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Comprehensive Taxpayer Attitude Survey (CTAS) 2024 Executive Report December 5, 2024

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Background

Study Objectives

The objectives of the CTAS research study are to:

- Optimize data collection to achieve two sampling objectives: nationally representative data and analyzable data from under-represented segments.
- Measure taxpayers' likelihood to comply with tax law and assess how motivation and perceived capability factor into compliance.
- Capture the shifts over time in taxpayer attitudes that are of strategic importance to tax administration, including trust in the IRS and satisfaction with IRS interactions.
- Provide actionable insights into Americans' attitudes around tax compliance and factors that influence it.

Methodology – Sampling Approach

Pacific Consulting Group (PCG) fielded the 2024 Comprehensive Taxpayer Attitude Survey (CTAS) from June 17, 2024 – August 6, 2024. The final sample includes 1,496 completed surveys.

- PCG offered multiple options of data collection methodology including online, interactive voice response survey, and live phone interviews to ensure a representative sample of U.S. adults, aged 18 or over.
- PCG subcontracted with Verasight to provide a probability-based, random sample. Verasight uses a three-pronged recruitment methodology, which prioritizes representativeness and specializes in engaging hard-to-reach audiences. The three methods of recruitment were:
 - Address-based sampling (ABS), in which Verasight mailed recruitment materials to a sample of individuals taken from the United States Postal Service (USPS) database. These materials included a link to an online survey as well as a phone number where the individual could take the survey via IVR (Interactive Voice Response) or with a live interviewer.
 - Dynamic Online Targeting, in which Verasight recruited hard-to-reach survey respondents online.
 - Verasight Verified Community, in which Verasight reached out to their community of panelists who had previously taken Verasight surveys. A maximum of 20% of sample was recruited from the Verasight Community.
- Based on the overall sample size, the margin of error for this study is +/- 3.1% at the 95% confidence level.

Methodology – Accessibility, Weighting and Other Considerations

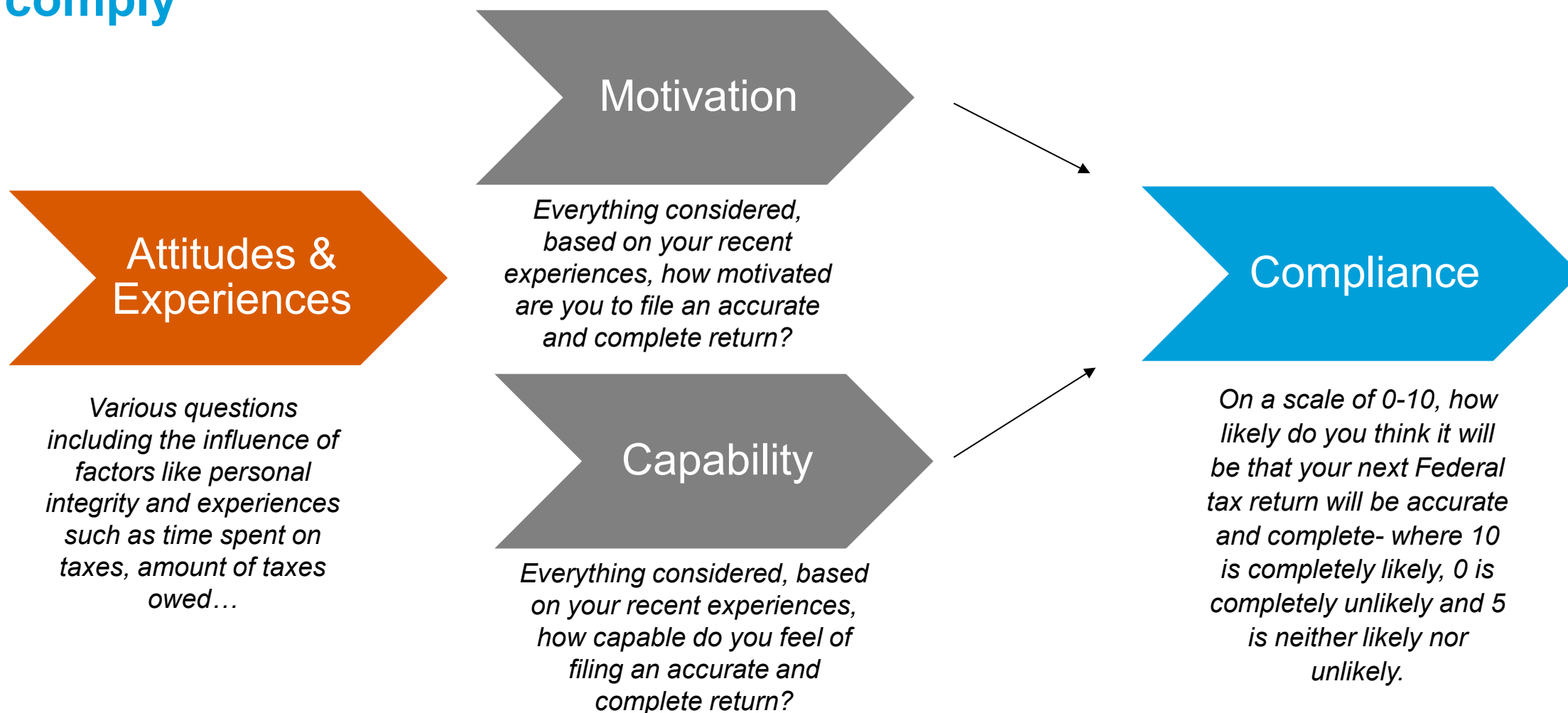
- Fair access was given significant attention throughout the process. Respondents were given the option to take the survey online, via IVR (Interactive Voice Response), or with a live interviewer (though in practice, fewer than 1% of respondents opted to take the survey via telephone). Additionally, respondents were given the option to complete the survey in English or Spanish.
- The data were weighted to U.S. Census target estimates by age, race and ethnicity, education, gender, income, region, and metropolitan status.
- Oversamples of Spanish-speaking taxpayers with limited English proficiency, those speaking an Asian language as their first language, rural and low-income taxpayers, veterans and state-side military, and taxpayers who are currently homeless were recruited and included in the sample and weighted down to their proper size.
- Responses categorized as "don't know," "not applicable," and "no response" have been excluded from the analysis. Previously reported historical results were recalculated in the 2024 report to omit these responses.

Methodology- Final Sample Composition

Group	Completed	Target	% Achieved
Gen pop	1113	1100	100%
Spanish LEP	120	120	100%
Rural and Low Income	91	91	100%
Veterans	79	79	100%
Asian-language speakers	26	70	37%
Asian (exclusive of Asian-language speakers)	44	N/A	N/A
Unhoused	30	30	100%
Stateside military	6	6	100%
Total Sample	1496*		

Note: Oversample quotas may overlap. For example a respondent may be both a veteran and unhoused.

The study measures two key aspects of compliance: perceptions of one's motivation to comply and perception of one's capability to comply



Summary Findings and Recommendations

Around two-in-three trust the IRS to help them understand their tax obligations; trust is higher among those groups who rely most on the IRS for assistance

- A majority of Americans trust the IRS to help taxpayers understand their tax obligations (63%), representing a significant decrease from 2022 (68%). Trust in the IRS to fairly enforce tax laws as enacted by Congress also declined to 68% from 74% in 2022.
- Subsets of taxpayers— including Spanish Limited English Proficiency (LEP), those who earn the least income, those with the least education, and younger age groups— rely on the IRS more than others. All of these groups are especially likely to say they trust the IRS to help them understand their tax obligations.
- Tax compliance is affected by trust in the IRS, with more trusting taxpayers being more likely to comply than their less trusting counterparts.
- Satisfaction levels also significantly dipped in 2024; while 79% of taxpayers said they were at least somewhat satisfied with their personal interactions with the IRS in 2022, 75% say the same now. This includes 35% who were very satisfied. Only 10% say they are not satisfied at all, representing a significant increase from 2022 (6%).
- These high levels of satisfaction with IRS interactions are, consistent with previous years, markedly lower for more educated and highest income taxpayers.

Tax compliance is highly dependent on both motivation to comply and capability to comply

- Burdensome tax law is cited as a top barrier to compliance. 78% of taxpayers agree that the more burdensome the tax law and return process the less likely people will be to pay their fair share. Satisfactory help from the IRS to get a tax law question answered motivated taxpayers toward compliance as well as made them feel more capable (48% cited this as making them much more motivated and capable).
- In general, 54% of taxpayers are very motivated and 53% are very capable of full tax compliance. A similar percentage states they are completely likely to file an accurate and timely tax return in the coming year, with older groups even more likely than younger groups.
- Taxpayers' motivation to comply is strongly associated with their likelihood to comply. A similar relationship exists between perceived capability to comply and likelihood to comply. The higher the perceived motivation and capability, the higher the likelihood of compliance.

Recommendations: Actions to Improve Taxpayer Compliance

- ✓ To improve taxpayer compliance:
 - ✓ Continue to monitor trends in motivation and capability through representative quantitative surveys, particularly factors that are highly influential in compliance such as:
 - ✓ Satisfaction with IRS interactions
 - ✓ Ease and time burden of tax return process
 - ✓ Invest in supportive communication for taxpayers. In addition to the help of tax professionals and tax software, taxpayers require a robust support system from the IRS for tax-related inquiries in order to feel motivated and capable of compliance. Ensure that responses are timely and informative to build up confidence in the IRS support system.
 - ✓ Reduce time spent on tax preparation by expanding online offerings by adding the ability to upload documents and track cases
 - ✓ Provide a detailed explanation of how the total amount of taxes owed was calculated. This increased transparency can reduce questions from taxpayers, and support trust in the IRS

