

IRS Business Taxpayer Burden Survey

The purpose of this survey is to provide Congress and the President with accurate estimates of the costs incurred by business taxpayers in complying with federal rules and regulations as well as to inform tax administrators and policy makers regarding opportunities to reduce and otherwise manage these costs. Please be assured that you will not be asked about the income or other financial details of your business' tax return.

This questionnaire relates to the activities associated with the preparation and filing of your 2009 federal income tax return and any other tax returns (i.e., employment, excise, information returns, state and local, etc.) filed for the same period. This includes any filings completed in the 12 months leading up to the filing of your business' 2009 federal income tax return.

The individual most responsible for maintaining the financial records for your business or making the financial and tax-related decisions for your business should complete this questionnaire. You may need to consult with others in your organization to complete the survey and we encourage you to do so.

This survey includes questions regarding the following content areas:

- Tax Preparation Methods and Activities
- Tax-related Recordkeeping
- Gathering Materials, Learning About Tax Law, and Using IRS Taxpayer Services
- Tax Form Completion
- Tax Department Personnel and Budget
- Time Associated with Tax Compliance
- Allocation of Time Burden Across Tax Compliance Activities
- Allocation of Time Burden Across Type of Employee
- Fees Associated with Tax Compliance
- Demographics

Please be assured that your responses will be used for research and aggregate reporting purposes only and will not be used for other non-statistical or non-research purposes such as direct enforcement activities.

[Contact Info]

OMB No: 1545-1432. Expiration Date: XX/XX/XX This report is authorized under the Paperwork Reduction Act. Data collected will be shared with IRS staff, but your responses will be used for research and aggregate reporting purposes only and will not be used for other non-statistical or non-research purposes such as direct enforcement activities. The information that you provide will be protected to the fullest extent allowable under the Freedom of Information Act (FOIA). Public reporting burden for this collection of information is estimated to average 15 to 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to IRS Tax Products Coordinating Committee, 1111 Constitution Avenue, NW, Washington, DC 20224

TAX PREPARATION METHODS AND ACTIVITIES

This part of the survey collects general information about your business. Please answer all questions with reference to the most recent tax return year. The most recent tax year includes the 12 months leading up to the filing of your business' most recent federal income tax return.

1. Which of the following methods did your business use to prepare its most recent federal income tax return? Include activities done by external service providers. **Check all that apply**

Did your business use...

- A tax preparation service
- A tax advisory service
- Accounting and/or financial software
- Tax preparation software (e.g., Turbo Tax, Tax Cut, H&R Block At Home, InSource, CORPTAX, custom software)
- Employees of your business
- Paper or pdf version of the IRS tax forms
- 1099 and/or W2 contractor(s)
- Other, please specify: _____

2. In addition to preparation of your business' federal income tax return, which of the following activities did your business engage in (as part of its internal operations rather than services provided to clients) during the most recent tax year? Please check the corresponding box if the activity was performed by an employee of your business (including owners) and/or an external service provider. If both performed a particular activity, check both boxes for that activity.

Activity	Business Employee	External Service Provider	Not Applicable
A. Bookkeeping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Payroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Employment tax (including filing and/or payment preparation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Employee benefit (pension) plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. State and local tax (including sales and use tax)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Property tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Excise tax (i.e., special motor fuels, alcohol & tobacco products, air transportation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Estimated income tax payments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Individual income tax preparation for owners or partners of your business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Legal (tax and business activities)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. Non-tax business consulting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L. Other than the activities already mentioned, did you engage in any additional tax-related activities? Please describe:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

TAX-RELATED RECORDKEEPING

Please think about your business' recordkeeping activities, specifically tax-related recordkeeping. **Tax-related recordkeeping** includes all the activities your business did to create, maintain, and store records needed to complete its federal, state and local tax returns. In this section we are going to discuss the records you maintain for federal, state and local tax purposes.

3. Which of the following statements describe the accounting or bookkeeping system your business used during the most recent tax year? Did your business...

Did your business...	Yes	No	Don't know
A. Use an off-the-shelf accounting and financial software system such as QuickBooks Pro, Peachtree Complete, MYOB Business Essentials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Use a customized, business-wide, software-based accounting system such as Oracle, Deltek Costpoint, SAP or a point of sale system?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Use general recordkeeping software products such as Microsoft Office, Lotus, Open Office, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Maintain a hard-copy ledger to record business transactions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Other, please specify: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

GATHERING MATERIALS, LEARNING ABOUT TAX LAW, AND USING IRS TAXPAYER SERVICES

Consider the tax related materials your business gathered and how your business learned about tax laws in order to complete its federal tax return and comply with federal tax obligations.

