



# Business Nationwide Analysis



# **FY 09 NATIONWIDE ANALYSIS Form 940**

**Electronic Tax Administration  
Business Master File Marketing Database**

**SB/SE Research**

**June 2009**

**Project BKN0126**

# Acknowledgements

This report was prepared at the SB/SE Research site in Brooklyn/Hartford under the direction of Research Chief Wendy S. Handin. Kenneth Bulcroft was the primary author with valuable support provided by Kevin Mullen. Special thanks to Lisa Burch of ETA for posting this report to [www.irs.gov](http://www.irs.gov) so that it can be used by taxpayers and preparers to learn about e-file progress. For further information, please contact Wendy S. Handin at (718) 488-3260.

# Primary Data Sources

- All business tax returns filed for Processing Year 2008
- Returns processed through December 31, 2008 (cycle 200853)
- The BMF ETA Marketing Database contains variables from the TRDB (Tax Return Data Base) as well as the BRTF (Business Returns Transaction File)
- Includes over 34 million entities



# **Form 940 Filers**

## **Employer's Annual Federal Unemployment Tax Return**

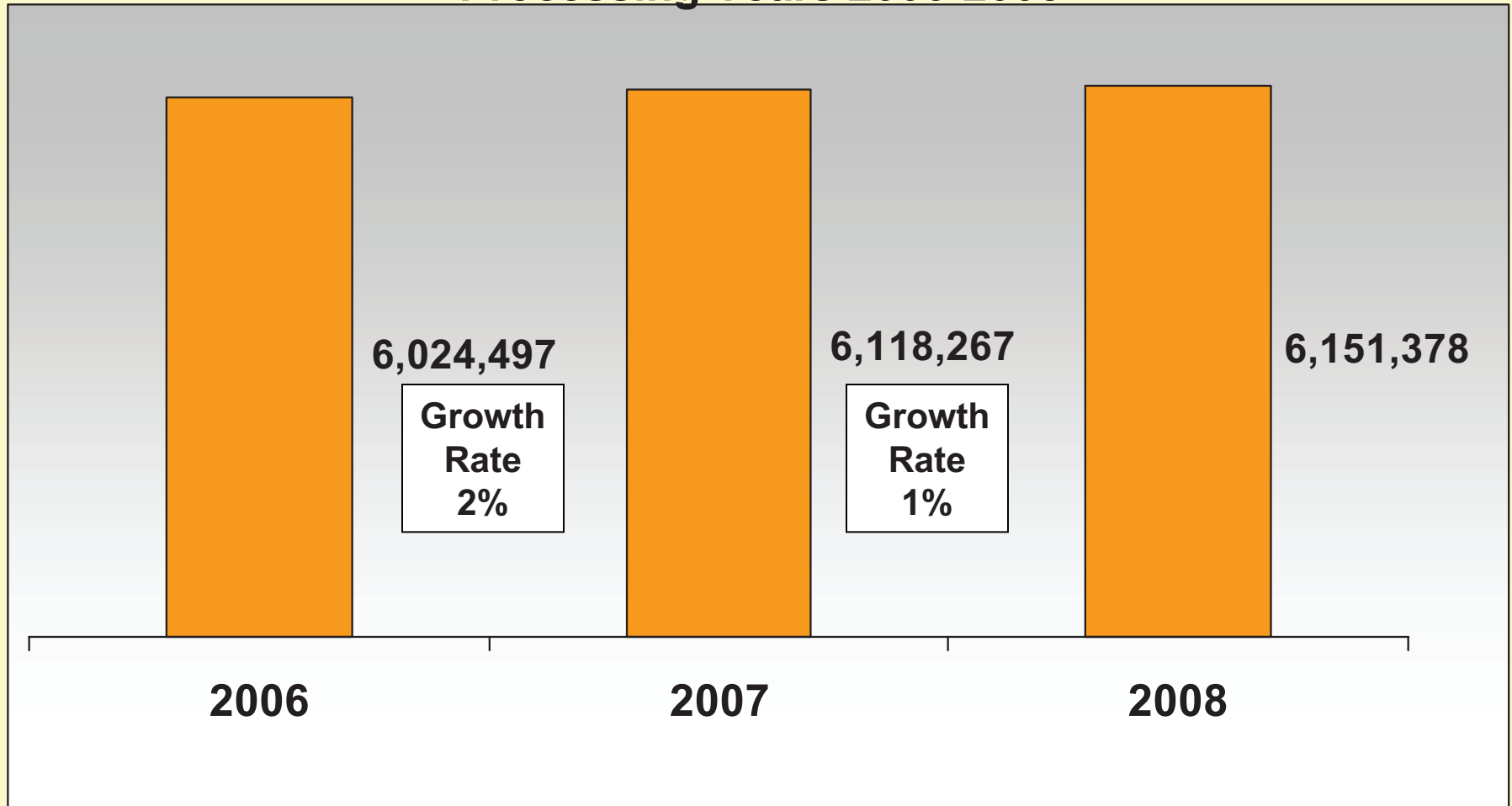
### **Processing Year 2008**



# Form 940

## Annual Filing Volume

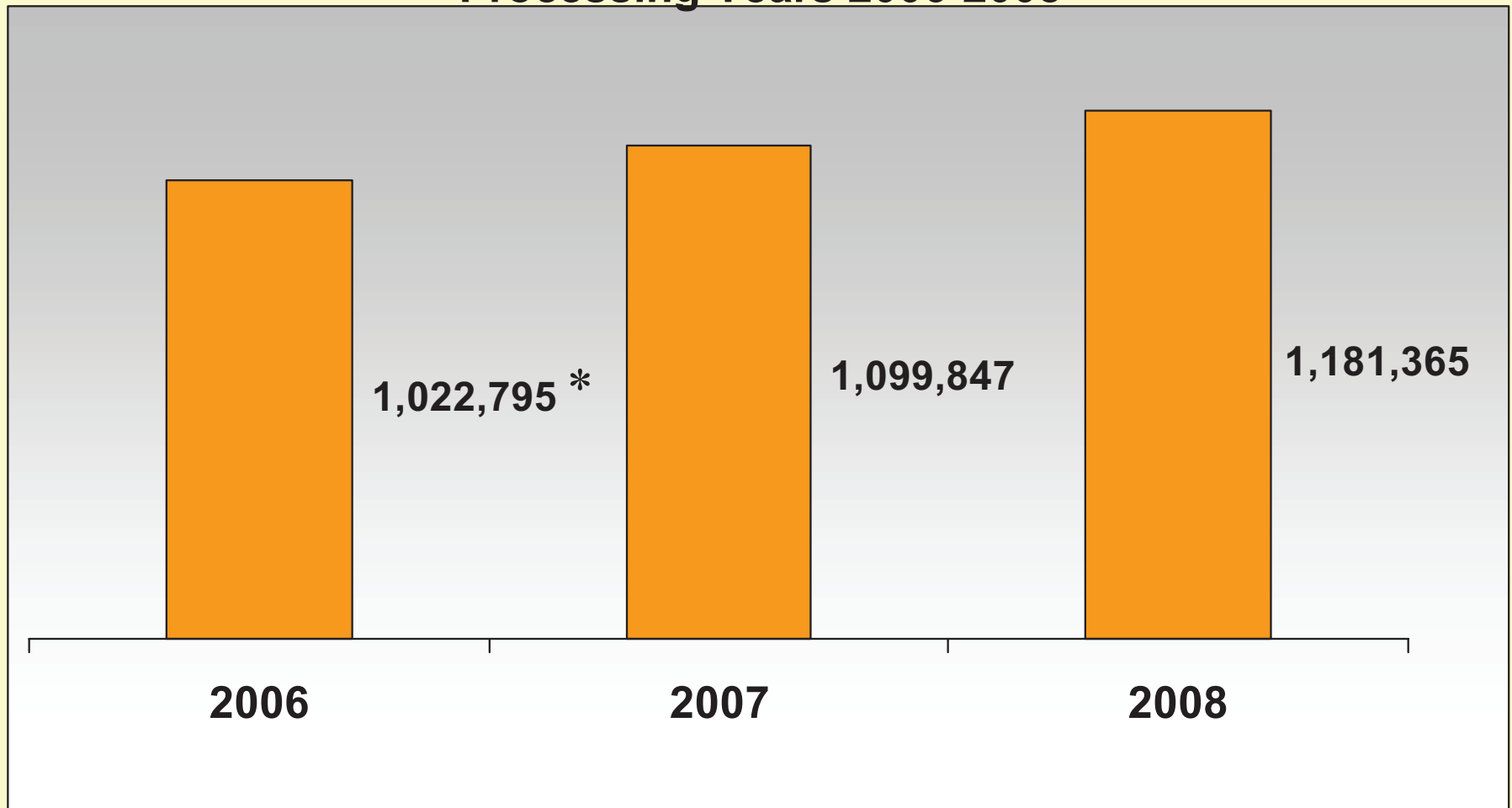
Processing Years 2006-2008



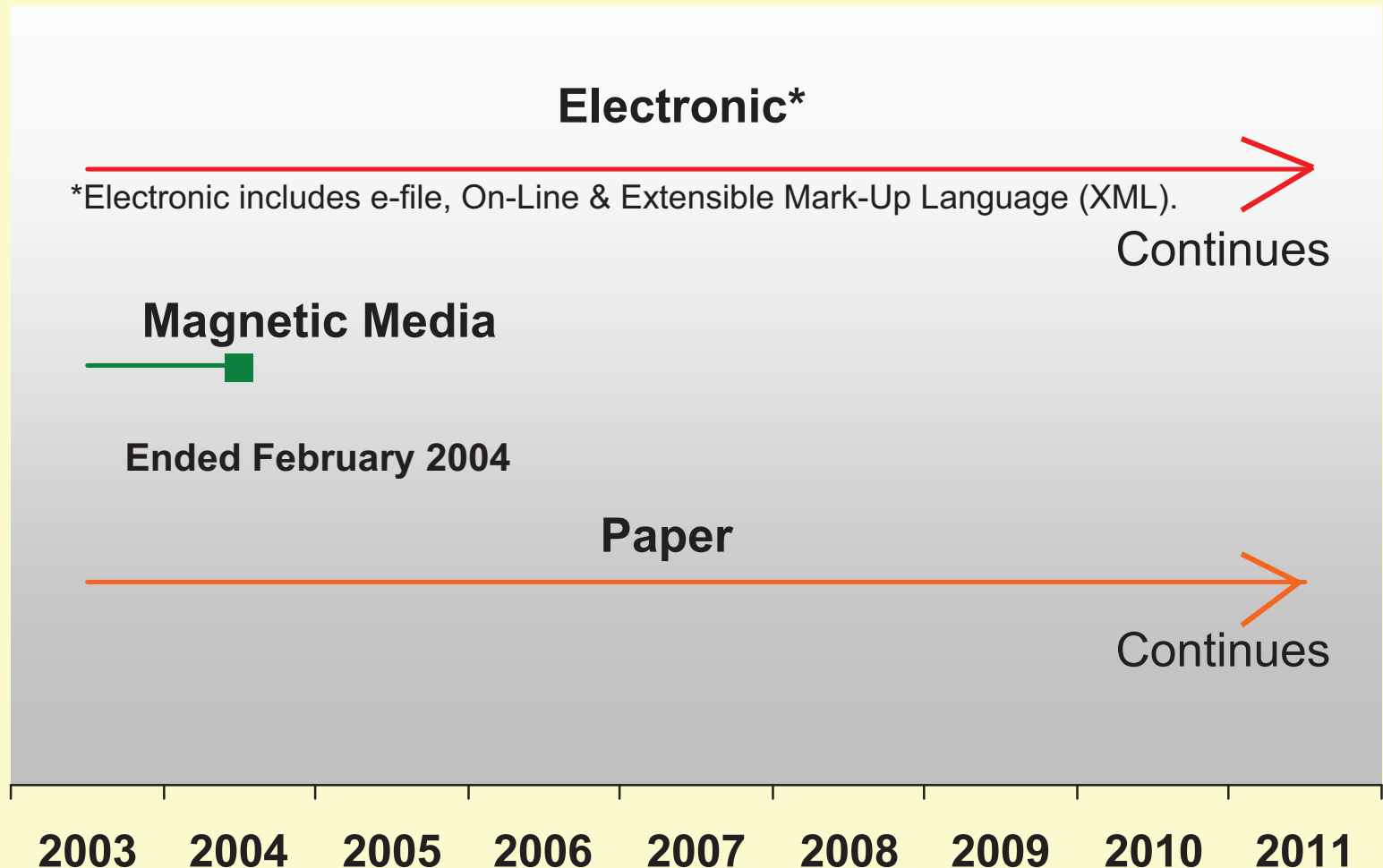
# Form 940

## Annual *e-Filing* Volume

Processing Years 2006-2008

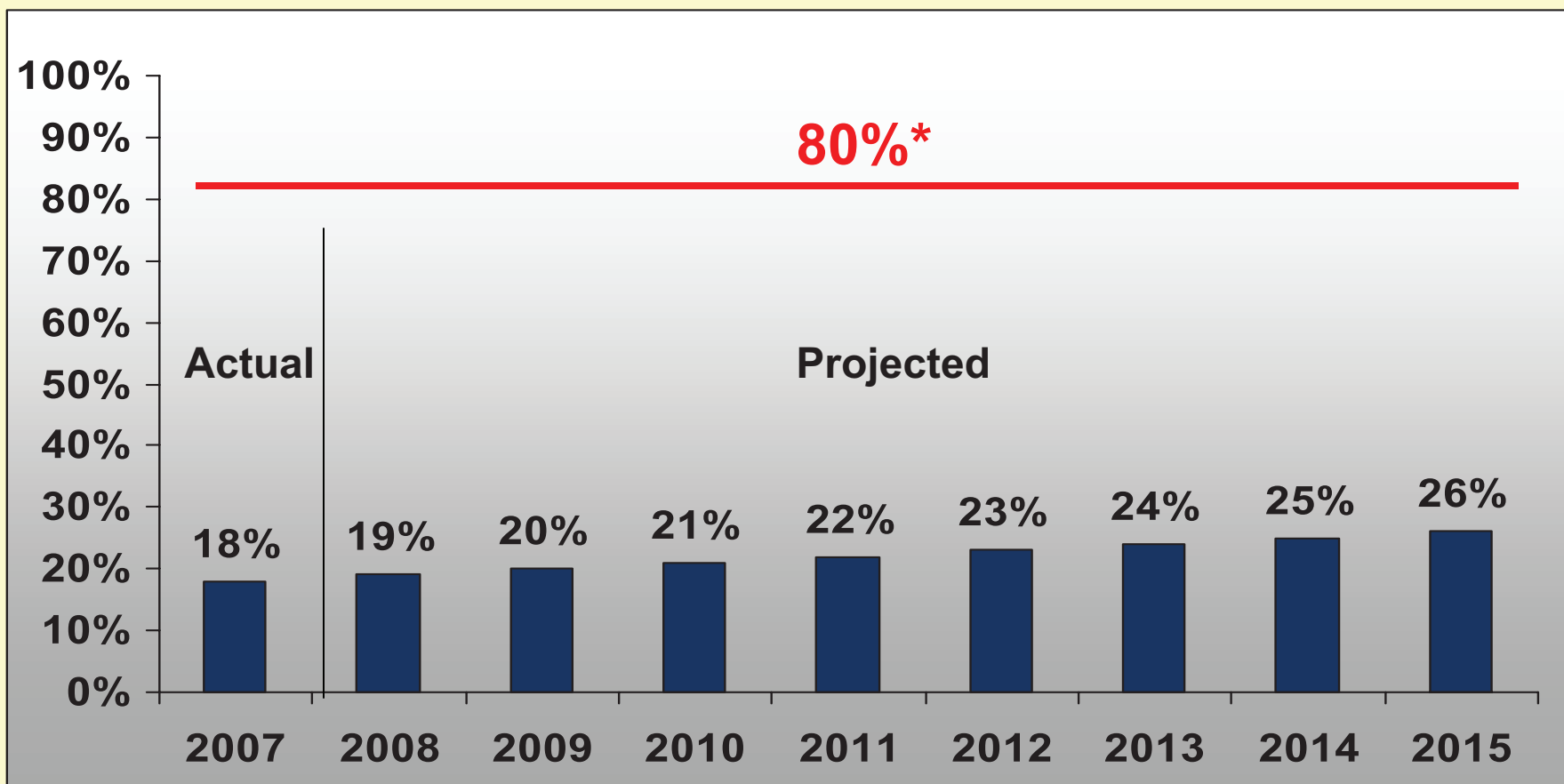


# Form 940: Implementation Schedule



**In Processing Year 2008,  
19% of all Forms 940  
were filed electronically.**

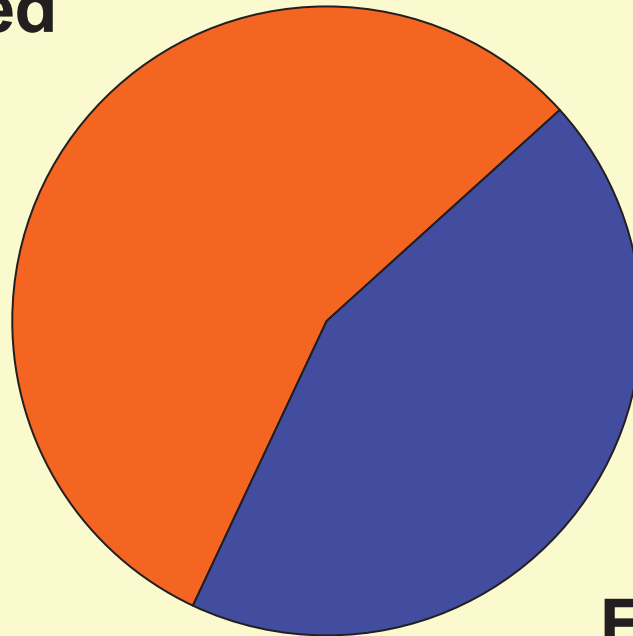
# Form 940 Projected *e-file* Penetration Rate



# Form 940 Taxpayers Enrolled in EFTPS (Electronic Federal Tax Payment System)

Processing Year 2008

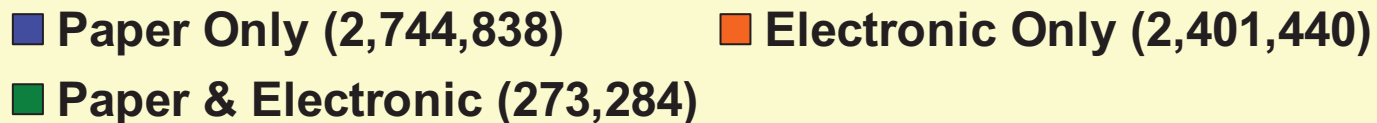
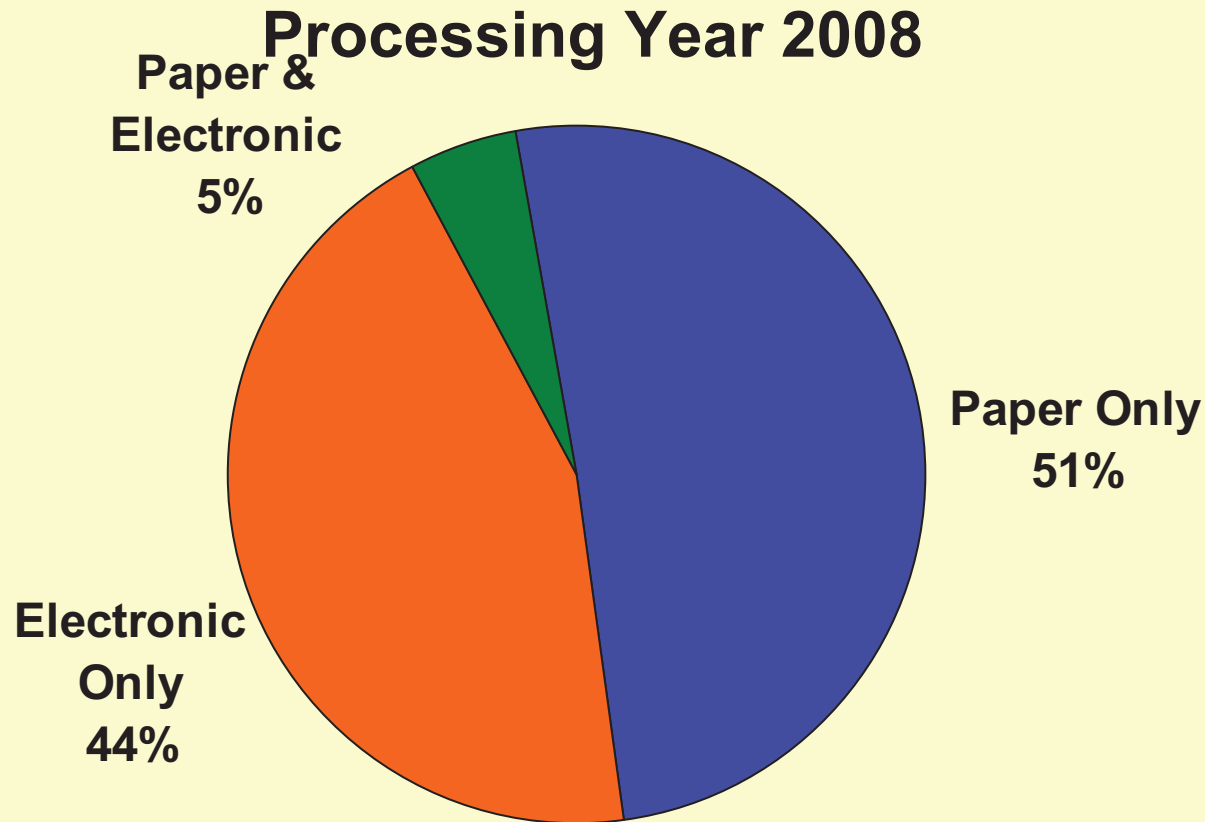
**Enrolled**  
**56%**



