Business Taxpayer Burden Survey

Your experience matters to us.

BTB

Business Taxpayer Burden Survey

Frequently Asked Questions

What is the purpose of this survey?
The purpose of this survey is to measure what it costs business taxpayers to comply with federal tax rules and regulations. For most establishments, these costs are a combination of time spent and out-of-pocket expenses. Please be assured that you will not be asked about the income or other financial details of your business's tax return.

This questionnaire relates to the activities associated with federal income tax compliance during the most recent tax year as well as the preparation and filing of your 2016 federal income tax return. It does NOT include 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's 2016 federal income tax return.

Who should complete this survey?
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 concerns the time and costs spent by your business, not the time and costs spent by your external service provider if you had one. Please do not forward this survey to your external service provider.

How was my business selected for this survey?
Your business was randomly selected from the millions of businesses that filed a federal income tax return in 2016.

If you own more than one business, please look at the address label of this mailing to see which business was randomly selected to receive this survey.

How will my answers be used?
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.

Why should I participate?
While participation is voluntary, information about your business's tax preparation experience will help the IRS reduce taxpayer burden. We encourage you to take a few minutes of your time to participate. By doing so, you will make sure that businesses like yours are represented.

How long will this survey take?
Public reporting burden for this collection of information is estimated to average 15 to 20 minutes, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Who can I contact with questions?
If you have questions about the content of this survey please call Karen Stein at Westat by phone at 1-888-450-8610 or send an email to IRS-BTB@westat.com. If you would like to speak to someone at the IRS, please email Brenda Schafer at Brenda.Schafer@irs.gov.

Web Survey Instructions

If you would prefer to complete the survey on the web, you may do so by following the instructions below. Web responses are processed more quickly and will help ensure that you don't receive follow-up contacts.

1. **Go to the website.**
   To take the survey online, please go to: **www.IRSBTBSurvey2016A.org**
2. **Log in.**
   You will need the following username and password to access the survey: **Username: [UID]** **Password: [PWD]**

Problems?

If you have any technical difficulties, including problems with the website, please call 1-888-450-8610 or send an email to IRS-BTB@westat.com.

Si usted desea contestar esta encuesta en español, por favor llame al 1-888-450-8610 o envie un correo electrónico a IRS-BTB@westat.com.

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Instructions:

Please use a black or blue pen to complete this form.

Mark ☒ to indicate your answer.

If you want to change your answer, darken the box ■ and mark the correct answer.

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's 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 owners, employees, and external service providers.

Did your business use…

Mark all that apply.

- ☐ A tax preparation service? (e.g., a CPA, accountant, bookkeeper, a tax lawyer, an enrolled agent, registered tax preparer)
- ☐ A tax advisory/planning service?
- ☐ Accounting and/or financial software? (e.g., QuickBooks Pro™, Peachtree Complete®)
- ☐ Tax preparation software? (e.g., Turbo Tax®, CCH®, OneSource™, CORPTAX, custom software)
- ☐ Owners or employees of your business?
- ☐ Any other method(s)? *Please describe:*

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2. **In addition to preparation of your business's federal income tax return, which of the following activities did your business engage in (as part of its internal operations rather than as 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" for that activity.**

Activity	Business employee only	External service provider only	Both	Not applicable
A. Bookkeeping?	☐	☐	☐	☐
B. Estimated income tax payments?	☐	☐	☐	☐
C. Individual income tax preparation for owners or partners of your business?	☐	☐	☐	☐
D. Pre-tax fringe benefits? (e.g., pension plan, health care benefits)	☐	☐	☐	☐
E. Other activities? *Please describe:*	☐	☐	☐	☐

Tax-Related Recordkeeping

Please think about your business's 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 income 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...	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?	☐	☐	☐
B. Use general recordkeeping software products such as Microsoft® Office, IBM Notes, OpenOffice?	☐	☐	☐
C. Maintain a hard-copy ledger to record business transactions?	☐	☐	☐
D. Use any other accounting or bookkeeping system during the most recent tax year? *Please describe:*	☐	☐	☐

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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 income tax return and comply with federal income 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?	☐	☐	☐
B. An IRS walk-in office?	☐	☐	☐
C. By ordering them from the IRS either via mail or telephone?	☐	☐	☐

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

Activity	Yes	No	Don't know
A. Review IRS tax forms and publications in preparation for completing your business's federal income tax return or in deciding to hire an external service provider?	☐	☐	☐
B. Attend tax seminars/training to learn about federal income tax issues?	☐	☐	☐

6. 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
A. Obtain e-file assistance from the IRS?	☐	☐	☐
B. Call the IRS Toll Free Tax Assistance Line?	☐	☐	☐
C. Go to an IRS walk-in site?	☐	☐	☐
D. Use the IRS website?	☐	☐	☐
E. Correspond with the IRS via e-mail or regular mail?	☐	☐	☐

Time Spent On Income Tax-Related Activities

7. As mentioned in the FAQs, the purpose of this survey is to measure what it costs business taxpayers to comply with federal income tax rules and regulations. For most establishments, 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 next few sections we will ask for estimates of these costs.

The next three questions focus on the time spent on activities related to filing your business's federal income tax return.

Think about all the time your business spent on tax-related recordkeeping, tax planning, gathering tax-related materials, learning about tax law, using IRS or non-IRS resources, completing, reviewing, and submitting your 2016 federal income tax return, and calculating and depositing estimated tax payments.