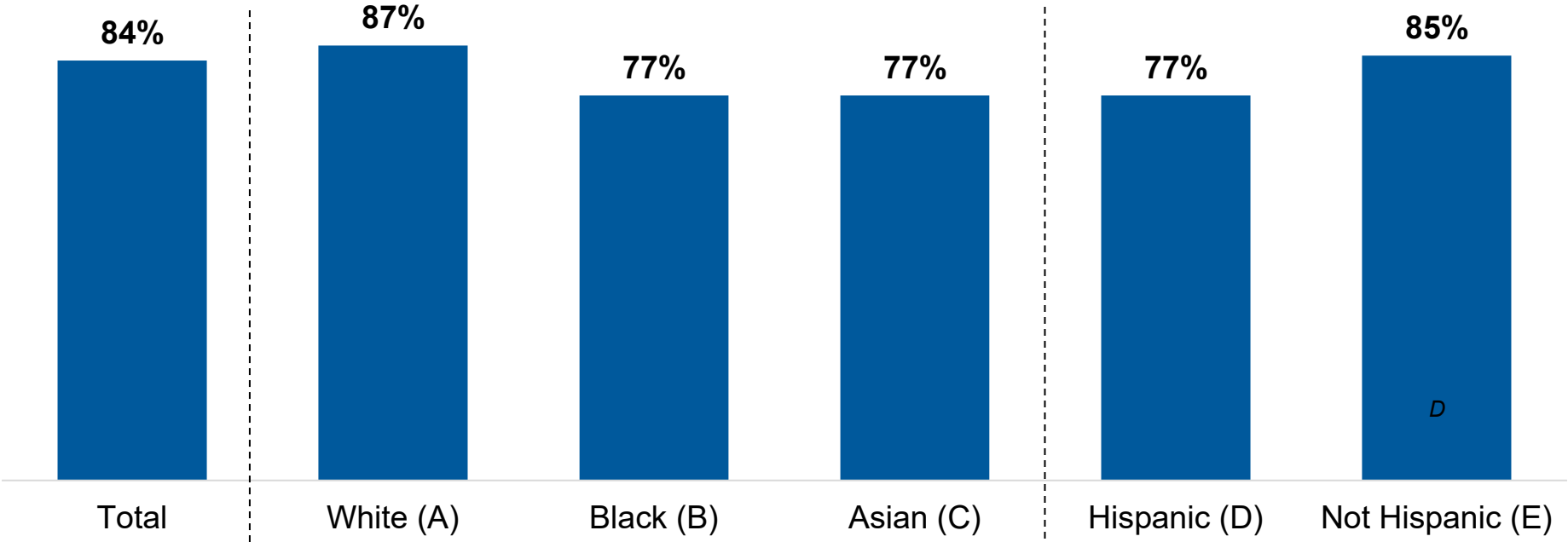
Recommendations: Actions to Improve Taxpayers' Trust and Experience with the IRS

- ✓ To increase taxpayers' trust and perception of the IRS:
 - ✓ Highlight stories and testimonials from satisfied taxpayers. The satisfaction taxpayers feel through their personal interactions with the IRS is a major asset, with three-in-four expressing some level of satisfaction. Publicizing testimonials from taxpayers who were helped and highlighting their prioritization of honesty and personal integrity can reinforce existing personal motivations of taxpayers.
- ✓ To improve taxpayers' experience:
 - ✓ Address deficits in taxpayer knowledge about tax laws through user-friendly online tools, such as interactive tax calculators, quizzes, and decision trees that guide taxpayers through various scenarios. This allows individuals to learn about tax laws relevant to their situations in an engaging way.
 - ✓ Focus on bridging the gap in satisfaction with IRS services for older and higher-income taxpayers. These groups are likely to have more complex tax obligations and may require more personalized service from the IRS. Consider expanding specialized support services by providing a dedicated support line for these taxpayers staffed with agents who are familiar with their complex needs. Work to improve awareness of existing programs for the elderly, such as Tax Counseling for the Elderly.

Taxpayers' Attitudes About Trust and Fairness

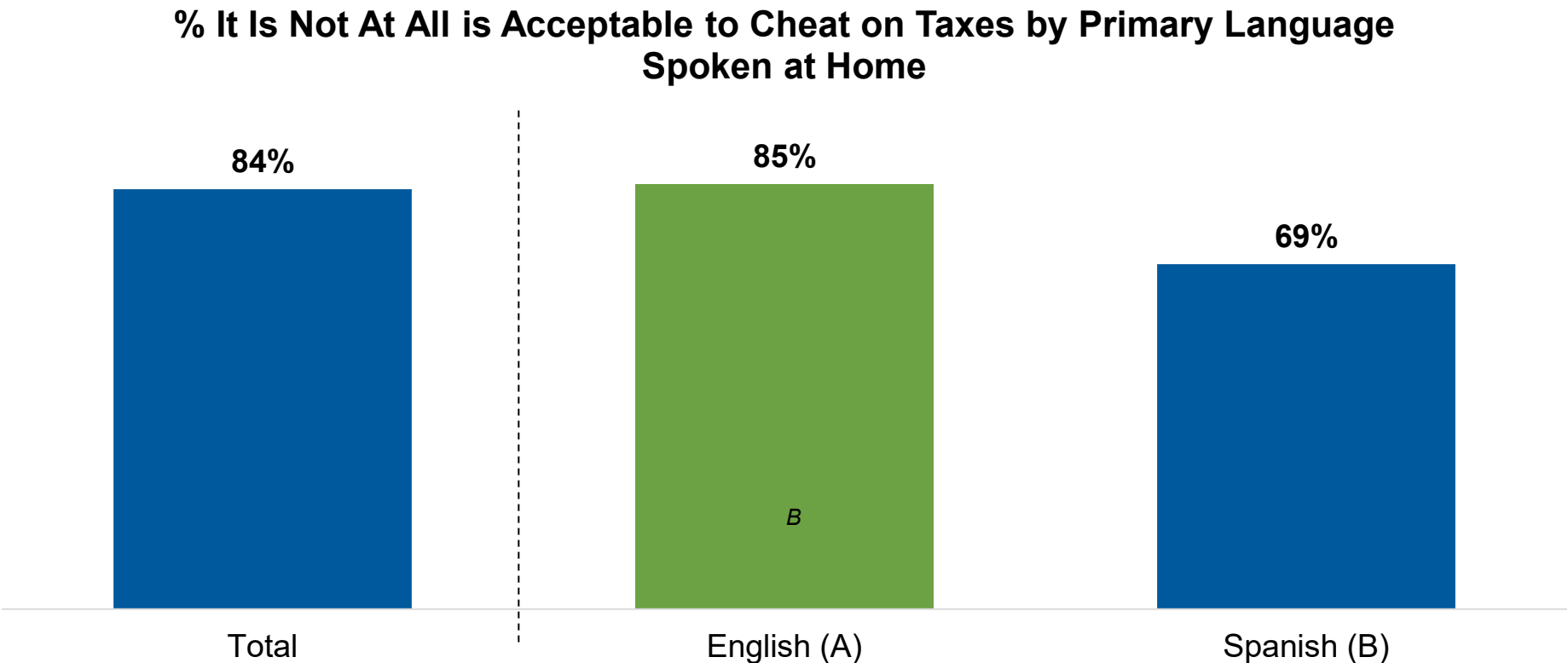
More than eight-in-ten taxpayers say it is not at all acceptable to cheat on one's taxes, and the attitude is particularly prevalent among white taxpayers

% It Is Not At All Acceptable to Cheat on Taxes by Race/ Ethnicity



Q4: How much, if any, do you think is an acceptable amount to cheat on your income taxes? Would you say...?
Margin of error is +/- 3.1% at the 95% confidence level. Where relevant lighter green fill indicates a significantly higher score at a 95% confidence level versus other scores in the row, with a letter indicating which column or columns (e.g., "A","B", etc.) the score is significantly higher than. Each column's sample size affects statistical significance.
n=1334 blended online and phone respondents in 2024

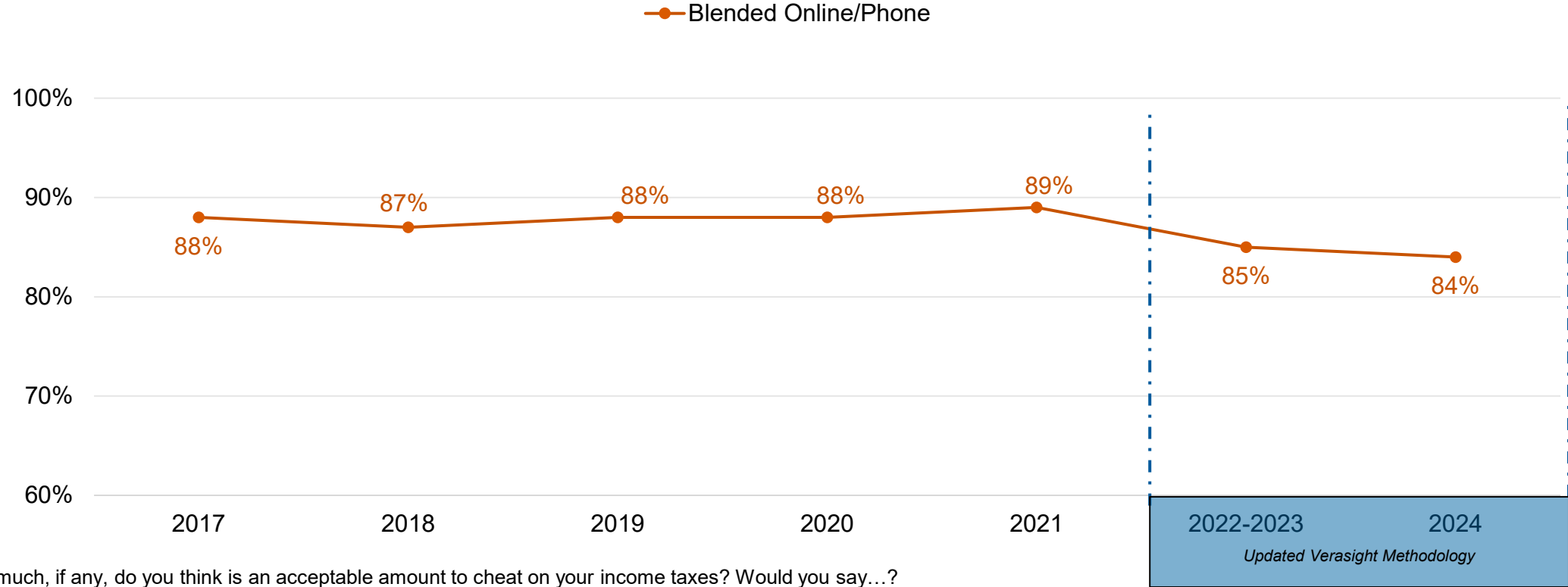
English speaking taxpayers are more likely than primary Spanish speakers to believe it is not at all acceptable to cheat on taxes



Q4: How much, if any, do you think is an acceptable amount to cheat on your income taxes? Would you say...?
Margin of error is +/- 3.1% at the 95% confidence level. Where relevant **lighter green fill** indicates a significantly higher score at a 95% confidence level versus other scores in the row, with a letter indicating which column or columns (e.g., "A","B", etc.) the score is significantly higher than. Each column's sample size affects statistical significance.
n=1334 blended online and phone respondents in 2024