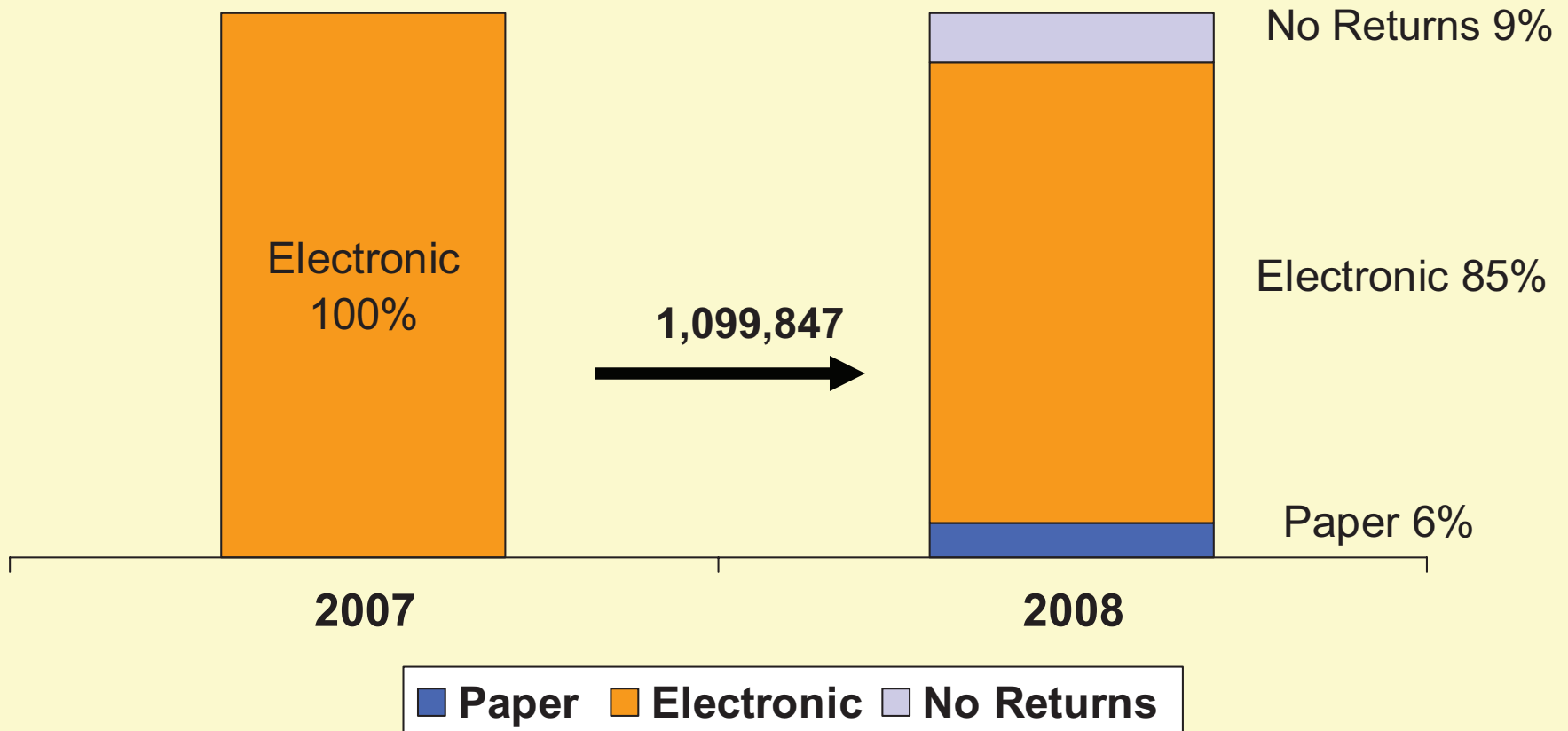
**Not**  
**Enrolled**  
**44%**

■ Enrolled (3,469,571) ■ Not Enrolled (2,681,807)

# Payment Method Used by Form 940 Taxpayers Making 940 Payments



# Form 940 e-file Loyalty



85% of Form 940 electronic users remained loyal.

# There are three forms in the 940 Series:

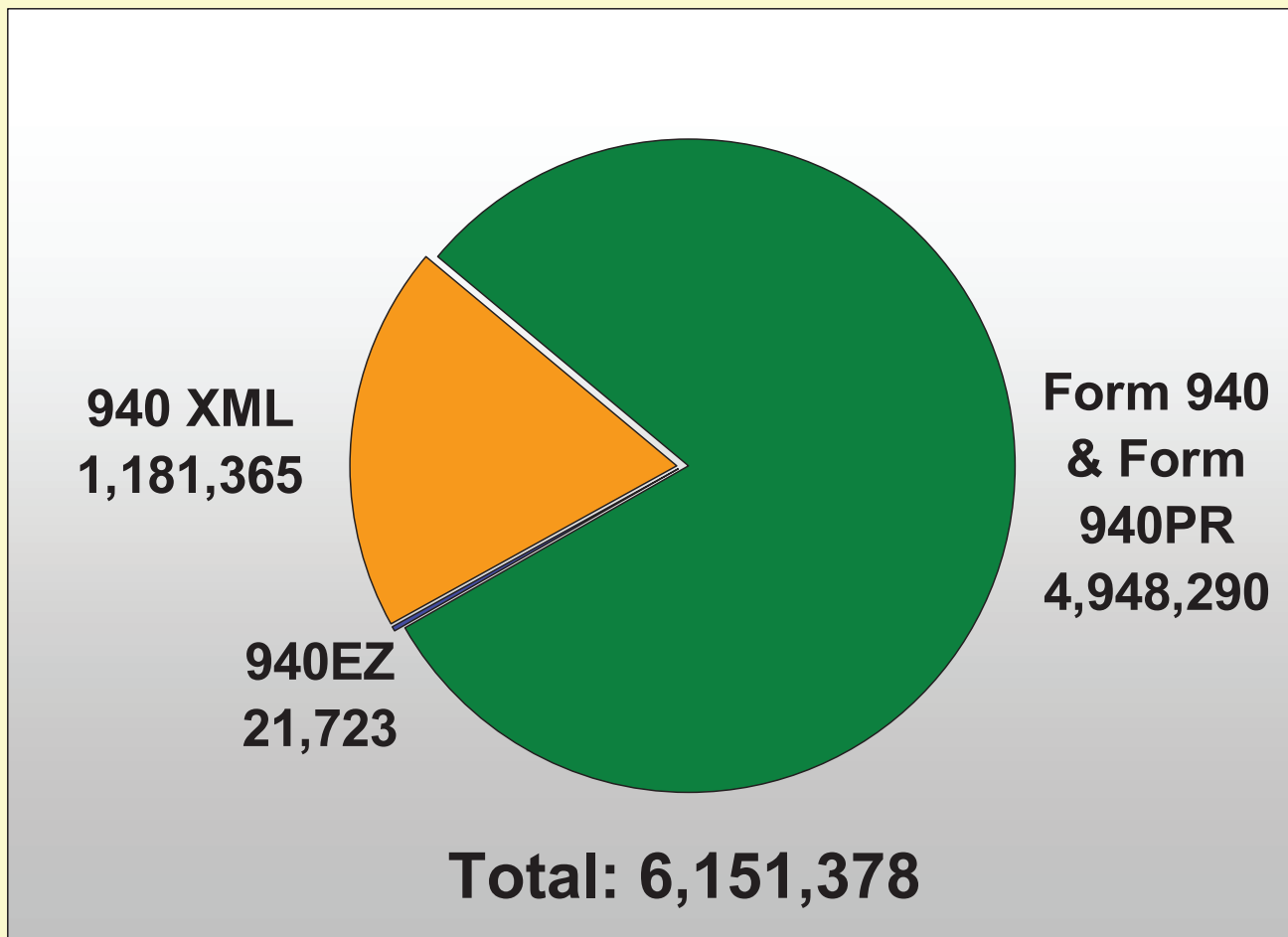
- Form 940EZ (Doc Code 38)
- Form 940 XML (Doc Code 39)
- Form 940 & 940PR\* (Doc Code 40)

In Processing Years 2006, 2007 and 2008, electronic filing was not available for Forms 940EZ and 940PR\*.

