

EFTPS SMALL BUSINESS SURVEY

**400 Small Business Owners Nationally
200 Small Business Owners in Illinois
200 Small Business Owners in New York
TOTAL: 800 interviews**

Spring 2008

INTRODUCTION

Hello. My name is _____ with KRC Research, an independent market research company. I am calling on behalf of the U.S. Department of the Treasury. May I speak with _____?

We are conducting a survey of how small businesses pay their federal employment taxes and would like to include your opinions.

This is NOT a sales call. This call is for research purposes only. All of your individual responses will remain completely private and will not be shared with anyone else or linked to you. This survey should take about 15 minutes of your time.

If you have any comments regarding this interview, please reference OMB 1510-0074 and send your comments to Melanie Rigney, Financial Management Service, 401 14th Street SW, Washington, DC 20227.

IF NEEDED:

IF RESPONDENT EXPRESSES CONCERN AT ANY POINT, REASSURE THEM THAT YOU DO NOT WORK FOR THE GOVERNMENT. YOU ARE WORKING FOR AN INDEPENDENT RESEARCH COMPANY. THEIR ANSWERS WILL BE KEPT COMPLETELY CONFIDENTIAL AND THEIR INDIVIDUAL RESPONSES WILL NOT BE SHARED WITH ANYONE OR LINKED TO THEM.

IF RESPONDENT WANTS A PHONE NUMBER TO CALL TO VERIFY THIS IS A LEGITIMATE SURVEY: MELANIE RIGNEY AT 202-874-6763.

SCREENER

S1. REGION: RECORD MARKET FROM SAMPLE. SEE QUOTA.

Northeast.....	1
Midwest.....	2
South.....	3
West.....	4

S2. OVERSAMPLE:

Illinois.....	1
New York.....	2

S3. Do you or does any member of your household work for (READ LIST)?

TERMINATE	The Internal Revenue Service (IRS).....	1
TERMINATE	Federal Reserve Board or/and Federal Reserve Bank.....	2
TERMINATE	The U.S. Department of the Treasury.....	3
TERMINATE	A Tax Preparer, CPA, or accounting firm.....	4
CONTINUE	None of the above (VOL).....	5
TERMINATE	Don't know/refused (VOL).....	9

S4. Which of the following best describes your involvement in the way your company's FEDERAL employment taxes are paid? (READ LIST)

CONTINUE	I am the primary decision maker.....	1
CONTINUE	I have a great deal of influence on the decision.....	2
	I have some influence on the decision.....	3
	I am not involved in the decision.....	4
	Don't know/refused (VOL).....	9

[IF S4 =1 OR 2 CONTINUE. IF S4=3 OR 4 OR 9, ASK TO SPEAK TO THE DECISION MAKER AND START AGAIN FROM S3.]

The following questions are to ensure we are speaking to a range of small businesses. Your specific answers will not be shared with the Department of the Treasury or anyone else.

S5. How much did your business pay in federal taxes in 2007? (READ LIST)

TERMINATE	None.....	1
	\$20,000 or less.....	2
	\$20,000 to \$50,000.....	3
TERMINATE	Over \$50,000.....	4
TERMINATE	Don't know/refused (VOL).....	9

S6. How many employees does your company have? (READ LIST IF NEEDED)

	Fewer than 5.....	1
	5-10.....	2
	11-25.....	3
	26-50.....	4
	51 to 100.....	5
	More than 100.....	6
	Don't know/refused (VOL).....	9

S7. Does your business currently pay its federal employment taxes with a paper check or money order and a Federal Tax Deposit coupon, also known as an FTD coupon, or by some other method?

(IF SOME OTHER METHOD:) How do you pay your estimated taxes? **[DO NOT READ RESPONSES. RECORD DATA TO DETERMINE INCIDENCE OF EFTPS USERS.]**

	FTD coupon.....	1
TERMINATE	EFTPS (the Electronic Federal Tax Payment System).....	2
TERMINATE	Electronic Funds Withdrawal.....	3
TERMINATE	Other method.....	4
TERMINATE	Don't know/refused (VOL).....	9

S9. Does your company currently use an outside accountant or bookkeeper to prepare its FTD coupon and tax payments?

Yes.....	1
No.....	2
Don't know/refused (VOL).....	9

INTERNET USAGE

1 Which of the following best describes your company's technology capabilities? (READ LIST)

You have both computer and Internet access.....	1
You have computers but not Internet access.....	2
You have neither computers nor Internet access.....	3
Don't know/refused (VOL).....	9

2 **(IF HAVE COMPUTER AND INTERNET ACCESS: Q1=1)** Which of the following activities has your company conducted ONLINE? (READ AND RANDOMIZE LIST. ACCEPT MULTIPLE RESPONSES.)

