



Researchers are **invited to attend an introductory meeting on November 17, 10:00 – 11:15 am** with representatives from the NC Department of Revenue, NC Office of Strategic Partnerships, and others. Email partnerships@osbm.nc.gov for the invite.

Research Partnership Opportunities
North Carolina Department of Revenue
 November 2021

Purpose: The [North Carolina Office of Strategic Partnerships \(OSP\)](#) facilitates partnerships with state agencies. Below are partnership opportunities with the **NC Department of Revenue (NC DOR) Tax Research and Equity Division**, which conducts equity and impact analyses of NC DOR’s administration of tax law and its internal policies and procedures that affect the taxpayers of North Carolina. Each opportunity may have multiple facets and lead to more than one related project. See additional information below, including how to express interest.

	DOR research questions/needs	Deliverable/Outcome	Relevant information or links
1	<p>What issues will the expanded use of digital currency and peer-to-peer cash apps create in terms of NC DOR’s ability to enforce compliance?</p>	<p>Quantitative and qualitative analysis of the impact of digital currency and peer-to-peer cash apps on revenue departments in other states and at the federal level.</p> <p>Recommendations for successfully enforcing tax compliance related to digital currency and peer-to-peer cash apps.</p>	<p>Crypto Tax Plan to Raise \$28 Billion for Infrastructure Deal Surprises - Bloomberg</p>
2	<p>Is it possible to create a service with credit card companies for small businesses in which the sales tax could automatically be submitted to NC DOR on behalf of the business?</p> <p>Small businesses can quickly fall out of compliance if they do not file the sales tax that they have withheld in a timely manner. In addition, most customers now use credit cards to pay for goods and services. If small business could automatically submit sales taxes, this would ensure that the taxes are filed in a timely manner, would remove a complicated step to calculate and remit sales tax, and would allow credit card companies to offer a new service to small businesses.</p>	<p>A recommendation about whether NC DOR and/or credit card companies can establish a service for small businesses where the sales tax can be automatically submitted to the NC Department of Revenue on behalf of the business; and, if so, what policies and procedures are needed for implementation.</p>	<p>Interchange Fee Legislation</p> <p>How Credit Card Transaction Processing Works</p>

3	<p>Are there actions that NC DOR could take that, if structured properly, might improve voluntary taxpayer compliance?</p> <ul style="list-style-type: none"> • Research shows that companies are sensitive to public scrutiny of their tax doings and that social norms affect taxpayer behavior. A 2010 study showed that tax enforcement press releases become more frequent in the few weeks before the federal tax filing deadline. • Additionally, there is research that suggests simple reminders of moral obligations and consequences of non-compliance can significantly discourage cheating or other evasion tactics. 	<p>Behavioral and policy analyses of whether implementing changes based on behavioral insights (e.g., revised form language, different or improved website, eFile experience) can improve overall tax compliance, and when (i.e., under what circumstances) these strategies should be used.</p>	<p>When Is Tax Enforcement Publicized?</p> <p>Social Behaviors, Enforcement, and Tax Compliance Dynamics</p> <p>Behavioral economics taps power of persuasion for tax compliance</p>
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Commitment Needed: The research needs above do not have a specific timeline; NC DOR may decide to pursue a project at any time with one or more researchers. Some opportunities will be short-term (commitment of a few months or less); others will require longer commitments. Timeframe/deadlines for completing the projects above will be determined case by case.

Funding: Some projects may require funding. This will depend on the scope of the project, level of expertise needed, and other factors. Research partners, agency officials, and the NC Office of Strategic Partnerships can discuss funding details, including needs and potential sources, on a case-by-case basis.

Publication Policy: We are committed to open science best practices, including sharing results and distributing of materials needed to replicate. This includes academic and practitioner publishing and may also include interactive online materials, community forums, podcasts, and beyond as best fit for the relevant audiences.

Context: The NC Department of Revenue is a Cabinet agency of NC state government, which serves over 10 million residents across policy and programmatic domains. The NC Office of Strategic Partnerships is organizationally part of the NC Office of State Budget and Management (OSBM), which includes data-driven and evidence-based decision making among its priorities.

How to Express Your Interest: Interested researchers are invited to attend an introductory meeting on November 17, 2021, 10:00 – 11:15 am with representatives from the NC Department of Revenue, NC Office of Strategic Partnerships, and others. Email partnerships@osbm.nc.gov for the meeting invitation or with any questions.