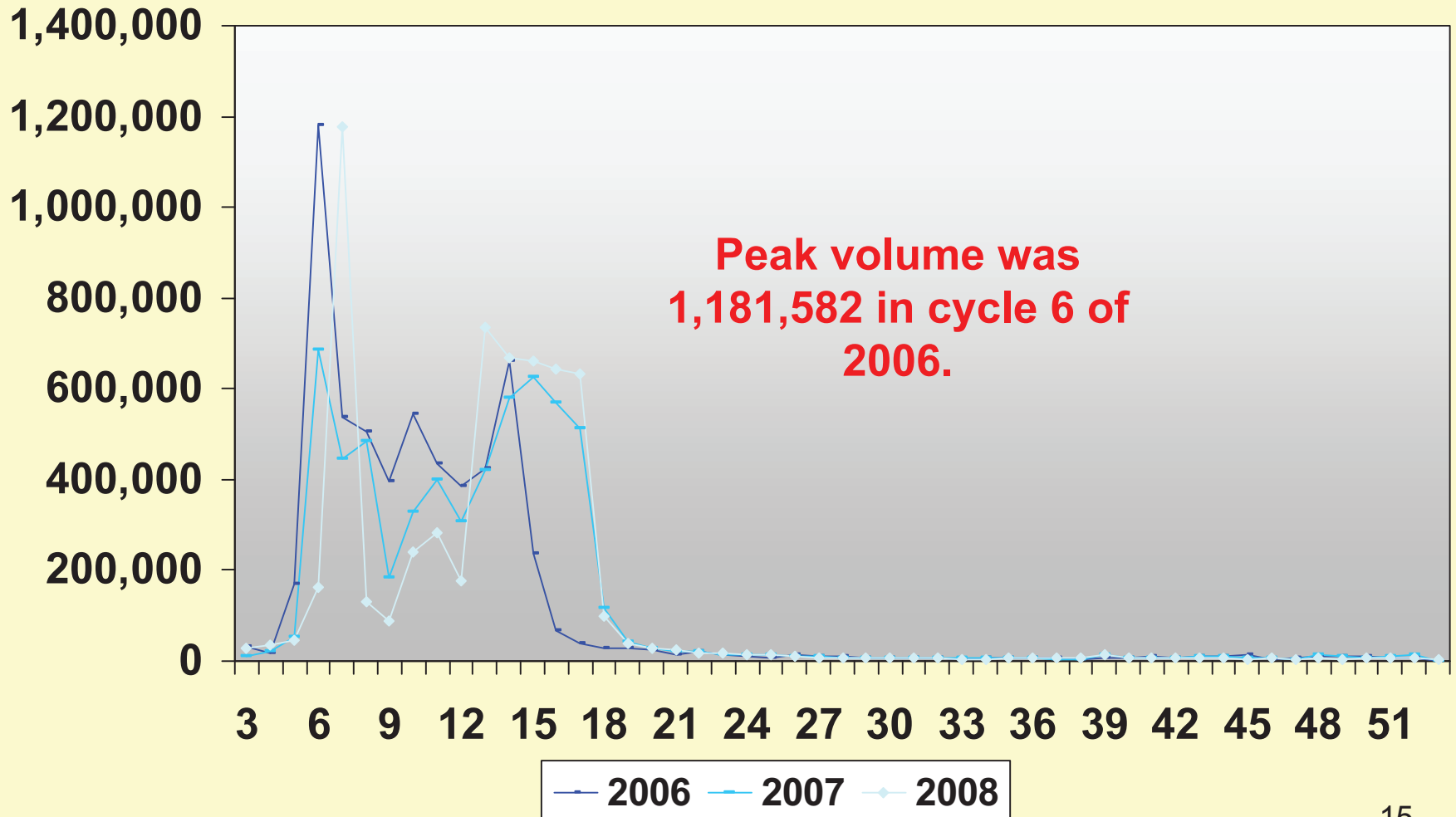
\*Employer's Annual Federal Employment Tax Return  
(Puerto Rican Version)

# Forms 940 by Series

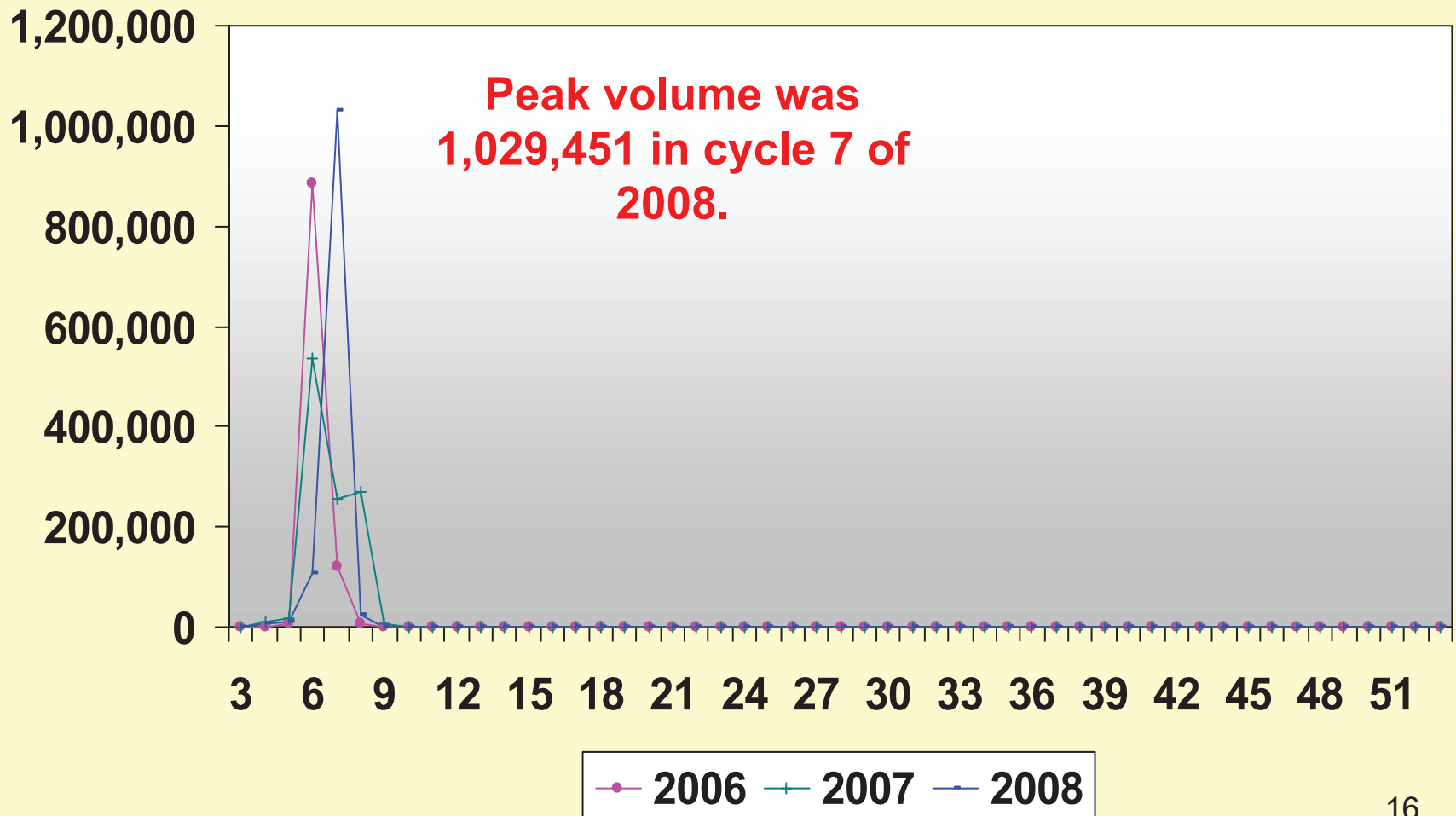
Processing Year 2008



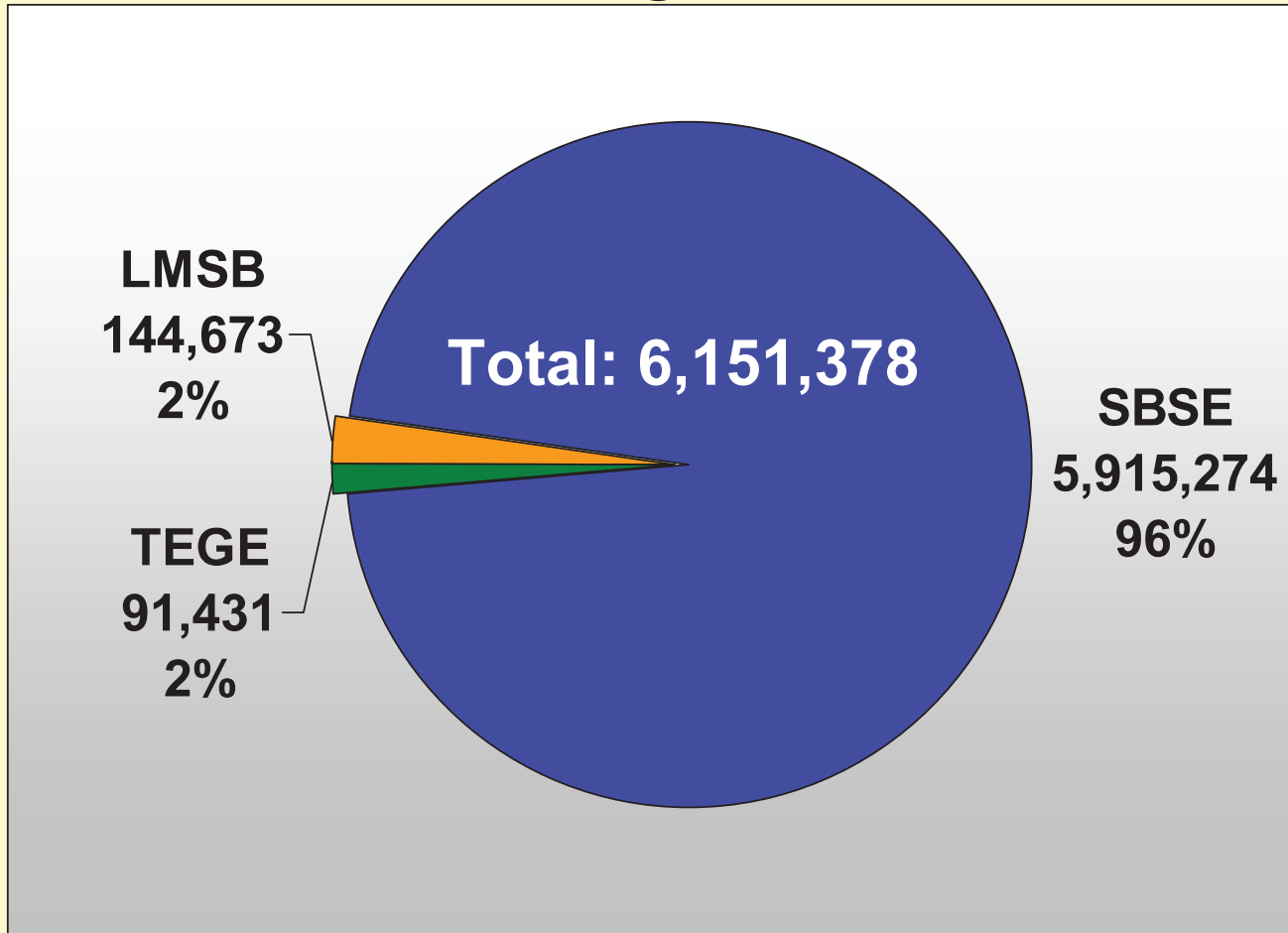
# Form 940 Filing Patterns by Cycle Posted