Pay bills	1
Banking (transfer funds, review account statements, etc.).....	2
Filed tax returns.....	3
Made tax payments.....	4
Made investments (purchases or trades).....	5
Made purchases (bought goods or services).....	6
Other (Specify) (VOL).....	7
None (VOL).....	8
Don't know/refused (VOL).....	9

- 3 Now I am going to read you a list of activities. I would like you to tell me if your company has ever conducted any of these activities BY TELEPHONE? (READ AND RANDOMIZE LIST. ACCEPT MULTIPLE RESPONSES.)

Pay bills	1
Banking (transfer funds, review account statements, etc.).....	2
Filed tax returns.....	3
Made tax payments.....	4
Made investments (purchases or trades).....	5
Made purchases (bought goods or services).....	6
Other (Specify) (VOL).....	7
None (VOL).....	8
Don't know/refused (VOL).....	9

AWARENESS OF ELECTRONIC PAYMENT OPTIONS

- 4 In general, how satisfied are you with the way in which your company pays federal employment taxes – very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied, or very dissatisfied?

Very satisfied.....	1
Somewhat satisfied.....	2
Neither satisfied nor dissatisfied.....	3
Somewhat dissatisfied.....	4
Very dissatisfied.....	5
Don't know/refused (VOL).....	9

- 5 Are you aware that you can pay your company's federal taxes by telephone or online? (DO NOT READ ANSWER CHOICES.)

CONTINUE Yes, aware.....	1
SKIP TO Q7 No, not aware.....	2
SKIP TO Q7 Don't know/refused (VOL).....	9

- 6 (IF AWARE: Q5=1) What electronic payment options for small businesses to pay their federal taxes are you aware of? (DO NOT READ. PROBE FOR MULTIPLE RESPONSES. RESPONDENT MUST SAY "EFTPS" OR "ELECTRONIC FEDERAL TAX PAYMENT SYSTEM" TO COUNT AS PUNCH 1.)

EFTPS, Electronic Federal Tax Payment System.....	1
Electronic Funds Withdrawal.....	2
Tax preparation software.....	3
By credit card.....	4
Other (Specify) _____.....	5
None.....	6
Don't know/refused.....	9

OPERATIONAL CHANGES

Earlier, you indicated your company makes federal tax payments by check or money order and an FTD coupon.

7 Do you take your payment to your bank or credit union or do you mail your FTD coupon and payment to the IRS?

- Bank or credit union.....1
- Mail to IRS.....2
- Don't know/refused (VOL).....9

8 **(IF Q7=1)** Before today, were you aware that you could mail your company's FTD coupon and payment to the IRS instead of taking it to a bank or credit union?

- Yes.....1
- No.....2
- Don't know/refused (VOL).....9

9 If your financial institution no longer accepted FTD coupons, which of the following would you MOST LIKELY do? (READ AND ROTATE RESPONSES.)

- Use an online payment system.....1
- Use a phone voice response payment system.....2
- Mail your coupon to the IRS.....3
- Take your business to a financial institution that did accept FTDs even if it would be inconvenient for you to do so.....4
- Don't know/refused (VOL).....9

10 If you could pay your company's federal employment taxes at no charge through your financial institution's Web site, how likely would you be to pay this way? (READ RESPONSES.)

- Very likely.....1
- Somewhat likely.....2
- Neither likely nor unlikely.....3
- Somewhat unlikely.....4
- Very unlikely.....5
- Don't know/refused (VOL).....9

11 Currently, you can present your payment to your financial institution or mail your payment to the IRS on the day your taxes are due with no penalty or interest.

If you had to make your payment at your financial institution or mail it the day before the due date to avoid penalties and interest, how would that affect the way you make these payments? Would you...? (ROTATE. READ RESPONSES.)

- Make the payment the same way you do now, just a day earlier, or1
- Look for other payment options.....2
- Don't know/refused (VOL).....9

12 If financial institutions started charging FIVE-dollars to process an FTD coupon, how likely would you be to use a free electronic method instead? (READ RESPONSES)

- GOTO Q14**
- Very likely.....1
 - Somewhat likely.....2
 - Neither likely nor unlikely.....3
 - Somewhat unlikely.....4
 - Very unlikely.....5
 - Don't know/refused (VOL).....9

13 If financial institutions started charging TEN-dollars to process an FTD coupon, how likely would you be to use a free electronic method instead? (READ RESPONSES)

- Very likely.....1
- Somewhat likely.....2
- Neither likely nor unlikely.....3
- Somewhat unlikely.....4
- Very unlikely.....5
- Don't know/refused (VOL).....9

IF Q6=1 DO NOT READ PUNCH 5 IN Q14

14 How familiar are you with EFTPS, the Electronic Federal Tax Payment System, as a way to pay your company's federal taxes? Are you . . . (READ RESPONSES.)