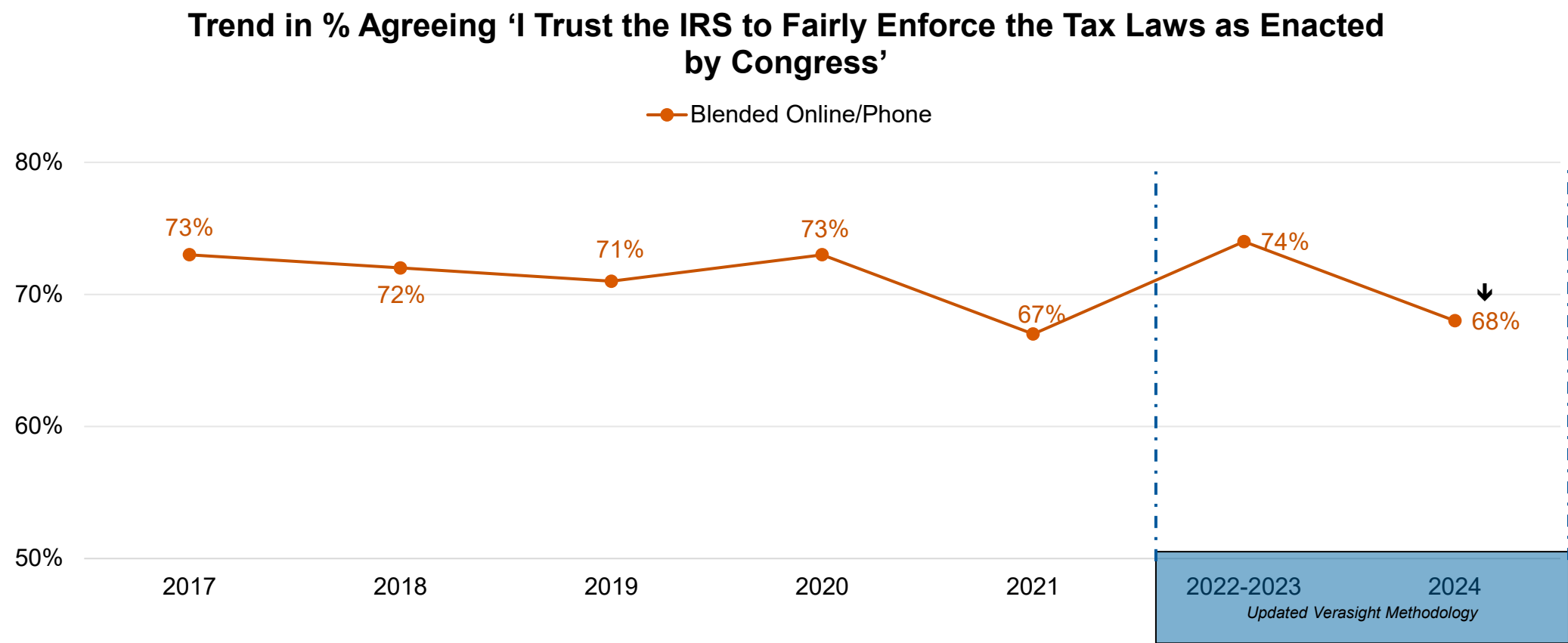
These attitudes about cheating on taxes remain consistent with 2022-2023

Trend in % Indicating it is ‘Not At All Acceptable to Cheat on Your Income Taxes’



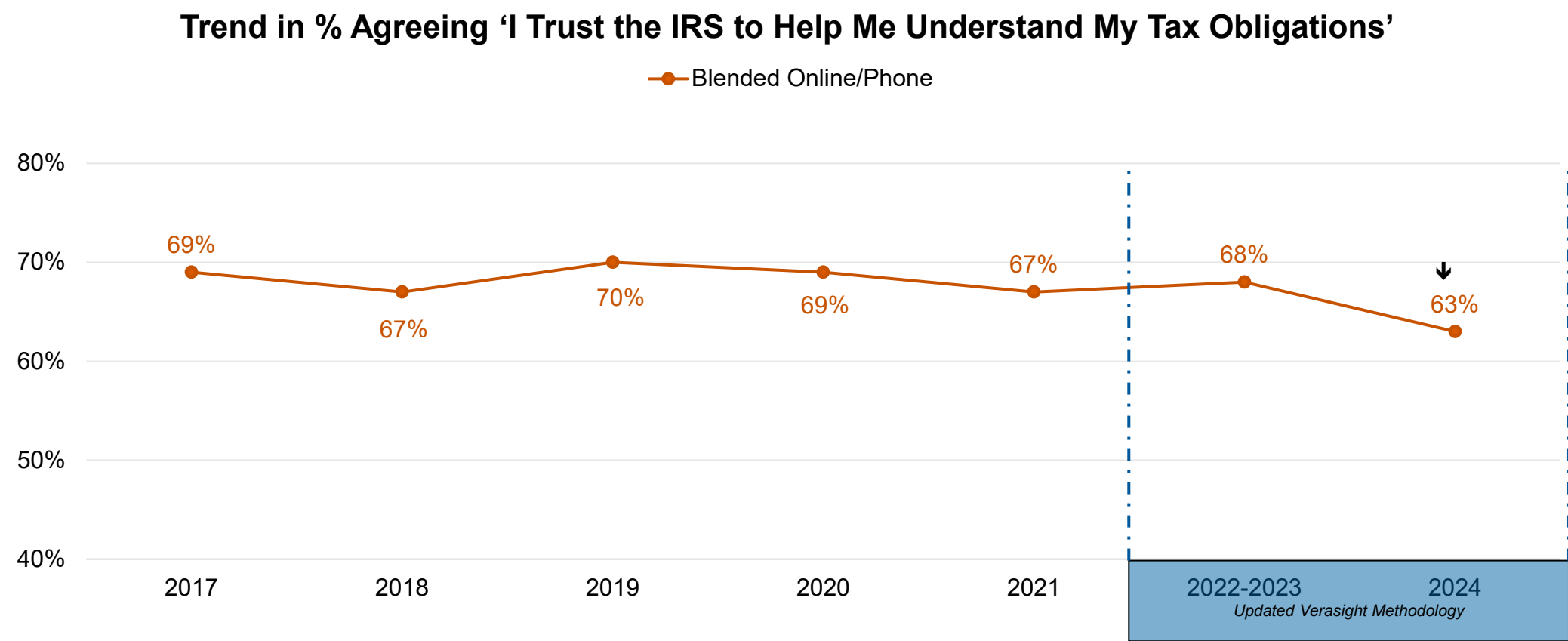
Q4: How much, if any, do you think is an acceptable amount to cheat on your income taxes? Would you say...?
Margin of error is +/- 3.1% at the 95% confidence level. Arrow indicates a statistical difference between 2022 and 2024 at a 95% confidence level. Previously reported historical results were recalculated in 2024 to exclude "don't know," "not applicable," and "no response." n=1334 blended online and phone respondents in 2024.
Fielding of 2022 survey extended into 2023. No separate survey was fielded in 2023.

Trust in the IRS fairly enforcing its tax laws declined since 2022-2023



Q5: Please indicate how much you agree with each of the following statements. Select one response per statement. (Completely agree, mostly agree, mostly disagree, or completely disagree) Margin of error is +/- 3.1% at the 95% confidence level. Percentage ‘completely agree’ plus ‘mostly agree’ is shown. Arrow indicates a statistical difference between 2022 and 2024 at a 95% confidence level. Previously reported historical results were recalculated in 2024 to exclude “don’t know,” “not applicable,” and “no response.” n=1367 blended online and phone respondents in 2024. Fielding of 2022 survey extended into 2023. No separate survey was fielded in 2023.

Trust in the IRS helping taxpayers understand their tax obligations has dipped to the lowest value since 2017



Q5: Please indicate how much you agree with each of the following statements. Select one response per statement. (Completely agree, mostly agree, mostly disagree, or completely disagree) Margin of error is +/- 3.1% at the 95% confidence level. Percentage ‘completely agree’ plus ‘mostly agree’ is shown. Arrow indicates a statistical difference between 2022 and 2024 at a 95% confidence level. Previously reported historical results were recalculated in 2024 to exclude "don't know," "not applicable," and "no response." n=1382 blended online and phone respondents in 2024. Fielding of 2022 survey extended into 2023. No separate survey was fielded in 2023.

The majority of taxpayers agree that burdensome tax law and tax return processes may result in taxpayers not paying their fair share, yet most also trust the IRS to help them understand tax obligations

Attitudes about Cheating and Payment of Fair Share of Taxes

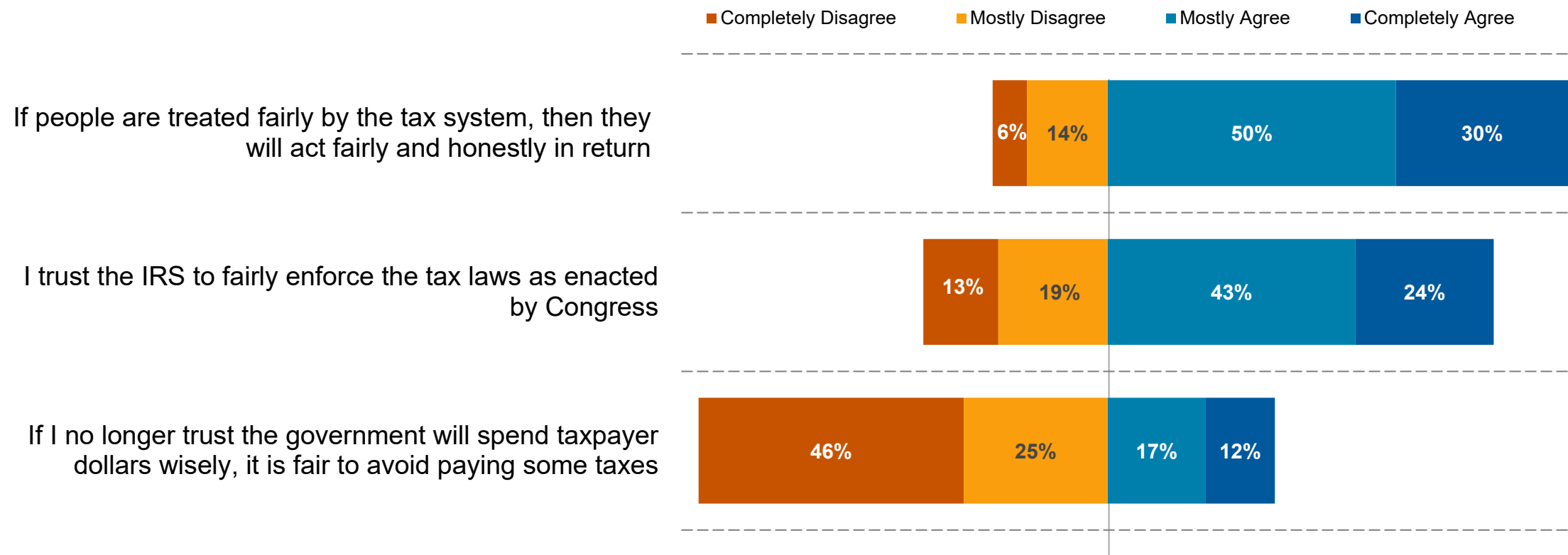
■ Completely Disagree ■ Mostly Disagree ■ Mostly Agree ■ Completely Agree



Q5. Please indicate how much you agree with each of the following statements. Select one response per statement. Margin of error is +/- 3.1% at the 95% confidence level
n=1226-1382 blended online and phone respondents in 2024.