# Form 940 e-file Patterns by Cycle Posted



# Forms 940 by Business Operating Division Processing Year 2008



# Most Form 940 Returns by NAICS

(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
<b>722110</b>	<b>Full-Service Restaurants</b>	<b>139,950</b>	<b>2%</b>
<b>621111</b>	<b>Offices of Physicians (except mental health specialists)</b>	<b>138,443</b>	<b>2%</b>
<b>238900</b>	<b>Other Specialty Trade Contractors</b>	<b>132,636</b>	<b>2%</b>
<b>541990</b>	<b>All Other Professional, Scientific, &amp; Technical Services</b>	<b>130,773</b>	<b>2%</b>
<b>541110</b>	<b>Offices of Lawyers</b>	<b>113,836</b>	<b>2%</b>
<b>236110</b>	<b>Residential Building Construction</b>	<b>113,516</b>	<b>2%</b>
<b>524210</b>	<b>Insurance Agencies and Brokerages</b>	<b>83,378</b>	<b>1%</b>
<b>621210</b>	<b>Offices of Dentists</b>	<b>80,011</b>	<b>1%</b>
<b>812990</b>	<b>All Other Personal Services</b>	<b>79,731</b>	<b>1%</b>
<b>722210</b>	<b>Limited-Service Eating Places</b>	<b>77,937</b>	<b>1%</b>

**\* The percentage of all Form 940 returns filed in PY2008**

# Most e-filed Forms 940 by NAICS

(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
<b>621111</b>	<b>Offices of Physicians (except mental health specialists)</b>	<b>40,586</b>	<b>3%</b>
<b>541990</b>	<b>All Other Professional, Scientific, &amp; Technical Services</b>	<b>32,197</b>	<b>3%</b>
<b>722110</b>	<b>Full-Service Restaurants</b>	<b>31,912</b>	<b>3%</b>
<b>541110</b>	<b>Offices of Lawyers</b>	<b>30,051</b>	<b>3%</b>
<b>621210</b>	<b>Offices of Dentists</b>	<b>23,480</b>	<b>2%</b>
<b>238900</b>	<b>Other Specialty Trade Contractors</b>	<b>21,131</b>	<b>2%</b>
<b>524210</b>	<b>Insurance Agencies and Brokerages</b>	<b>20,719</b>	<b>2%</b>
<b>531390</b>	<b>Other Activities Related to Real Estate</b>	<b>18,955</b>	<b>2%</b>
<b>722210</b>	<b>Limited-Service Eating Places</b>	<b>15,956</b>	<b>1%</b>
<b>541600</b>	<b>Management, Scientific, &amp; Technical Consulting Services</b>	<b>15,900</b>	<b>1%</b>

**\* The percentage of electronic Form 940 returns filed in PY2008**

# Form 940 Returns Filed by State Processing Year 2008



Alaska (AK)	15,420	Hawaii (HI)	25,793	Maine (ME)	33,204	New Jersey (NJ)	208,815	South Dakota (SD)	20,027
Alabama (AL)	73,766	Iowa (IA)	60,852	Michigan (MI)	187,328	New Mexico (NM)	35,482	Tennessee (TN)	96,400
Arkansas (AR)	49,954	Idaho (ID)	40,510	Minnesota (MN)	120,150	Nevada (NV)	50,336	Texas (TX)	392,296
Arizona (AZ)	113,865	Illinois (IL)	261,213	Missouri (MO)	122,567	New York (NY)	447,769	Utah (UT)	63,033
California (CA)	752,403	Indiana (IN)	110,251	Mississippi (MS)	44,006	Ohio (OH)	196,764	Virginia (VA)	148,159
Colorado (CO)	130,500	Kansas (KS)	58,535	Montana (MT)	31,307	Oklahoma (OK)	69,615	Vermont (VT)	17,411
Connecticut (CT)	73,678	Kentucky (KY)	67,560	North Carolina (NC)	170,449	Oregon (OR)	91,071	Washington (WA)	150,533
Delaware (DE)	19,294	Louisiana (LA)	79,189	North Dakota (ND)	15,949	Pennsylvania (PA)	232,218	Washington (DC)	11,758
Florida (FL)	451,589	Massachusetts (MA)	139,824	Nebraska (NE)	39,777	Rhode Island (RI)	25,922	Wisconsin (WI)	112,407
Georgia (GA)	181,236	Maryland (MD)	110,074	New Hampshire (NH)	29,624	South Carolina (SC)	79,416	West Virginia (WV)	28,246
								Wyoming (WY)	16,816

Source: 2008 ETA Marketing Database

# Form 940 e-file Penetration by State

## Processing Year 2008

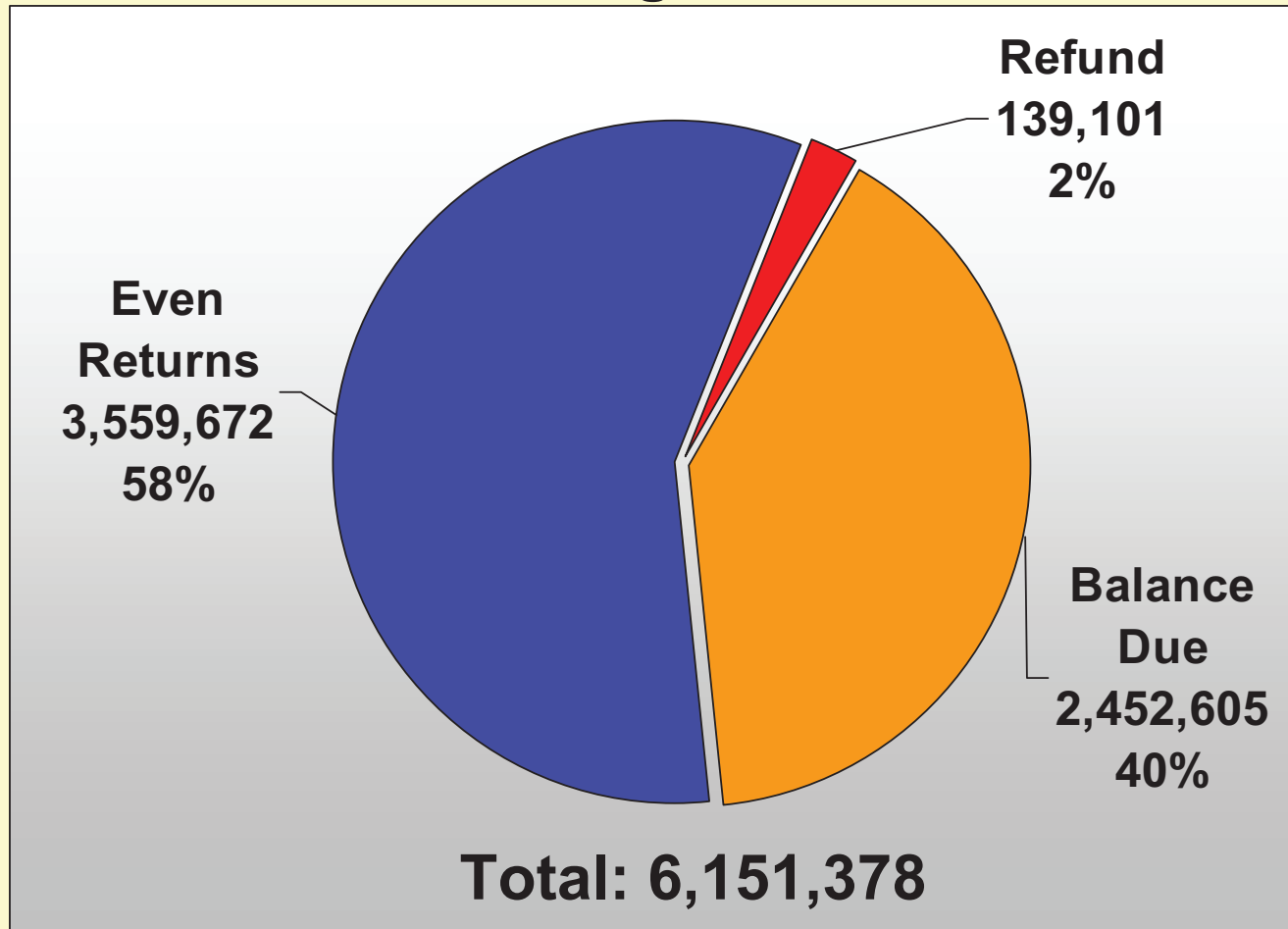


Alaska (AK)	4%	Hawaii (HI)	15%	Maine (ME)	24%	New Jersey (NJ)	35%	South Dakota (SD)	2%
Alabama (AL)	9%	Iowa (IA)	4%	Michigan (MI)	16%	New Mexico (NM)	6%	Tennessee (TN)	11%
Arkansas (AR)	5%	Idaho (ID)	4%	Minnesota (MN)	21%	Nevada (NV)	21%	Texas (TX)	14%
Arizona (AZ)	23%	Illinois (IL)	18%	Missouri (MO)	12%	New York (NY)	27%	Utah (UT)	12%
California (CA)	30%	Indiana (IN)	13%	Mississippi (MS)	4%	Ohio (OH)	18%	Virginia (VA)	17%
Colorado (CO)	15%	Kansas (KS)	10%	Montana (MT)	3%	Oklahoma (OK)	8%	Vermont (VT)	12%
Connecticut (CT)	33%	Kentucky (KY)	10%	North Carolina (NC)	13%	Oregon (OR)	19%	Washington (WA)	14%
Delaware (DE)	26%	Louisiana (LA)	10%	North Dakota (ND)	2%	Pennsylvania (PA)	21%	Washington (DC)	43%
Florida (FL)	17%	Massachusetts (MA)	40%	Nebraska (NE)	7%	Rhode Island (RI)	40%	Wisconsin (WI)	13%
Georgia (GA)	17%	Maryland (MD)	26%	New Hampshire (NH)	26%	South Carolina (SC)	10%	West Virginia (WV)	4%
								Wyoming (WY)	3%