4. During the most recent tax year, did you or others at your business obtain forms, publications, or other materials from:

Source	Yes	No	Don't know
A. The IRS website?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. An IRS walk-in office?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. By ordering them from the IRS either via mail or telephone?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

During the most recent tax year, did you or others at your business...

Activity	Yes	No	Don't know
D. Review IRS tax form and publications in preparation for completing your business' federal tax return or in deciding to hire an external paid professional?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Attend tax seminars to learn about federal tax issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sometimes people contact the IRS for reasons other than obtaining forms and publications. During the most recent tax year, did you or others at your business (please exclude external service providers) interact with the IRS via any of the following channels for reasons OTHER than obtaining forms and publications? (Do not include form filing or making estimated payments.)

Activity	Yes	No	Don't know
F. Obtain e-file assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Call the IRS Toll Free Tax Assistance Line	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Go to an IRS walk-in site	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Use the IRS website	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Correspond with the IRS via e-mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K. Correspond with the IRS via regular mail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

TAX FORM COMPLETION

5. Consider the amount of work that goes into the completion of a particular tax form. Who did the majority of the work for the tax forms listed below- an employee of your business or an external service provider? (Please select one option per form type.)

Form	Business Employee	External Service Provider	Not Applicable
Federal Income Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State & Local Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employment Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excise Tax	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
K-1s	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
W-2s	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other information returns (1099s, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As mentioned earlier, the purpose of this survey is to provide Congress and the President with accurate estimates of the costs incurred by business taxpayers to comply with federal rules and regulations. For most businesses these costs are a combination of time spent and out-of-pocket expenses (e.g., fees paid to external service providers, software costs). In the remaining sections we will ask for estimates of these costs.

TAX DEPARTMENT PERSONNEL AND BUDGET

6. Does your organization have a dedicated tax department? *Please note that this is not typical for smaller businesses. Do not include your external service provider.*

- Yes → Please go to questions 7-9 below
- No → Please go to question 10

7. If you answered yes to question 6, how many of your business' employees were members of the tax department in the most recent tax year?

7a. Full-time Employees _____

- Don't Know

7b. Part-time Employees _____

- Don't Know

7c. What was the total annual budget for the tax department in the most recent tax year?

_____ Dollar amount of tax department annual budget

7d. What percentage of the amount stated in 7c was spent on federal tax compliance activities during the most recent tax year?

_____ Percent of annual budget spent on federal tax compliance activities

8. Please indicate what other departments in your business also contribute personnel time to tax compliance activities. Do not include activities done by external service providers. **Check all that apply.**

- IT department
- Payroll
- Comptrolling
- Human resources department
- Subsidiary tax department
- Other, please specify: _____
- None → Please go to question 11

9. Please indicate in the table below how much time in the most recent tax year employees outside the tax department spent on tax compliance activities both for all taxes and for federal taxes only.

Department	Total hours spent in most recent tax year on <u>all</u> tax compliance activities	Total hours spent in most recent tax year on <u>federal</u> tax compliance activities
A. IT department		
B. Payroll		
C. Comptrolling		
D. Human resources department		
E. Subsidiary tax department		
F. Other, please specify: _____		

GO TO QUESTION 11

TIME ASSOCIATED WITH TAX COMPLIANCE

Please think about how much time your business spent to comply with its tax obligations. Consider time spent on recordkeeping, tax planning, gathering materials, learning about tax law, using IRS services, completing and submitting your federal tax return, and calculating and depositing payroll and estimated income tax payments.

10. If you answered no to question 6, how many employees in your business, including yourself, regularly perform tax compliance related activities as part of their responsibilities?

10a. Full-time Employees _____

Don't Know

10b. Part-time Employees _____

Don't Know

- 10c. On average, what percentage of their time did those counted in questions 10a and 10b above spend on federal tax compliance activities?

Full-time Employees: _____ Percent

Part-time Employees: _____ Percent

- 10d. On average, during the most recent tax year, how many hours did the part-time employees reported in 10b above work on all activities, not just tax-related activities? *Please base your answer on a 40-hour work week, 52 weeks per year.*

_____ Average number of hours worked by part-time tax staff in most recent tax year

GO TO QUESTION 11

ALLOCATION OF TIME BURDEN ACROSS TAX COMPLIANCE ACTIVITIES

11. Consider all of the time your business spent on tax compliance activities during the most recent tax year. How would you divide the total time spent by your employees on all the listed income tax related activities? Please do not include time spent by your external paid professional.