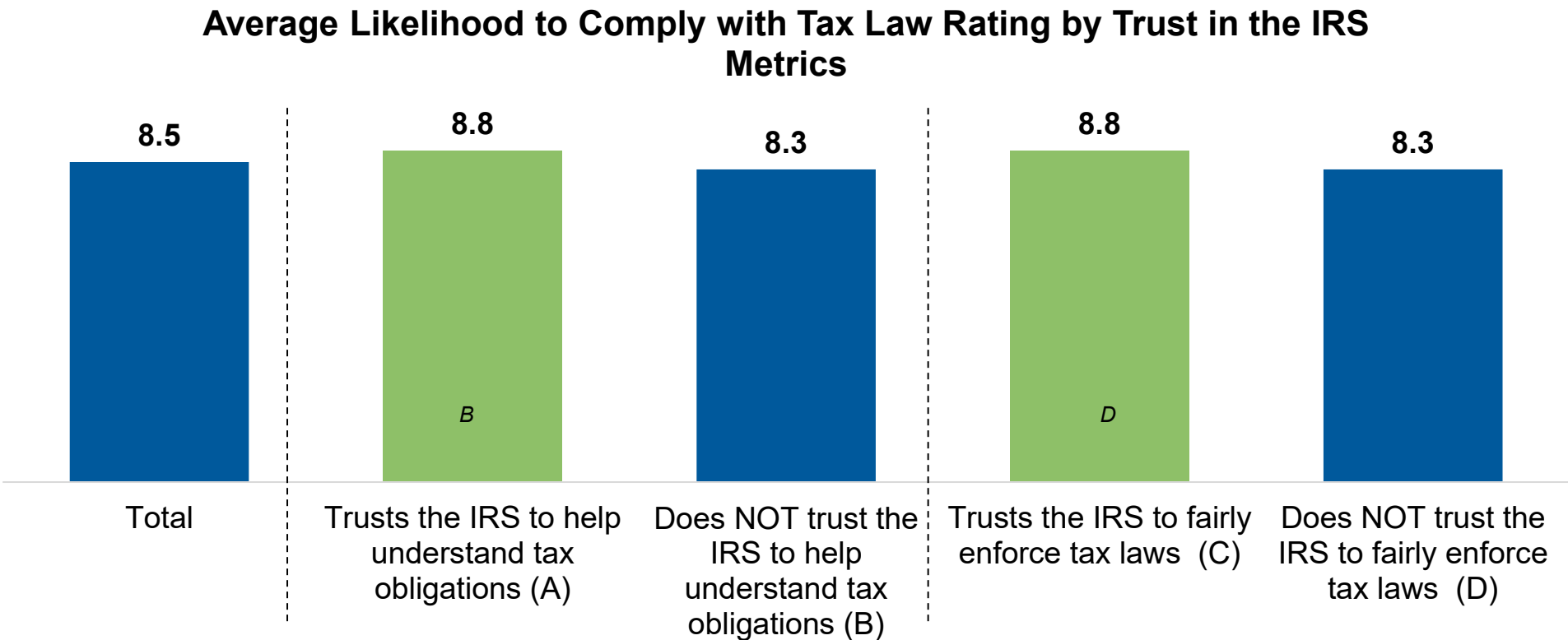
Most taxpayers believe that they are obligated to pay taxes regardless of their trust in the government...

Attitudes about Cheating and Payment of Fair Share of Taxes



Q5. Please indicate how much you agree with each of the following statements. Select one response per statement. Margin of error is +/- 3.1% at the 95% confidence level.
n=1226-1382 blended online and phone respondents in 2024

...yet analysis shows a positive relationship between trust in the IRS and likelihood to comply with tax law

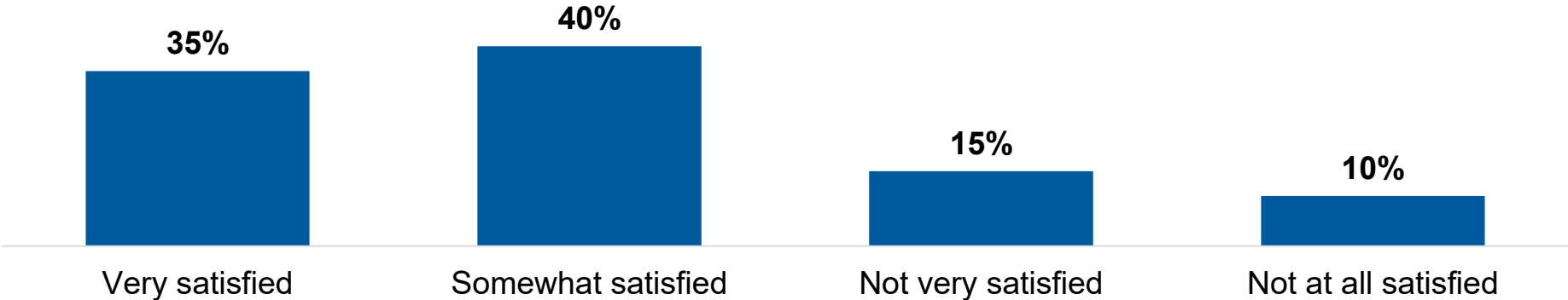


Q35: On a scale of 0 – 10, how likely do you think it will be that your next Federal tax return will be accurate and complete – where 10 is completely likely, 0 is completely unlikely, and 5 is neither likely nor unlikely. Margin of error is +/- 3.1% at the 95% confidence level. Where relevant lighter green fill indicates a significantly higher score at a 95% confidence level versus other scores in the row, with a letter indicating which column or columns (e.g., “A”, “B”, etc.) the score is significantly higher than. Each column's sample size affects statistical significance.
n=1495 blended online and phone respondents in 2024

Taxpayers' Satisfaction with the IRS

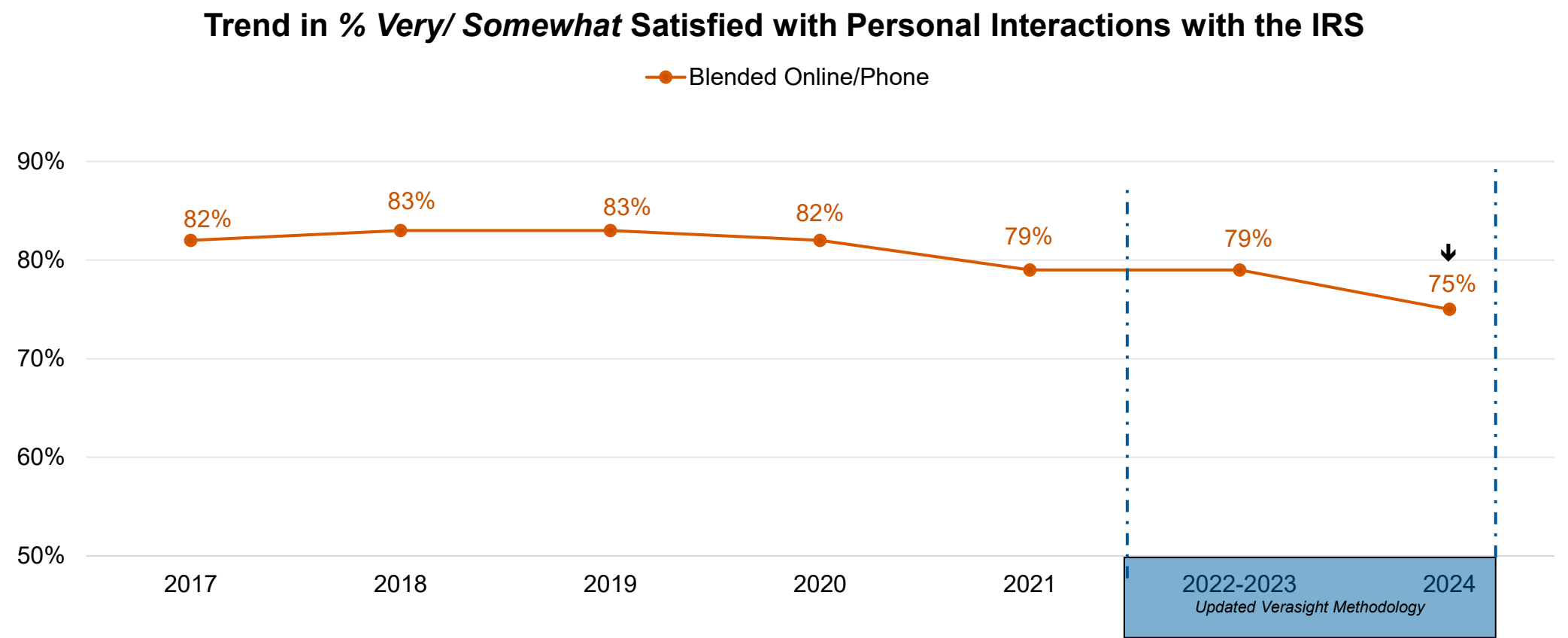
A majority of taxpayers are satisfied with their personal interactions with the IRS, though most are only somewhat satisfied

Satisfaction with Personal Interactions with the IRS



Q36: Most people have had some type of interaction with the IRS, whether it's just filing your tax return or actually speaking with an IRS representative. How satisfied would you say you have been with your personal interaction with the IRS? Would you say very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied?
Margin of error is +/- 3.1% at the 95% confidence level.
n=1132 blended online and phone respondents in 2024

