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.IRSBTBSurvey16B.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 external service providers.

Did your business use…

Mark all that apply.

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

2. In addition to preparation of your business's federal income tax return, for which of the following activities did your business engage an external service provider during the most recent tax year?

Mark all that apply.

- ☐ Accounting or bookkeeping?
- ☐ Estimated income tax payments?
- ☐ Tax advisory services?
- ☐ Pre-tax fringe benefits? (e.g., pension plan, health care benefits)
- ☐ Individual income tax preparation for owners or partners of your business?
- ☐ Other activities? *Please describe:*

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Tax Department Personnel And Budget

As mentioned in the FAQs, 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 (e.g., fees paid to external service providers, software costs). In the next few sections we will ask for estimates of these costs.

3. Does your business have a dedicated in-house tax department?

☐ Yes → **Please go to question 4 below.**

☐ No → **Please skip to question 7 on page 4.**

4. What was the total annual budget for the tax department (including all consolidated subsidiaries) in the most recent tax year?

4A. Total tax department budget?

$ ☐☐☐☐☐☐☐☐ . ☐☐
Dollars Cents

☐ Don't know

4B. Of the amount in 4A, how much was spent <u>exclusively</u> on federal income tax compliance?

$ ☐☐☐☐☐☐☐☐ . ☐☐
Dollars Cents

☐ Don't know

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5. **Of the amount entered in question 4A, how much was allocated to costs related to internal tax department costs and external (out-sourced) services provided to the tax department?**

5A. Internal tax department costs?

$ [ ] . [ ]
Dollars Cents

☐ Don't know

5B. Of the amount in 5A, how much was spent exclusively on federal income tax compliance?

$ [ ] . [ ]
Dollars Cents

☐ Don't know

5C. Cost(s) of external services provided to tax department?

$ [ ] . [ ]
Dollars Cents

☐ Don't know

5D. Of the amount in 5C, how much was spent exclusively on federal income tax compliance?

$ [ ] . [ ]
Dollars Cents

☐ Don't know

6. **Did any other departments allocate part of their budget to tax compliance activities? These departments could include but are not limited to the following: IT, Payroll, Comptroller, Human Resources, and Subsidiaries.**

6A. Allocation to tax compliance activities from other department(s)?

$ [ ] . [ ]
Dollars Cents

☐ Don't know

6B. Of the amount in 6A, how much was spent exclusively on federal income tax compliance?

$ [ ] . [ ]
Dollars Cents

☐ Don't know

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 much TOTAL time 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 most accurate estimate.

Note: You may answer the question in number of hours OR full-time equivalents (FTE). FTE = total hours/2,080 hours.

Hours : Minutes **OR** FTE

The next item asks you to allocate the hours or FTE reported in question 7A across different activities. For example, if you reported 1,000 hours in question 7A, then the hours you report in parts 1 - 6 in the table below should add up to 1,000 hours.

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

	Hours	Minutes		FTE
1. Tax recordkeeping, including reconciling financial and tax records?		:	**OR**	.
2. Tax planning?		:	**OR**	.
3. Gathering materials, learning about tax law, and using IRS or non-IRS resources?		:	**OR**	.
4. Calculating and depositing estimated income tax payments?		:	**OR**	.
5. Completing and submitting your federal income tax return?		:	**OR**	.
6. All other income tax-related activities? ***Please describe:***		:	**OR**	.

The next item asks you to allocate the hours or FTE reported in question 7A across the different types of individuals who did the work. For example, if you reported 1,000 hours in question 7A, then the hours you report in parts 1 - 4 in the table below should add up to 1,000 hours.

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

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

1. Owner(s) or executives?	Hours	Minutes	**OR**	FTE
2. In-house professionals or managers?	Hours	Minutes	**OR**	FTE
3. Clerical or administrative staff?	Hours	Minutes	**OR**	FTE
4. Other types of employees? ***Please describe:***	Hours	Minutes	**OR**	FTE

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

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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)

☐ Don't know

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

$ ________ . __ (Dollars . Cents)

☐ Don't know

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

$ ________ . __ (Dollars . Cents)

☐ Don't know

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?

$ ________ . __ (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

☐ Don't know

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

$ ☐☐☐☐☐☐☐☐ . ☐☐
Dollars Cents

☐ Don't know

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

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.