- Very familiar.....1
 - Somewhat familiar.....2
 - Not very familiar.....3
 - Heard the name only.....4
 - Never heard of it.....5
 - Don't know/refused (VOL).....9
- GO TO Q17**
SEE INSTRUCTION

ASK Q15-Q16 ONLY IF Q14=1, 2, 3, 4 OR Q6=1

15 Where did you hear about EFTPS? (DO NOT READ LIST. ACCEPT MULTIPLE RESPONSES. PROBE FOR UP TO THREE RESPONSES.)

Bank/financial institution.....	1
EFTPS.gov.....	3
Financial TV show (CNBC, Bloomberg).....	4
Financial Web site(s).....	5
Friends/colleagues/family.....	6
Government Web site(s).....	7
IRS.....	8
Magazine or newspaper article or ad.....	9
Professional conference.....	10
Professional organization(s).....	11
Tax preparer/accountant.....	12
Other (specify) _____.....	13
None.....	14
Don't know/refused.....	99

16 Has your company ever used EFTPS?

Yes.....	1
No.....	2
Don't know/refused (VOL).....	9

Next I'm going to read you a statement about EFTPS or Electronic Federal Tax Payment System and then ask you some questions about it.

The Electronic Federal Tax Payment System or EFTPS is a free service of the Department of the Treasury. With EFTPS, you can pay federal taxes using the phone or the Internet. Payments can be made from anywhere 24 hours a day and can be scheduled between one and 120 days before the due date. Payment confirmation and records can be viewed online.

You can enroll in EFTPS by using the Internet or a paper form. In either case, you provide your company's name and taxpayer identification number and specify the bank account you want to use for payments. Within 10 days, your company receives information in the mail that will permit you to make payments by phone or on the Internet.

17 Based on what you know or what I have told you about EFTPS, how likely would your company be to enroll in and use EFTPS in the next year? (READ RESPONSES.)

Very likely.....	1
Somewhat likely.....	2
Neither likely nor unlikely.....	3
Somewhat unlikely.....	4
Very unlikely.....	5
Don't know/refused (VOL).....	9

18 Why do you say your company would be **(likely/unlikely)** to enroll in and use EFTPS in the next year? (OPEN-END. PROBE FOR UP TO THREE RESPONSES.)

19 Imagine you have made the decision to pay your company’s federal employment taxes electronically. If both of the following systems were available at no charge, which would you be more likely to use? **(ROTATE)**

- Your financial institution’s Web site.....1
- EFTPS.....2
- Don’t know/refused (VOL).....9

20 **(IF Q19=1 OR 2)** Would you be much more likely or somewhat more likely to use **(ANSWER FROM Q19)?**

- Much more likely.....1
- Somewhat more likely.....2
- Don’t know/refused (VOL).....9

ILLINOIS SMALL BUSINESSES (N=200 ADDITIONAL INTERVIEWS)

ASK Q21 IF Q6=1 OR Q14=1,2,3,4. ASK ONLY OF ILLINOIS RESPONDENTS S2=1

21 Are you aware that you can pay both your federal employment taxes and your Illinois withholding taxes using the EFTPS Web site?

- Yes.....1
- No.....2
- Don’t know/refused (VOL).....9

22 How interested are you in using EFTPS to pay both your federal and state employment taxes? (READ RESPONSES.)

- Very interested.....1
- Somewhat interested.....2
- Not interested.....3
- Don’t know/refused (VOL).....9

How interested are you in paying the following state taxes using EFTPS – very interested, somewhat interested, or not interested?

		Very interested	Somewhat interested	Not interested	DK (vol)
23	Sales and use taxes.	1	2	3	9
24	Excise taxes.	1	2	3	9
25	Unemployment taxes.	1	2	3	9

NEW YORK SMALL BUSINESSES (N=200 ADDITIONAL INTERVIEWS)

ASK Q26 IF Q6=1 OR Q14=1,2,3,4. ASK ONLY OF NEW YORK RESPONDENTS S2=1

26 If you were able to pay both your federal employment taxes and your New York state withholding taxes using the EFTPS Web site, how interested would you be in using EFTPS? (READ RESPONSES.)

Very interested.....	1
Somewhat interested.....	2
Not interested.....	3
Don't know/refused (VOL).....	9

How interested would you be in paying the following taxes by EFTPS – very interested, somewhat interested, or not interested?

		Very interested	Somewhat interested	Not interested	DK (vol)
27	State withholding taxes.	1	2	3	9
28	State sales and use taxes.	1	2	3	9
29	Excise taxes.	1	2	3	9
30	Unemployment taxes.	1	2	3	9
31	City sales and use taxes.	1	2	3	9
32	City withholding taxes.	1	2	3	9

DEMOGRAPHICS

D1. Finally, would you please tell me in what industry would you classify your company?

(Specify): _____
Don't know/refused (VOL).....99

Thank you for your time. Just in case my supervisor needs to verify that I conducted this interview, would you please tell me your first name?

Thank you again. Goodbye.

RECORD FROM SAMPLE:

Phone:.....(____) ____ - ____
CBSA code....._____
State:_____
Region:.....____

DATE OF INTERVIEW.....__ / __ / 08

D3. GENDER: RECORD.

Male 1
Female 2