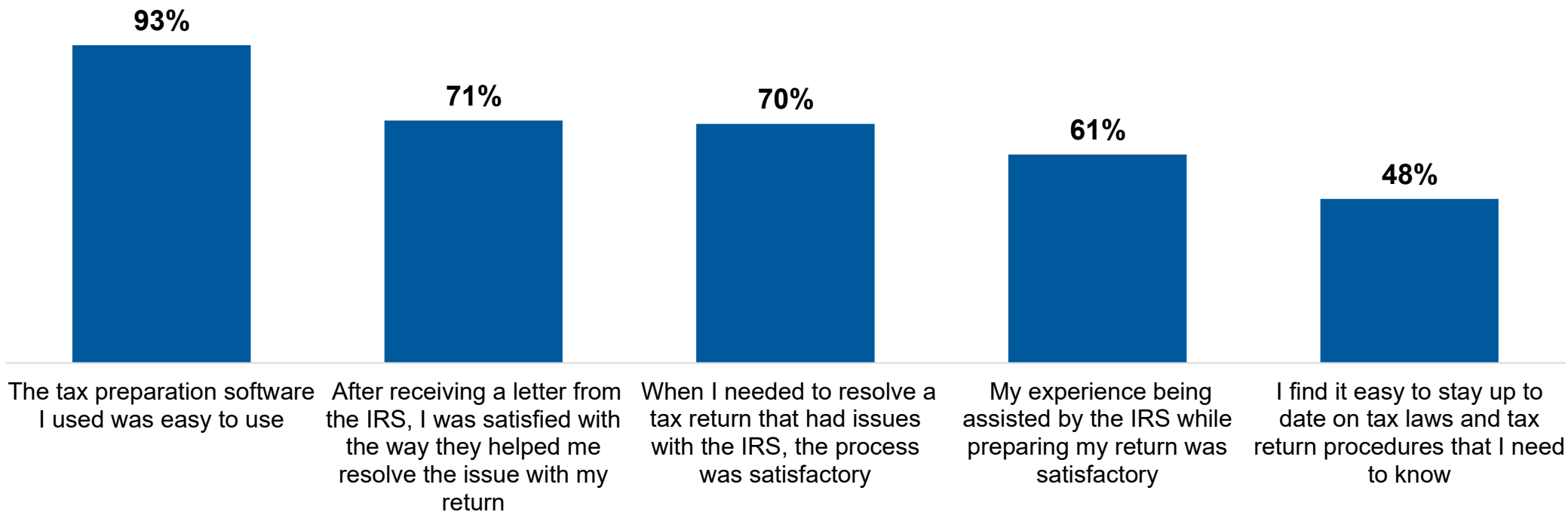
Satisfaction with personal IRS interactions has varied between 75% and 83% for the past seven surveys



Q36: How satisfied would you say you have been with your personal interaction with the IRS? Would you say very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied? Percentage of 'very satisfied' plus 'somewhat satisfied' is shown. Margin of error is +/- 3.1% at the 95% confidence level. Arrow indicates a statistical difference between 2022 and 2024 at a 95% confidence level. Previously reported historical results were recalculated in 2024 to exclude "don't know," "not applicable," and "no response." n=1132 blended online and phone respondents in 2024. Fielding of 2022 survey extended into 2023. No separate survey was fielded in 2023.

Most taxpayers reported acceptable satisfaction with their interactions with the IRS during the return process; however less than half found it easy to stay up to date on tax laws

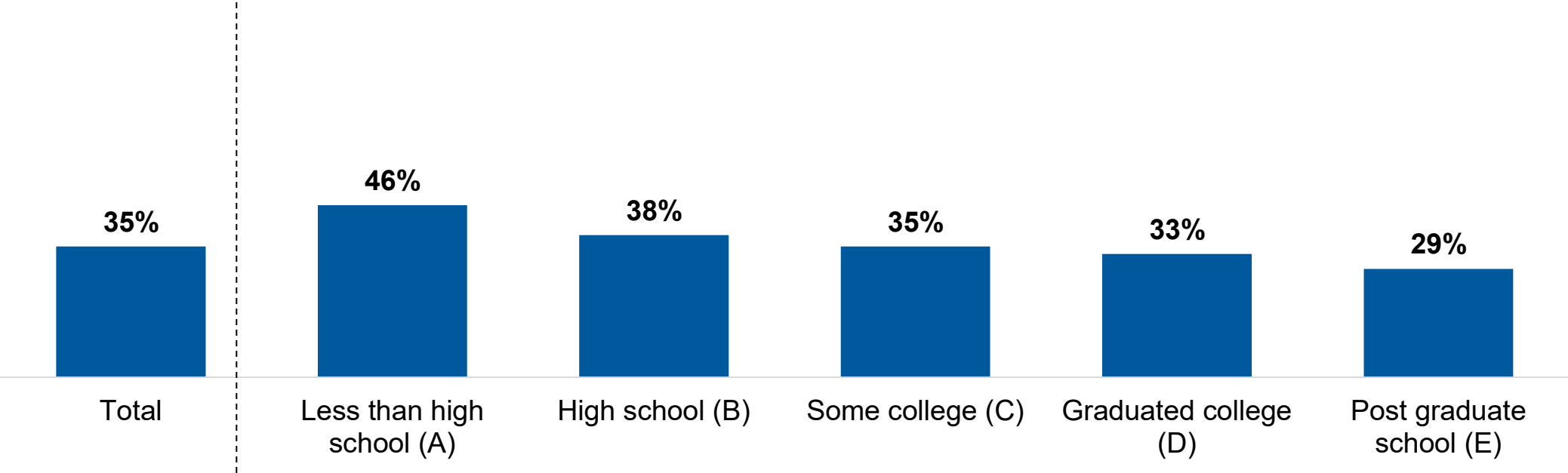
% Agree with Tax Experience Statements



Q26: Which of the following statements would you agree with? Select all that apply. Margin of error is +/- 3.1% at the 95% confidence level.
n=109- 682 blended online and phone respondents in 2024 (base varies by attribute)

Those with lower levels of educational attainment are more likely to say they were *very* satisfied with their interactions with the IRS

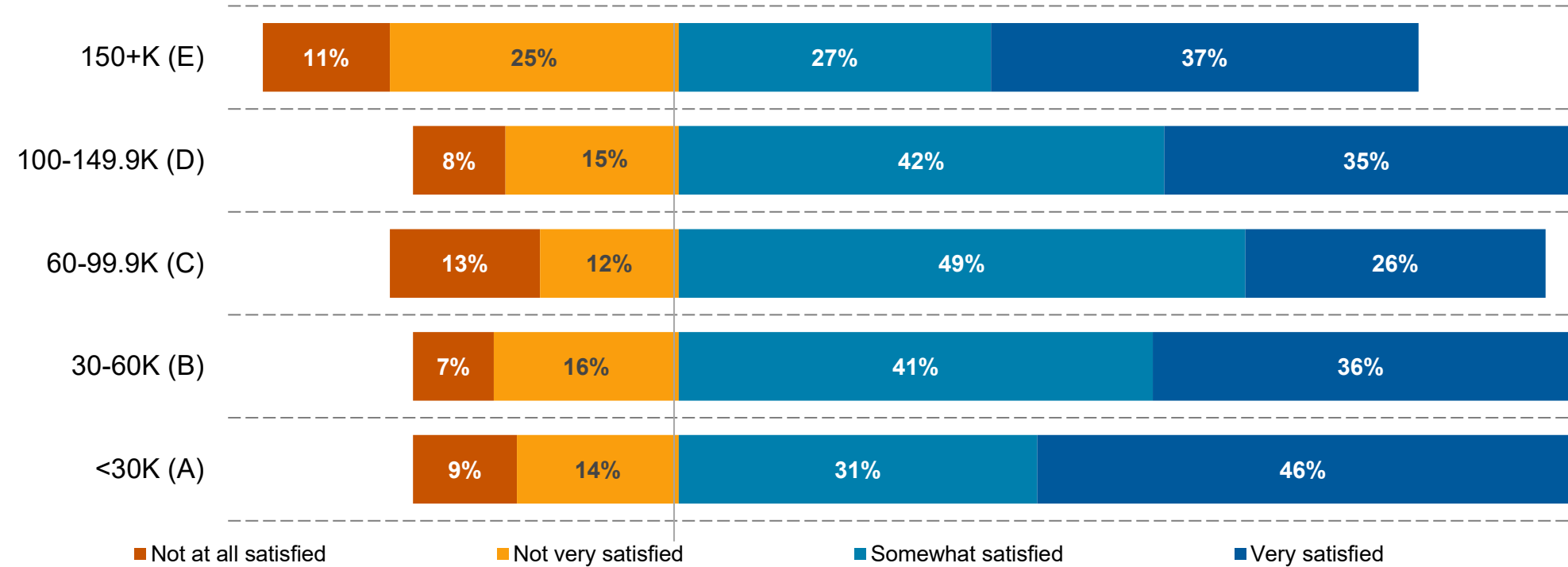
% *Very Satisfied* with Their Interactions with the IRS by Education



Q36: Most people have had some type of interaction with the IRS, whether it's just filing your tax return or actually speaking with an IRS representative. How satisfied would you say you have been with your personal interaction with the IRS? Would you say very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied? Where relevant **lighter green fill** indicates a significantly higher score at a 95% confidence level versus other scores in the row, with a letter indicating which column or columns (e.g., "A","B", etc.) the score is significantly higher than. Each column's sample size affects statistical significance.
n=1132 blended online and phone respondents in 2024

Taxpayers at the highest income level are most likely to be dissatisfied with their personal interactions with the IRS

Satisfaction with Personal Interactions with the IRS

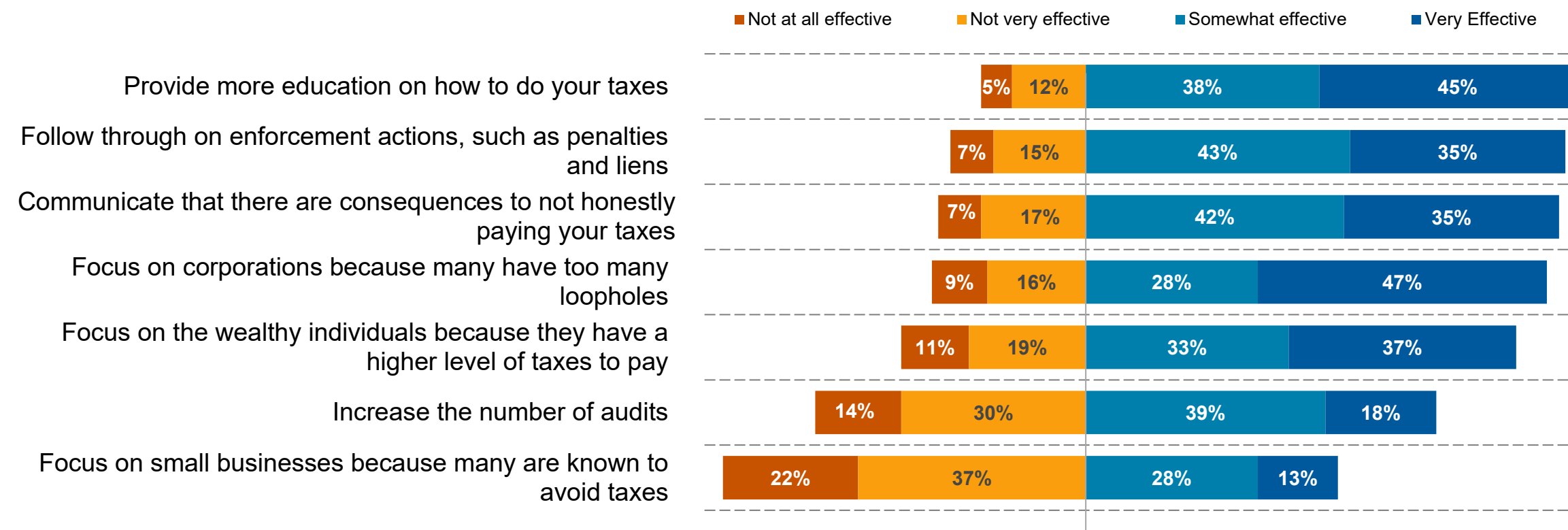


Q36: Most people have had some type of interaction with the IRS, whether it's just filing your tax return or actually speaking with an IRS representative. How satisfied would you say you have been with your personal interaction with the IRS? Would you say very satisfied, somewhat satisfied, not very satisfied, or not at all satisfied?
Margin of error is +/- 3.1% at the 95% confidence level.
n=1132 blended online and phone respondents in 2024

