, inexpensive & trusted is key to the growth of *e-file*.

### **3. Partner to develop marketing products and services.**

- 3.1. Include Federal/State *e-file* in the IRS national marketing campaign (radio and TV ads).
- 3.2. Pursue cooperative initiatives with States.
- 3.3. Include Federal/State *e-file* information in various IRS, State and other trade publications.
- 3.4. Continue to develop and refine existing joint marketing tools such as Federal/State brochures and posters.
- 3.5. Explore the development of innovative tools such as videos and CD-ROMs for targeting market segments including high schools and colleges. Advertise *e-file* on college Intranets during the filing season.
- 3.6. Encourage and expand cooperative joint filing days with States.
- 3.7. Support Federal/State media events such as press releases, radio and TV appearances, and news articles.
- 3.8. Explore products and activities to jointly support Individual *e-file*.

### **4. Support joint marketing of employee Federal/State *e-file* programs.**

### **5. Conduct market research to determine market segments most likely to participate in Federal/State *e-file* program (but are not) and determine what incentives or information will create a demand for Federal/State *e-file*.**

- 5.1. Analyze any existing demographic and psychographic data captured by the Service and from studies shared by States.
- 5.2. Identify what data we have and what data is needed.
- 5.3. Take steps to retrieve or collect necessary data.
- 5.4. Continue to collect and analyze marketing and/or technical improvements from States, such as those recommended in September of 1999.
- 5.5. Analyze how Federal/State marketing materials are used and their effectiveness (number used).

### **6. Measure and evaluate achievement of goals, strategies and Action Plan items.** Were expectations met, not met, exceeded, changed, or were there any unexpected spin-offs? What works and/or doesn't work?

## Appendix

### MARKETING in '99

ETA jointly developed marketing products for use by States and the IRS to promote Federal/State and State *e-file*. These products provide consistent messages in a uniform format to the public. The products include:

- Click-Once Poster
- Customized *e-file* logos for each State
- Tri - fold Brochure

### MARKETING OPPORTUNITIES

Many innovative joint marketing activities developed and suggested by IRS and State personnel.

#### POTENTIAL

Opportunities exist for substantial growth of *e-file* - especially via the Internet.

#### *Marketing initiatives CURRENTLY used in States & IRS Districts that are appropriate for use by others.*

- Identify the top 600 tax preparation firms and initiate a mail campaign every two weeks followed by an all day event highlighting partnership in *e-file* and the use of technology and its impact on businesses.  
(North Central District & Minnesota) Current
- Sponsor joint filing days or Mall Days. Current  
(Kentucky -Tennessee District & Kentucky)  
(North Central District & Minnesota)  
(Pennsylvania District & Pennsylvania)
- Visit large factories and manufacturing centers (Anheuser-Busch, Scholastic, etc.) for a day and offer *e-filing* on-site. (Kansas -Missouri District & Missouri) Current
- Target taxpayers and aggressively market directly to the taxpayers using customized materials and methods. Current  
(California Districts & California)
- Direct mail to practitioners not participating in *e-file*. Current  
(Rocky Mountain District & Idaho)
- Develop and market education modules for high schools and colleges (business departments) for *e-file* programs. Provide "hands-on" virtual *e-file* ability. Current  
(Kentucky-Tennessee District & Kentucky)  
(North Central District & Minnesota) (Pacific Northwest District & Oregon)

**ENORMOUS  
OPPORTUNITIES**

These serve as examples of enormous opportunities to collaborate in marketing IRS e-file.

***Marketing initiatives CURRENTLY used in States and/or Districts that are appropriate for use by others.***

- Convince EROs to charge one fee to e-file returns, either Federal only or Federal/State rather than charging additional for the State return. This helps increase Federal/State e-file volumes. (*Virginia -West Virginia District & West Virginia*) [Current](#)
- Work with the State Department of Labor to open VITA e-file sites for new taxpayers that have transitioned from welfare to the work force. (*UpState New York District & New York*) [Current](#)
- Have one day free e-file at large factories and manufacturing centers. (*Kansas/Missouri District & Missouri*) [Current](#)
- Pilot Spanish language radio ads promoting e-file. (*Los Angeles District & California*) [Current](#)
- Develop a Federal/State pilot to promote the use of electronic business products (Form 941 and the 1099 series) to State and local government entities (public employers). [Current](#) (*Texas Districts & Texas*)
- **Proposal** - Provide employees with tax preparation software on their desktop PCs. (*North-South Carolina District*)
- **Proposal** – Provide public or community access to On-Line Filing opportunities. Most public university libraries have PCs available for use by the public. (*Gulf Coast District & Louisiana*)

***Current examples of marketing incentives used in States***

- Allow extensions for e-filed State returns (to May 15th) without penalties and interest. (*South Carolina*) [Current](#)
- Offer Federal/State e-file to all State employees regardless of department. (*Missouri*) [Current](#)



## SOURCES

1. Suggestions received in September of 1999 from State *e-file* and communications personnel, FTA *e-file* staff, FedState Relations coordinators, and ETA coordinators;
2. Federal/State "Click Once" poster (IRS Pub. 3196) and brochure (IRS Pub. 1803);
3. "Electronic Tax Administration - A Strategy for Growth" (IRS Pub. 3187) - Call 1-800-829-3676; Available on the IRS web site;
4. IRS web site (Electronic Services) at [http://www.irs.gov/elec\\_svs/index.html](http://www.irs.gov/elec_svs/index.html)
5. IRS *e-file* Marketing Tool Kit (for EROs)(IRS Pub. 3005);
6. IRS *e-file* Handbook for Electronic Return Originators of Individual Income Tax Returns (IRS Pub. 1345); and
7. IRS Video Magazines on *e-file* (limited quantity - please do not order if you already have a copy); e-mail [Kim.Lawson@irs.gov](mailto:Kim.Lawson@irs.gov).