What percentage of the total time was spent on:

- A. Tax recordkeeping? _____%
 - B. Tax planning? _____%
 - C. Gathering materials, learning about tax law, and using IRS taxpayer services? _____%
 - D. Completing and submitting your federal return? _____%
 - E. Calculating and depositing payroll and estimated Income tax payments? _____%
 - F. Other? _____%
- Please specify _____ SUM = 100%

ALLOCATION OF TIME BURDEN ACROSS TYPE OF EMPLOYEE

12. Consider all of the time your business spent only on tax compliance activities during the most recent tax year. How would you divide the total time spent on tax compliance activities spent by each type of employee listed below (e.g., owners do 50% of the work, managers do the other 50%)? Please do not include time spent by your external paid professional.

What percentage of the total time was spent by:

- A. Owner(s)? _____%
 - B. Executives, professionals, managers? _____%
 - C. Clerical or administrative staff? _____%
 - D. Other types of employees not listed? _____%
- Please specify _____ SUM = 100%

FEES ASSOCIATED WITH TAX COMPLIANCE

Please think about how much money your business spent to comply with its tax obligations. Costs associated with tax compliance are a very important part of assessing burden, so please provide the most accurate estimate you can.

- 13a. How much did your business pay all external service providers for all tax and tax-related services received during the most recent tax year?

_____ **Dollar Amount**

Don't Know

- 13b. How much of the amount entered in question 13a above was spent exclusively on federal tax related activities, such as tax planning and tax return preparation?

_____ **Dollar Amount**

Don't Know

- 14a. How much money, if any, did your business spend during the most recent tax year on all tax-specific software? Include any costs your business may have incurred for annual maintenance and updates.

_____ **Dollar Amount**

Don't Know

- 14b. How much money, if any, did your business spend during the most recent tax year on federal tax-specific software? Include any costs your business may have incurred for annual maintenance and updates.

_____ **Dollar Amount**

Don't Know

- 15a. If applicable, how much money was spent on other business-related tax activities not included in questions 13 and 14 above for the most recent tax year? This may include money spent on electronic submission, photocopies, tax literature, transportation, or postage. Do not include money your business spent on its external paid professional, tax software, or employee compensation.

_____ **Dollar Amount**

Don't Know

- 15b. How much money, if any, was spent on other business-related tax activities for your business' most recent federal tax return? Include money spent on electronic submission, photocopies, tax literature, transportation, or postage. Do not include money your business spent on its external paid professional, tax software, or employee compensation.

_____ **Dollar Amount**

Don't Know

DEMOGRAPHICS

Finally, we have a few questions about your business.

16. On average, how many full-time and part-time employees, if any, did your business have during the most recent tax year? Please include partners or owners, but do not include any independent contractors. (Independent contractors are workers who are not treated as employees.)
- A. Full-time Employees _____
 Don't Know
- B. Part-time Employees _____
 Don't Know
17. On average, at any one time, how many independent contractors, if any, did your business use during the most recent tax year? (Independent contractors are workers who are not treated as employees.)
- _____ Number of independent contractors
 Don't Know
18. In how many states did your business file state income tax returns during the most recent tax year?
- _____ Number of states
 Don't Know
19. Does your business have any branches, offices or subsidiaries in a foreign country?
- Yes
No
Don't know

THANK YOU FOR COMPLETING OUR SURVEY

IRS BTB Survey
Reminder postcard

[DATE]

We recently mailed you a letter regarding the burden your business experiences in complying with tax regulations. If you have already completed the online survey, please accept my sincere thanks. If not, I encourage you to do so as soon as possible. Your responses are very important and will be used to provide estimates of burden to Congress and the President.

To take the Internet survey, enter the URL www.IRS-BTBSurvey.org into your browser. You will be asked for your survey username and password which are printed on the letter sent earlier.

If you did not receive the letter or if you cannot locate your username and password, please call Josh Rubin at Westat, 1-800-XXX-XXXX or send an email to IRS-BTB@westat.com for assistance.

Sincerely,

IRS BTB Survey
Large Business Screening Script

CONFIRMATION REACHED CORRECT ESTABLISHMENT

[IF NEEDED: My name is [INTERVIEWER'S NAME] and I am calling on behalf of the Internal Revenue Service regarding their Business Taxpayer Burden Survey.]

[EVEN IF PHONE ANSWERED USING NAME OF ORGANIZATION, ASK QUESTION.]

Hello, is this [BUSINESS NAME]?

1. YES, NAME IS CORRECT
2. YES, NAME NEEDS MINOR CORRECTION
3. NO, DIFFERENT NAME
4. RESIDENCE ONLY (NOT A BUSINESS)
5. TELEPHONE COMPANY RECORDING
- GT. GO TO RESULT CODE

IDENTIFICATION OF APPROPRIATE RESPONDENT

Hello, my name is [INTERVIEWER'S NAME]. I am calling on behalf of the Internal Revenue Service (IRS) regarding their Business Taxpayer Burden Survey. We would like to mail a questionnaire to your company's Chief Financial Officer, or the person primarily responsible for overseeing your business' tax activities. Can you please tell me his or her name, mailing address, and telephone number?