Taxpayers' Motivation and Capability to Comply

Taxpayers believe that more education is needed to ensure taxes are paid correctly

Efficacy to Ensure Taxpayers Pay Their Taxes Honestly and Follow Tax Laws

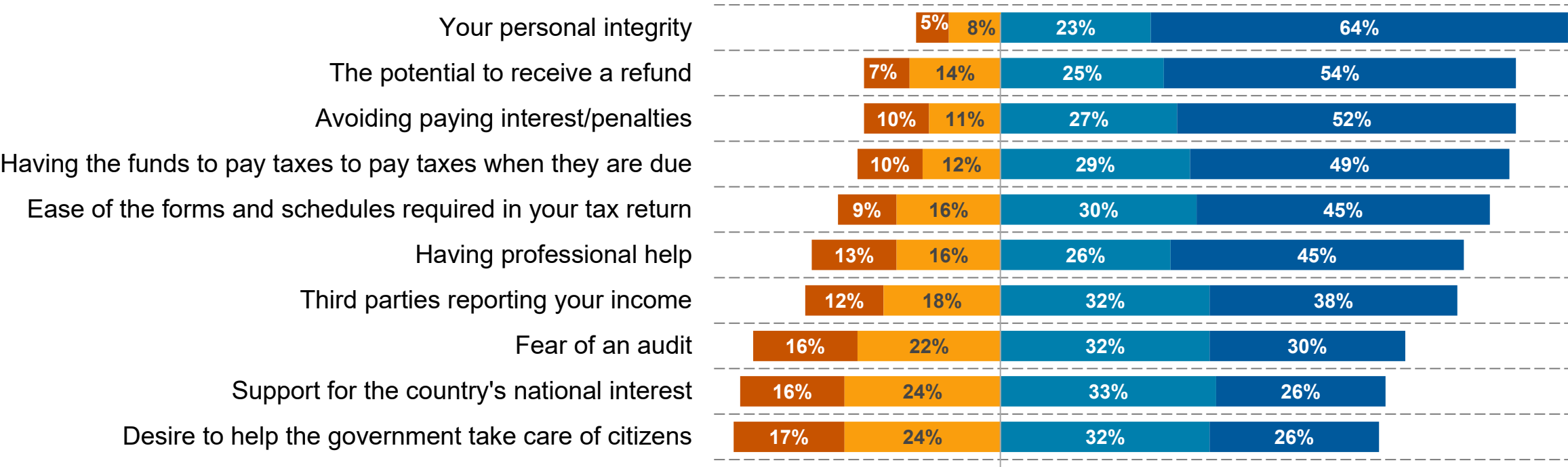


Q6: Thinking about the American population as a whole, how effective do you think each of the following approaches is for ensuring taxpayers pay their taxes honestly and obey and follow all tax laws? Margin of error is +/- 3.1% at the 95% confidence level.
n=1229-1411 blended online and phone respondents in 2024

Personal integrity is highly influential in paying taxes honestly, followed by financial realities and repercussions, and concern about the nation falling to the bottom of the list

Influence on Reporting and Paying Taxes Honestly

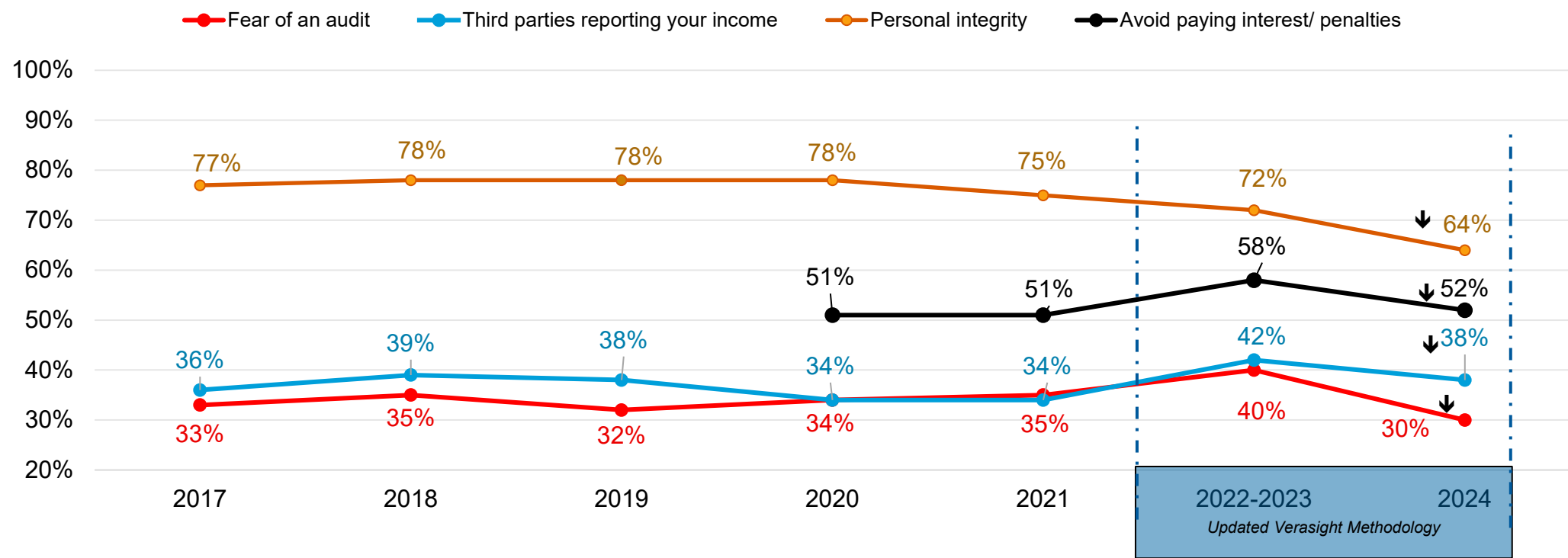
■ Is not at all an influence ■ Very little influence ■ Somewhat of an influence ■ A great deal of influence



Q7: How much influence does each of the following factors have on whether you report and pay your taxes honestly and in conformance with tax laws? Would you say it has a great deal of influence, somewhat of an influence, very little influence, or is not at all an influence? Margin of error is +/- 3.1% at the 95% confidence level.
n=1342-1417 blended online and phone respondents in 2024 (base varies by attribute)

Taxpayers' fear of an audit is less influential on tax compliance than last survey in 2022-2023

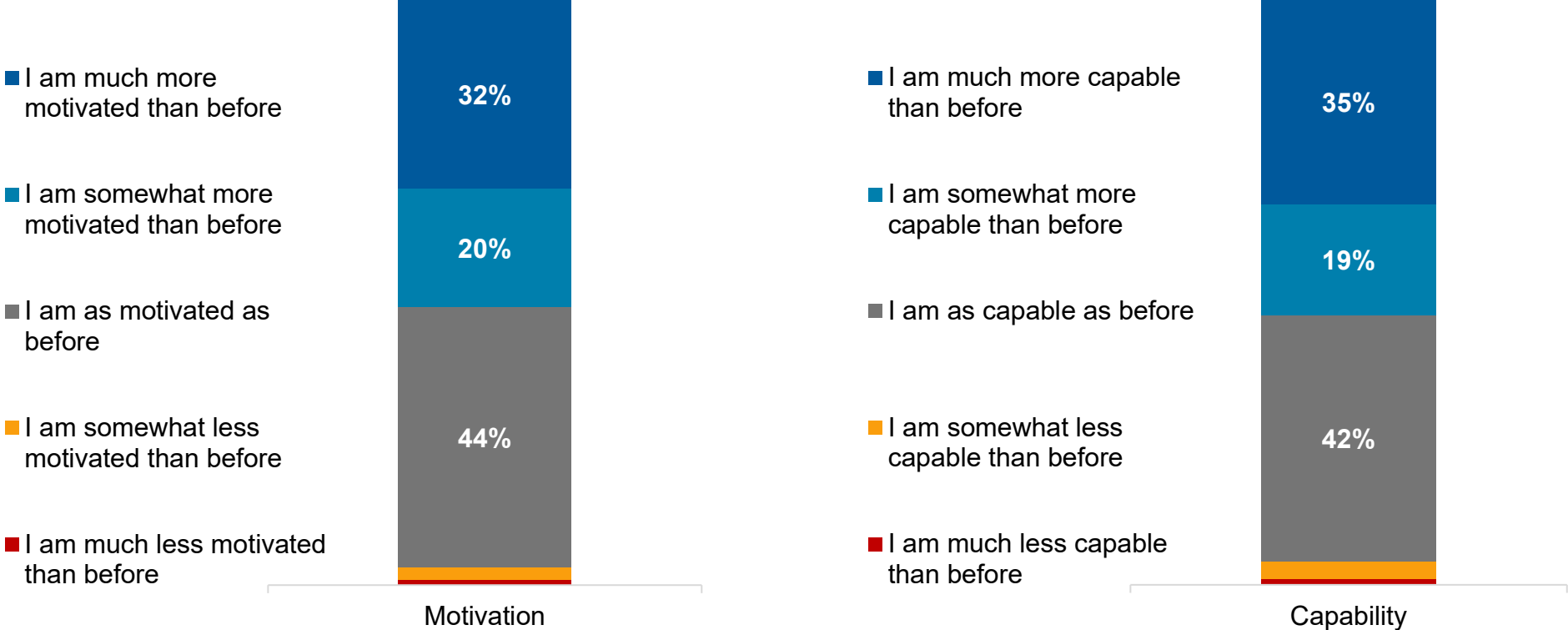
Trend in % Taxpayers Who Reported the Factor Has A Great Deal of Influence on Tax Compliance



Q7: How much influence does each of the following factors have on whether you report and pay your taxes honestly and in conformance with tax laws? Would you say it has a great deal of influence, somewhat of an influence, very little influence, or is not at all an influence? Margin of error is +/- 3.1% at the 95% confidence level. Arrow indicates a statistical difference between 2022 and 2024 at a 95% confidence level. Previously reported historical results were recalculated in 2024 to exclude "don't know," "not applicable," and "no response." n=1342-1417 blended online and phone respondents in 2024. Fielding of 2022 survey extended into 2023. No separate survey was fielded in 2023.