Source: 2008 ETA Marketing Database

Note that state color may appear incorrect due to rounding

# Forms 940 by Balance Due & Overpayment Processing Year 2008



# Form 940 Average Balance Due & Overpayment

Processing Year	Average Refund	Average Balance Due
2008	\$432	\$248

# **Form 940 Summary (PY2008)**

- **Form 940 *e-file* penetration rate is 19% projected to be 26% by CY2015.**
- **56% of all Form 940 taxpayers are enrolled in EFTPS and 49% are making electronic payments.**

# **FY 09 NATIONWIDE ANALYSIS Form 990**

**Electronic Tax Administration  
Business ETA Marketing Database**

**SB/SE Research**

**June, 2009**

**Project BKN0126**

# Acknowledgements

This report was prepared at the SB/SE Research site in Brooklyn/Hartford under the direction of Research Chief Wendy S. Handin. Kenneth Bulcroft was the primary author with valuable support provided by Kevin Mullen. Special thanks to Lisa Burch of ETA for posting this report to [www.irs.gov](http://www.irs.gov) so that it can be used by taxpayers and preparers to learn about e-file progress. For further information, please contact Wendy S. Handin at (718) 488-3260.

# Primary Data Sources

- All business tax returns filed for Processing Year 2008
- Returns processed through December 31, 2008 (cycle 200853)
- The Business Marketing Database contains variables from the TRDB (Tax Return Data Base), MTRDB (Modernized TRDB) and Business Masterfile databases as well as the BRTF (Business Returns Transaction File)
- Almost 34 million entities