Please include:

- *Time spent on your federal income tax return as well as any associated forms, schedules, and worksheets that you completed or filed*
- *Time throughout the tax year as well as the tax filing season*
- *Time spent corresponding with your external service provider(s)*

Please do NOT include:

- *Time spent by your external service provider(s)*
- *Time spent on state or local income tax returns*
- *Time spent on employment tax returns and payroll activities*
- *Time spent on excise tax*
- *Time spent on foreign tax*
- *Time spent on information returns*
- *Time spent on individual income tax returns for owners, partners, or shareholders*
- *Time spent on retirement and pension-related activities*

7A. How many TOTAL hours did your business spend performing tax reporting compliance-related activities for the 2016 tax year? For example, tax-related recordkeeping, tax planning, gathering tax-related materials, learning about tax law, using IRS or non-IRS resources, completing, reviewing, and submitting your business's 2016 federal income tax return, and calculating and depositing estimated tax payments.

We encourage you to consult your records or others in your business, if necessary. If these resources are unavailable, please provide your best, most accurate estimate.

						:		
Hours							Minutes	

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7B. How would you distribute the hours reported in question 7A across each of the following tax-related activities? (Parts 1 - 6 should add up to the total number of hours reported in question 7A.) Please note that these hours are for in-house staff only, not any external service providers.

1. **Tax recordkeeping, including reconciling financial and tax records?** Hours : Minutes

2. **Tax planning?** Hours : Minutes

3. **Gathering materials, learning about tax law, and using IRS or non-IRS resources?** Hours : Minutes

4. **Calculating and depositing estimated income tax payments?** Hours : Minutes

5. **Completing and submitting your federal income tax return?** Hours : Minutes

6. **All other income tax-related activities?** ***Please describe:*** Hours : Minutes

7C. How would you distribute the hours reported in question 7A across each of the different types of individuals listed below? (Total hours reported in parts 1 - 4 below should add up to the total number of hours reported in question 7A.)

Note: Please do not include hours spent by any external service providers.

1. **Owner(s) or executives?** Hours : Minutes

2. **In-house professionals or managers?** Hours : Minutes

3. **Clerical or administrative staff?** Hours : Minutes

4. **Other types of employees?** ***Please describe:*** Hours : Minutes

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7D. Based on your responses in question 7C, what is the average hourly pay rate for all individuals in your business who are responsible for federal income tax-related activities?

Important: If you don't know the hourly pay rates for all of the individuals listed in question 7C, please enter your best estimate of the average hourly pay rate.

$ ___ . __
Dollars Cents

☐ Don't know

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.

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

8A. Total fee(s) paid to external service providers for tax and tax-related services?

If no money was spent on external service providers ⟶ Please skip to question 9.

$ _______ . __
Dollars Cents

8B. Of the amount in 8A, how much was spent exclusively for federal income tax planning?

$ _______ . __
Dollars Cents

8C. Of the amount in 8A, how much was spent exclusively for federal income tax return preparation?

$ _______ . __
Dollars Cents

9. How much money, if any, did your business spend during the most recent tax year on tax-specific software?

Note: Include any costs your business may have incurred for annual maintenance and updates.

Total money spent on all tax-specific software? (e.g., Turbo Tax®, CCH®, OneSource™, CORPTAX, custom software)

$ _______ . __
Dollars Cents

☐ No money spent on tax-specific software

☐ Don't know

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10. If applicable, how much money was spent on other business-related tax activities not included in questions 8 and 9 for the most recent tax year? This may include money spent on electronic submission, photocopies, tax research services, tax publications and journals, transportation, postage, or IRS user fees.

Note: Do NOT include money your business spent on external service provider(s), tax software, or employee compensation.

10A. Total money spent on all other business-related tax activities?

$ ☐☐☐☐☐☐☐ . ☐☐
Dollars Cents

10B. Of the amount in 10A, how much was spent <u>exclusively</u> for your business's most recent <u>federal income tax</u> return?

$ ☐☐☐☐☐☐☐ . ☐☐
Dollars Cents

Import And Export Activities

11. During the most recent tax year, did your business prepare documents for use by United States or foreign customs authorities related to taxes and duties for...

11A. Imports into the United States?

☐ Yes

☐ No

☐ Don't know

11B. Exports from the United States?

☐ Yes

☐ No

☐ Don't know

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Additional Questions

12. **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 for employment tax purposes.**

12A. **How many full-time employees?**

☐ Don't know

12B. **How many part-time employees?**

☐ Don't know

13. **How many state income tax returns did your business file during the most recent tax year?**

Number of returns

☐ Don't know

14. **How many people, if any, helped you answer the questions on this survey?**

☐ None
☐ 1
☐ 2
☐ 3
☐ 4 or more

Thank you for completing our survey.

Privacy and Paperwork Reduction Act Notice for Business Taxpayer Burden Model Data Collection

The Privacy Act of 1974 states that when we ask you for information, we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if you do not provide it and whether or not you must respond under the law.

Our legal right to ask for this information is 5 U.S.C. 301.

The primary purpose for requesting the information is to analyze the role of taxpayer burden in tax administration. We will also use the information to fulfill the IRS' statutory obligations to the Office of Management and Budget and Congress for information required by the Paperwork Reduction Act, and to provide tax policy analysis support to the Office of Tax Analysis at the Department of the Treasury. We will also use the information provided to better understand taxpayer needs and burden reduction opportunities.

Tax information may be disclosed only as provided by 26 U.S.C. 6103. Providing the information is voluntary. Not providing all or part of the information requested may reduce our ability to address taxpayer concerns regarding paperwork reduction.

OMB No: 1545-2212. 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, 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 Special Services Section,SE:W:CAR:MP:T:M:S, Room 6129, 1111 Constitution Avenue, NW, Washington, DC 20224.