Almost half of taxpayers report that using a tax professional does not affect their motivation or capability to file an accurate and timely return

Effect of Using a Tax Professional on Motivation and Capability to File an Accurate and Timely Return



Tax Professional

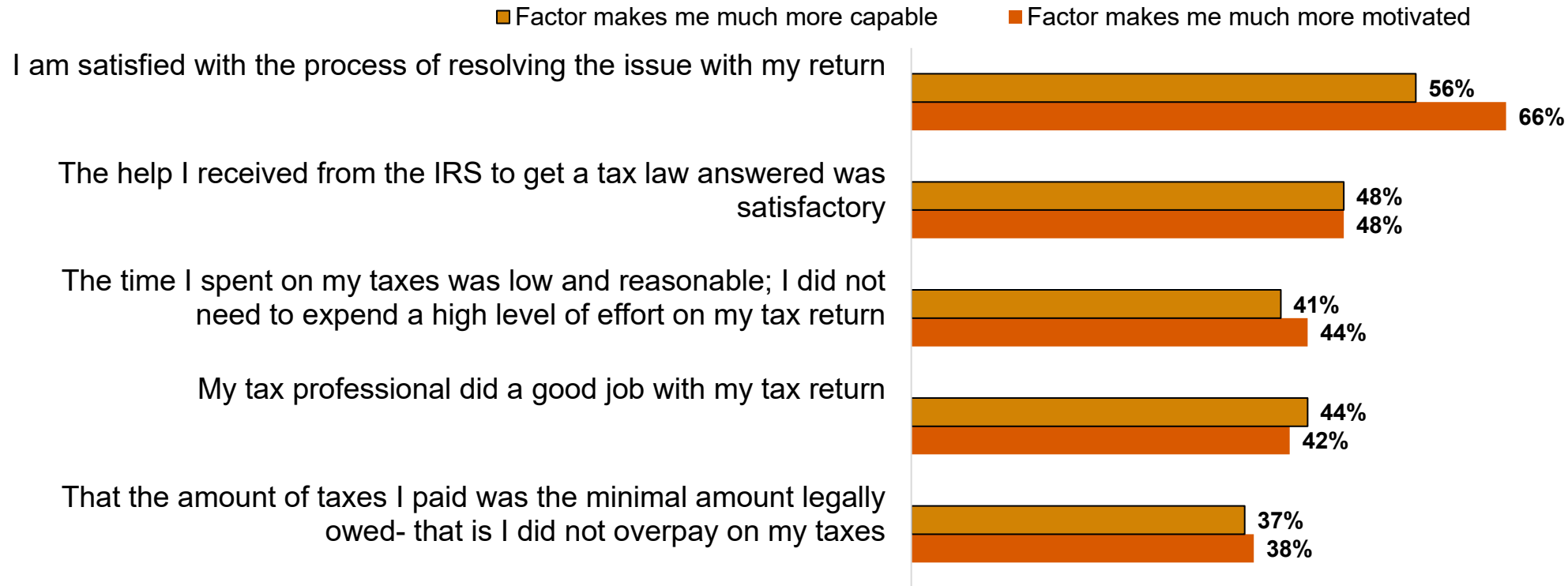
q17 Overall, how did the experience of using a tax professional affect how motivated you feel to file an accurate and timely tax return in the future? q18 And again, overall, how did the experience of using a tax professional affect how capable you feel of filing an accurate and timely tax return in the future? Margin of error is +/- 3.1% at the 95% confidence level. Data labels for percentages <5% not displayed.

Q17: n=781 blended online and phone respondents in 2024 Q18: n=778 blended online and phone respondents in 2024



Satisfactory resolution of issues with tax returns is a key factor affecting both motivation and capability to comply for taxpayers using professional help

Factors Affecting Motivation and Capability to File an Accurate and Timely Tax Return



Tax Professional

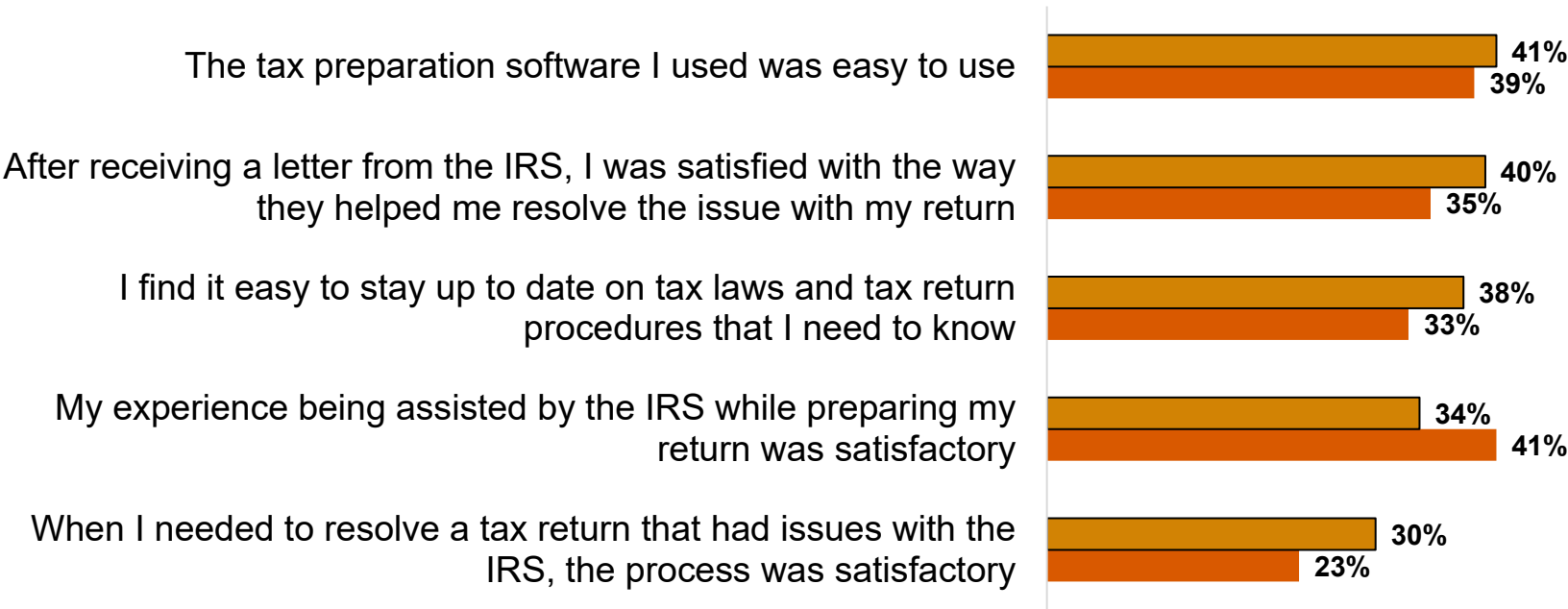
Q13. You said you agreed with the following statements. For each statement you agreed with, please indicate how motivated each made you feel to file an accurate and timely tax return in the future. Q14. Looking at the same list of those statements you said you agreed with, please indicate how capable each made you feel of being able to file an accurate and timely tax return in the future. Margin of error is +/- 3.1% at the 95% confidence level.
Q13: n=86-671 blended online and phone respondents in 2024 (base varies by attribute) Q14: n=84-671 blended online and phone respondents (base varies by attribute)



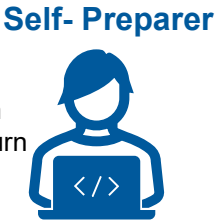
For self-preparers, their tax prep software is both motivating and helps make them more capable of compliance, but they also require effective and easy services from the IRS

Factors Affecting Motivation and Capability to File an Accurate and Timely Tax Return

■ Factor makes me much more capable ■ Factor makes me much more motivated

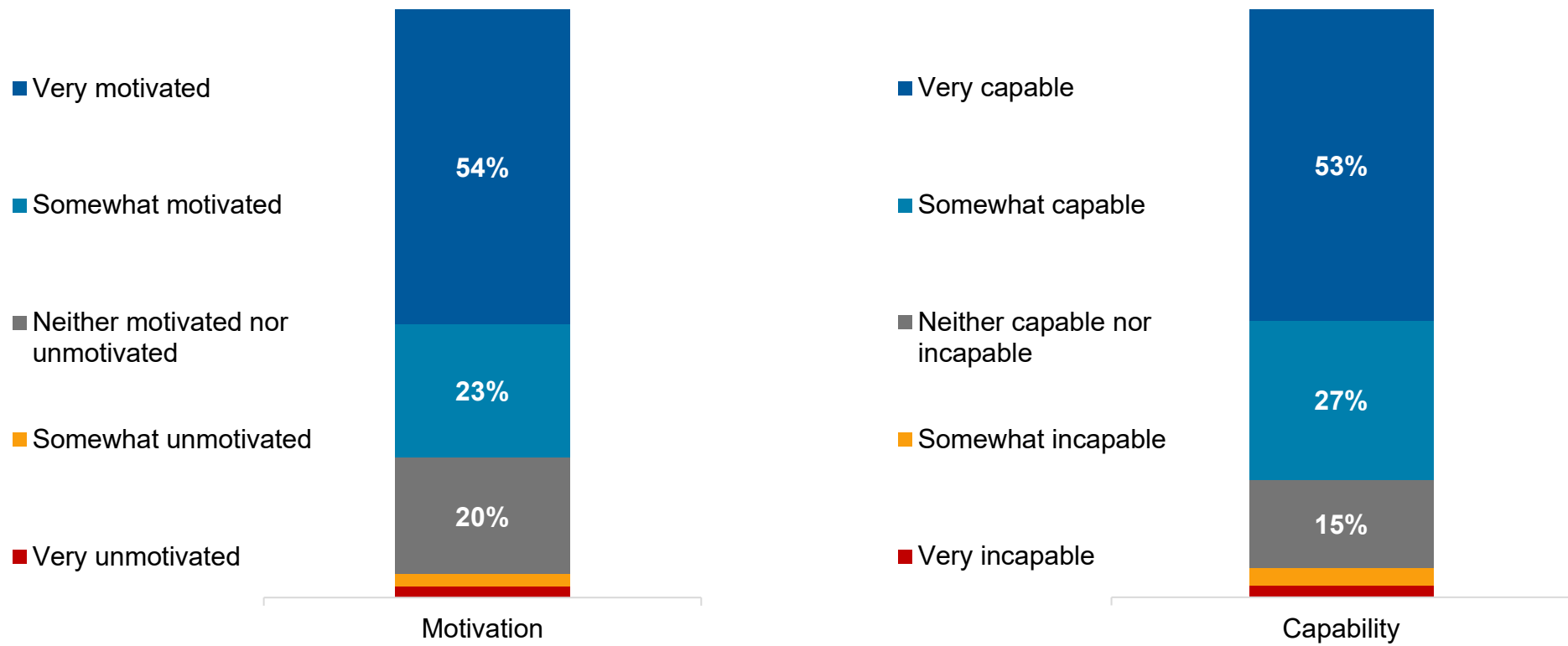


Q27. You said you agreed with the following statements. For each statement you agreed with, please indicate how motivated each made you feel to file an accurate and timely tax return in the future. Q28. Looking at the same list of those statements you said you agreed with, please indicate how capable each made you feel of being able to file an accurate and timely tax return in the future. Margin of error is +/- 3.1% at the 95% confidence level.
Q27: n=69-447 blended online and phone respondents in 2024 (base varies by attribute) Q28: n=67-444 blended online and phone respondents (base varies by attribute)