Contact Name: _____

Contact Mailing address: _____

Contact Telephone Number: _____

Within a week, we will send the questionnaire to [CONTACT NAME]. Thank you for your help with this important study.

IF NO NAME CAN BE GIVEN: Can I speak to someone in your Human Resources department?

[REPEAT ABOVE SCRIPT ONCE SPEAKING WITH HR DEPT.]

IF NEEDED:

We are trying to locate the person at your company who is most knowledgeable about your company's tax activities because the survey asks about the time and money your business spends on tax compliance activities. The results of the survey will help the IRS understand the burden placed on businesses and identify ways to reduce that burden. Your business' responses are very important as they will help provide Congress and the President with accurate estimates of the time and financial costs incurred by business taxpayers in complying with federal rules and regulations.

If you would like to speak with someone at the IRS about this survey, please call the IRS Communications & Liaison office at 202-283-8570.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Dear Taxpayer:

I'm writing to ask you to take part in a very important survey that could benefit you and millions of other business taxpayers across America.

We hear from many business taxpayers that preparing and filing tax returns is time consuming and expensive. The IRS wants to make this situation better and you can help us with this effort.

Your answers will help our contractor, Westat, update our program that estimates the amount of time and money businesses spend doing their taxes each year. We use this program to analyze and thereby help reduce taxpayer burden. Let me assure you that all information you provide will be used for research and aggregate reporting purposes only and will not be used for other non-statistical or non-research purposes such as direct enforcement activities.

Of course, participation is totally voluntary. You don't have to join in the study. But having your real life tax preparation experience will give us better data. More accurate data will then help us design better solutions for reducing taxpayer burden.

I hope that you will agree to participate in this critical survey. Together we have a great opportunity to really make a difference. Thank you.

Sincerely,

Rosemary D. Marcuss
Director, IRS Office of Research, Analysis, and Statistics

**TELEPHONE SCRIPT FOR CALLS TO NONRESPONDENT CASES
NO CONTACT NAME**

[EVEN IF PHONE ANSWERED USING NAME OF ORGANIZATION, ASK QUESTION.]

Hello, is this [BUSINESS NAME]?

1. YES, NAME IS CORRECT
 2. YES, NAME NEEDS MINOR CORRECTION
 3. NO, DIFFERENT NAME
 4. RESIDENCE ONLY (NOT A BUSINESS)
 5. TELEPHONE COMPANY RECORDING
- GT. GO TO RESULT CODE

Hello, my name is [INTERVIEWER'S NAME]. I am calling on behalf of the Internal Revenue Service (IRS) regarding their Business Taxpayer Burden Survey. We recently sent your company a letter about this survey.

Did your company receive the letter?

[if **NO** or **Don't Know**]

Could you please confirm your address?

[If it is different than what we have]

I see the problem, we had the incorrect address for you. So to confirm, the correct address is **[address]**?

We would like to speak to the person within your business who is primarily responsible for overseeing your business' tax activities. Can you please tell me his or her name, mailing address, and telephone number?

Contact Name: _____

Contact Mailing address: _____

Contact Telephone Number: _____

Thank you for your help with this important study.

IF NO NAME CAN BE GIVEN: Can I speak to someone in your Human Resources department?

[REPEAT ABOVE SCRIPT ONCE SPEAKING WITH HR DEPT.]

**TELEPHONE SCRIPT FOR CALLS TO NONRESPONDENT CASES
CONTACT NAME OBTAINED**

Hello, my name is [INTERVIEWER'S NAME]. I am calling on behalf of the Internal Revenue Service (IRS) regarding their Business Taxpayer Burden Survey. We recently sent your company a letter about this survey and are following up with those who have not responded.

You were identified as the person who is most knowledgeable about your company's tax activities and we are asking for your participation.

The purpose of the survey is to gather information about the time and money your business spends on tax compliance activities. The results of the survey will help the IRS understand the burden placed on businesses and identify ways to reduce that burden. Your business' responses are very important.

Do you think that you could go online to fill out the survey? The survey should only take between 15-20 minutes to complete.

[If yes]

Great! Do you have your username and password? It was in the letter we sent.

[If yes]

Thank you very much. Your responses will help the IRS provide accurate estimates of burden to Congress and the President. We ask that you complete the survey as soon as possible, or within the next 5 business days.

[If no- obtain email address]

Ok – we can resend the letter to you via email. May I please have your email address?

Email address: _____

Thank you very much. Your responses will help the IRS provide accurate estimates of burden to Congress and the President. We ask that you complete the survey as soon as possible, or within the next 5 business days.

[If no]

May I ask why not?

[Document why not in the comments section and try gently to persuade to fill out survey.]

[Close Call]