# Form 990 Filers

Exempt Organization  
Income Tax Return

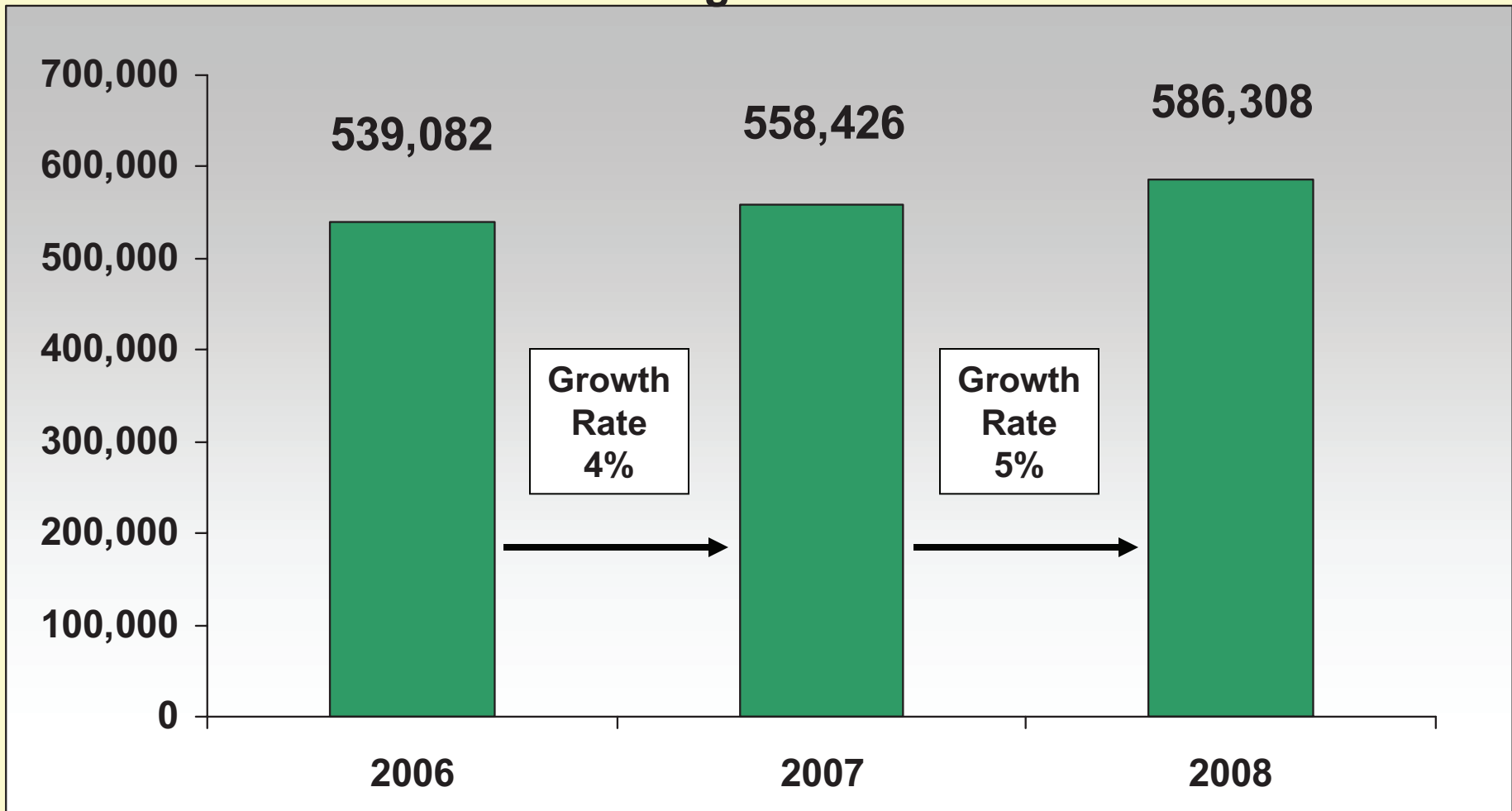
Processing Year 2008



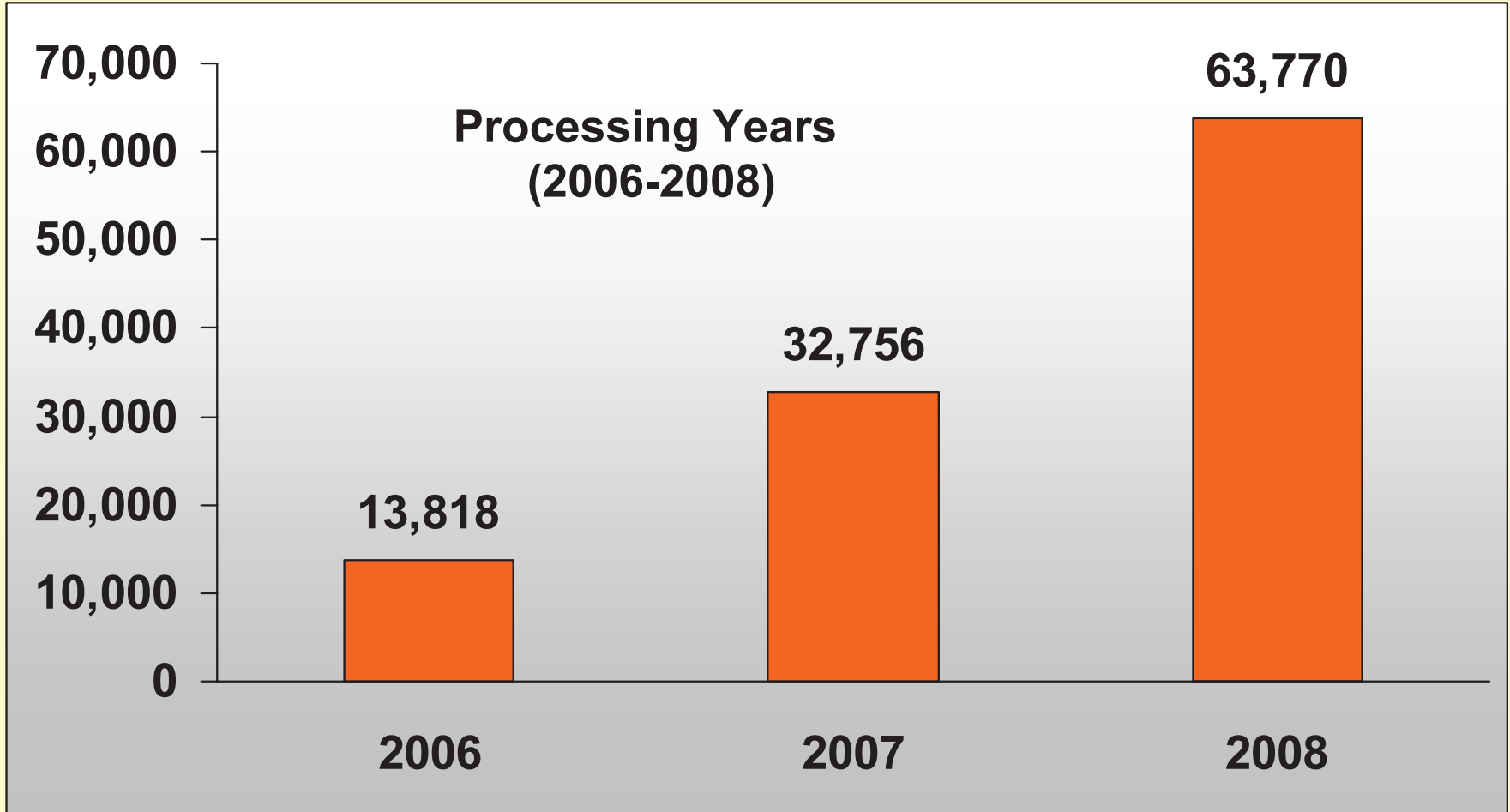
# Form 990

## Annual Filing Volume

Processing Years 2006-2008

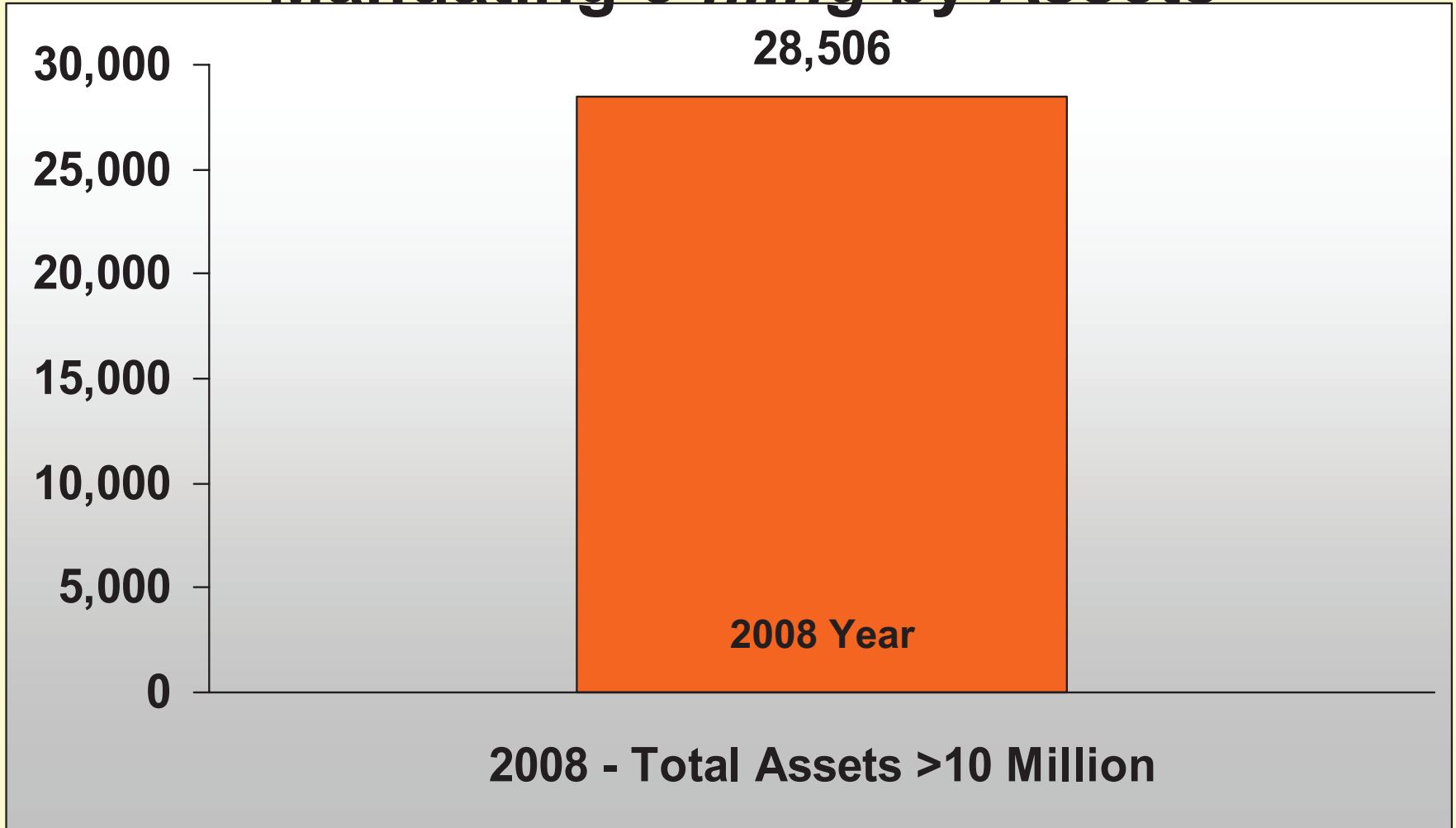


# Form 990 Annual *e-file* Volume



**In Processing Year 2008,  
11% of all Forms 990  
were e-*filed*.**

# Form 990 Taxpayers Impacted by Mandating *e-filing* by Assets

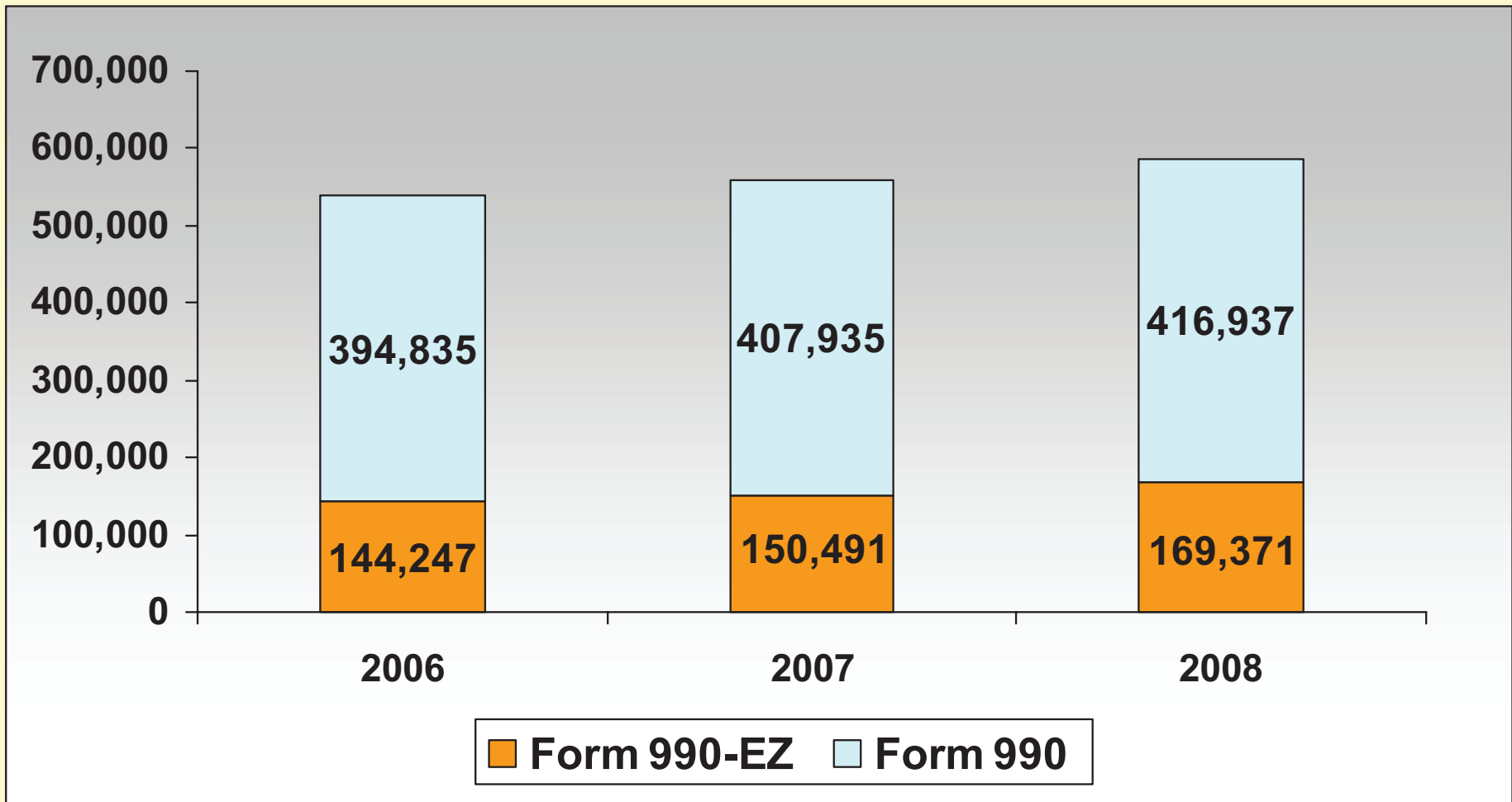


The electronic filing requirements only apply to entities that file at least 250 returns, including income tax, excise tax, information and employment tax returns, during a calendar year. 32