Over half of taxpayers feel very motivated and very capable of tax compliance

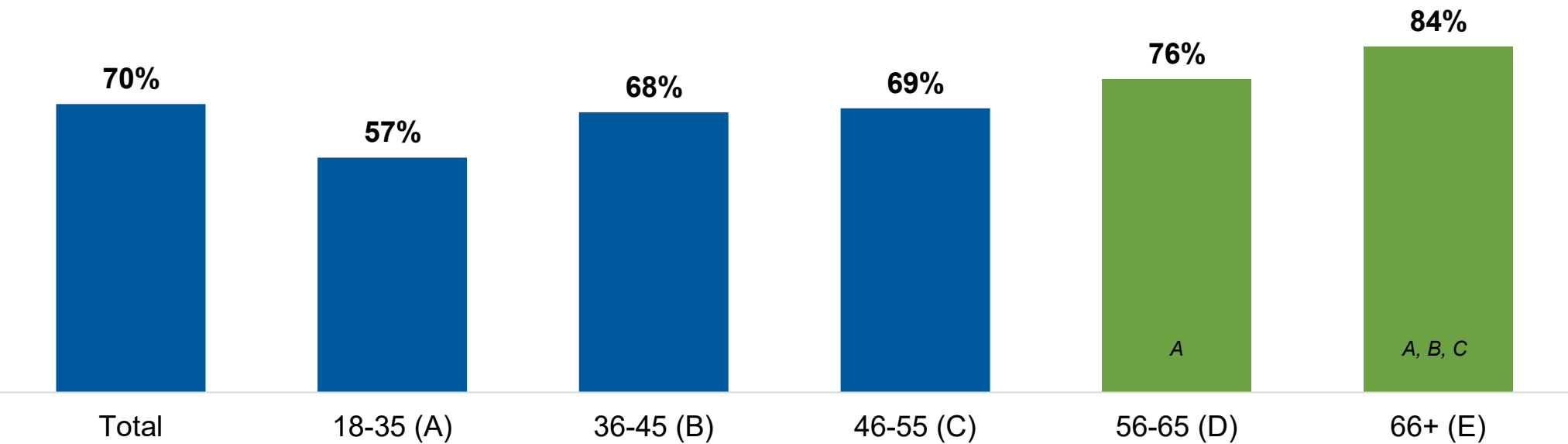
Overall Motivation and Capability to File an Accurate and Timely Return



q33 Everything considered, based on your recent experiences, how motivated are you to file an accurate and complete return? q34 Everything considered, based on your experiences, how capable do you feel of filing an accurate and complete return? Margin of error is +/- 3.1% at the 95% confidence level. Data labels for percentages <5% not displayed. Q33: n=1471 blended online and phone respondents in 2024 Q34: n=1480 blended online and phone respondents in 2024

Over half of taxpayers believe they are very likely to file an accurate tax return, with older taxpayers more likely than younger groups

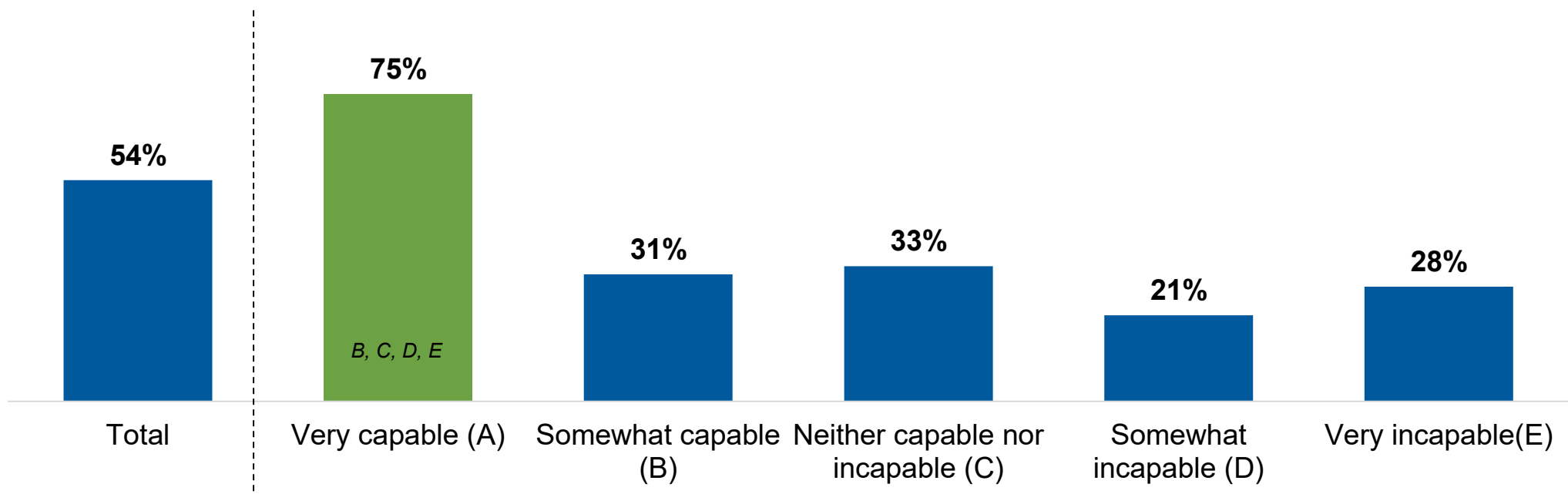
% *Very Likely* to File an Accurate and Complete Federal Tax Return (9-10 on Ten Point Scale) by Age



Q35. On a scale of 0 – 10, how likely do you think it will be that your next Federal tax return will be accurate and complete – where 10 is completely likely, 0 is completely unlikely, and 5 is neither likely nor unlikely. Margin of error is +/- 3.1% at the 95% confidence level. Percentage 'completely agree' plus 'mostly agree' is shown. Where relevant lighter green shading indicates a significantly higher score at a 95% confidence level versus other scores in the row, with a letter indicating which column or columns (e.g., "A", "B", etc.) the score is significantly higher than. Each column's sample size affects statistical significance.
n=1495 blended online and phone respondents in 2024

Only taxpayers who feel very capable feel certain of their tax compliance

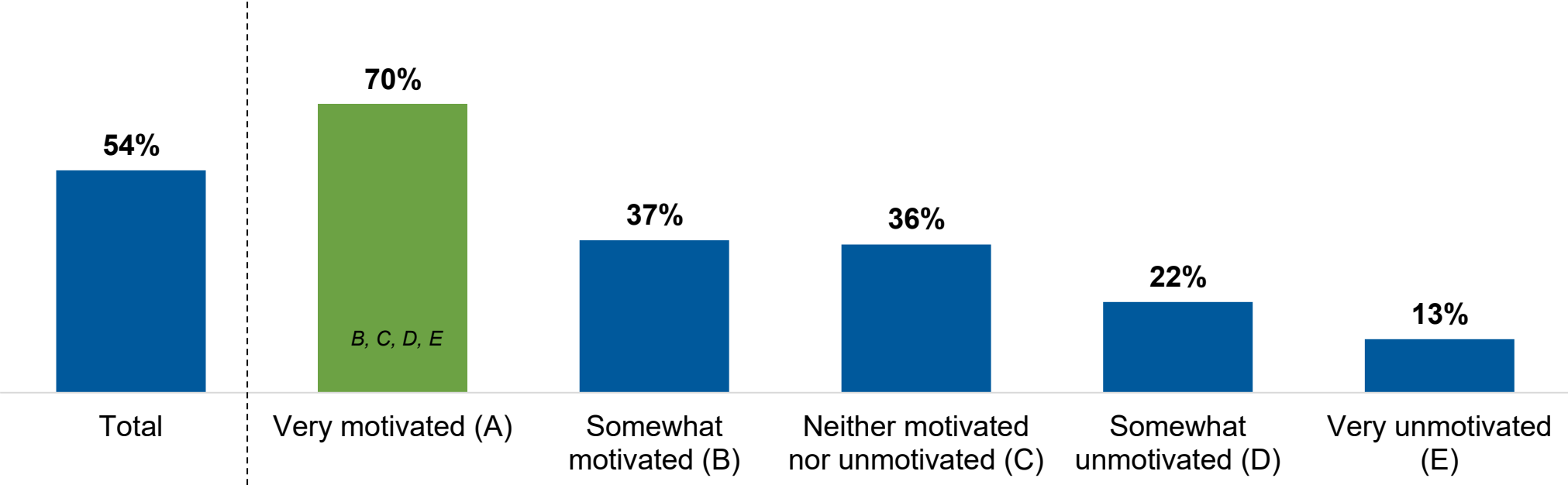
% Completely Likely to File an Accurate and Complete Tax Return by Capability to Comply



Q35. On a scale of 0 – 10, how likely do you think it will be that your next Federal tax return will be accurate and complete – where 10 is completely likely, 0 is completely unlikely, and 5 is neither likely nor unlikely. Margin of error is +/- 3.1% at the 95% confidence level. Where relevant lighter green shading indicates a significantly higher score at a 95% confidence level versus other scores in the row, with a letter indicating which column or columns (e.g., “A”, “B”, etc.) the score is significantly higher than. Each column's sample size affects statistical significance. n=1495 blended online and phone respondents in 2024

Similarly, only taxpayers who feel very motivated to comply feel certain they will have full tax compliance

% Completely Likely to File an Accurate and Complete Tax Return by Motivation to Comply



Q35. On a scale of 0 – 10, how likely do you think it will be that your next Federal tax return will be accurate and complete – where 10 is completely likely, 0 is completely unlikely, and 5 is neither likely nor unlikely. Margin of error is +/- 3.1% at the 95% confidence level. Where relevant lighter green shading indicates a significantly higher score at a 95% confidence level versus other scores in the row, with a letter indicating which column or columns (e.g., “A”, “B”, etc.) the score is significantly higher than. Each column's sample size affects statistical significance. n=1495 blended online and phone respondents in 2024