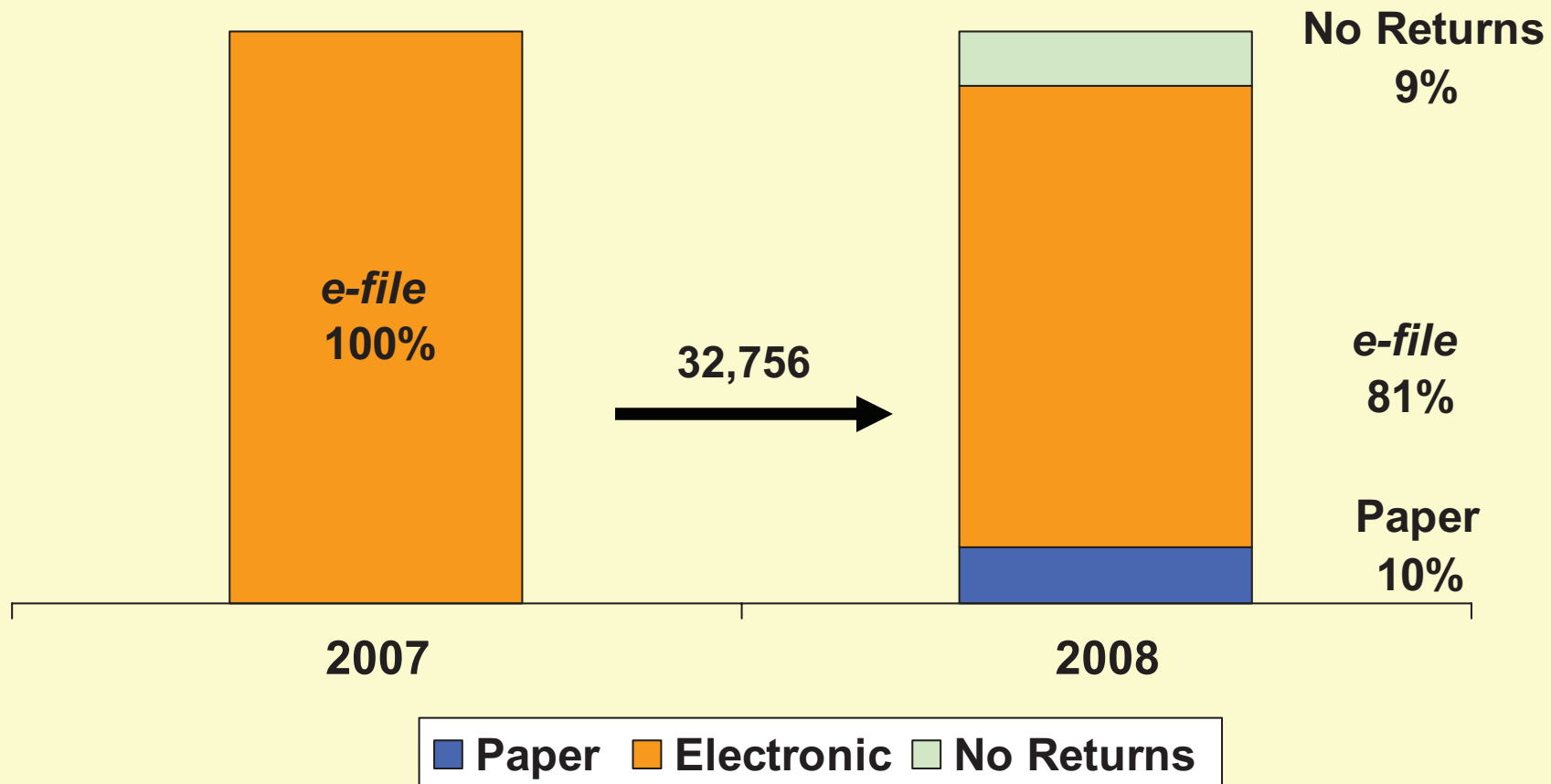
Source: 2008 ETA Marketing Database

# Form 990 Filing Volume by Series

Processing Years 2006-2008

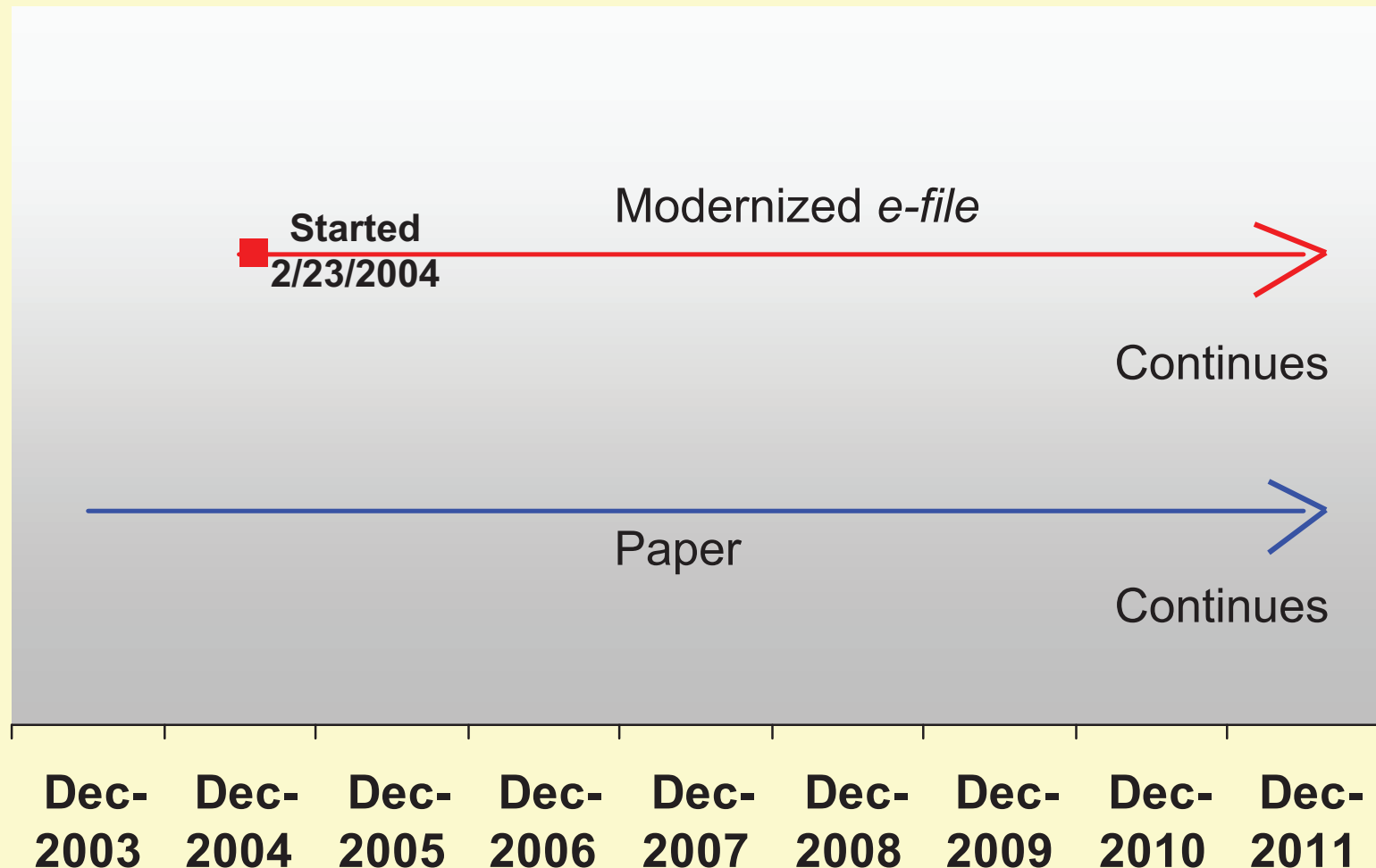


# Form 990 *e-file* Loyalty

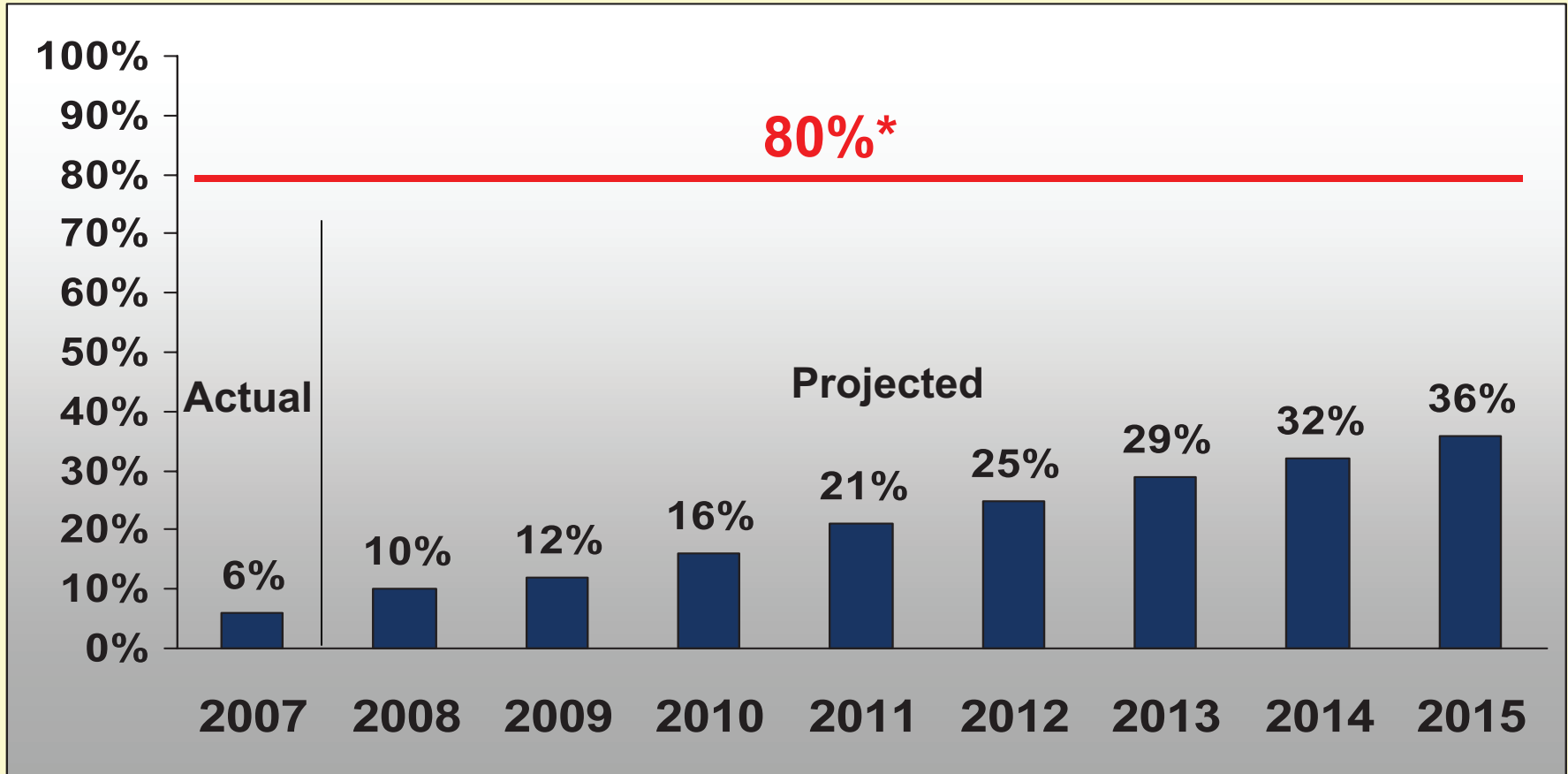


**81% of Form 990 *e-file* Users Remained Loyal**

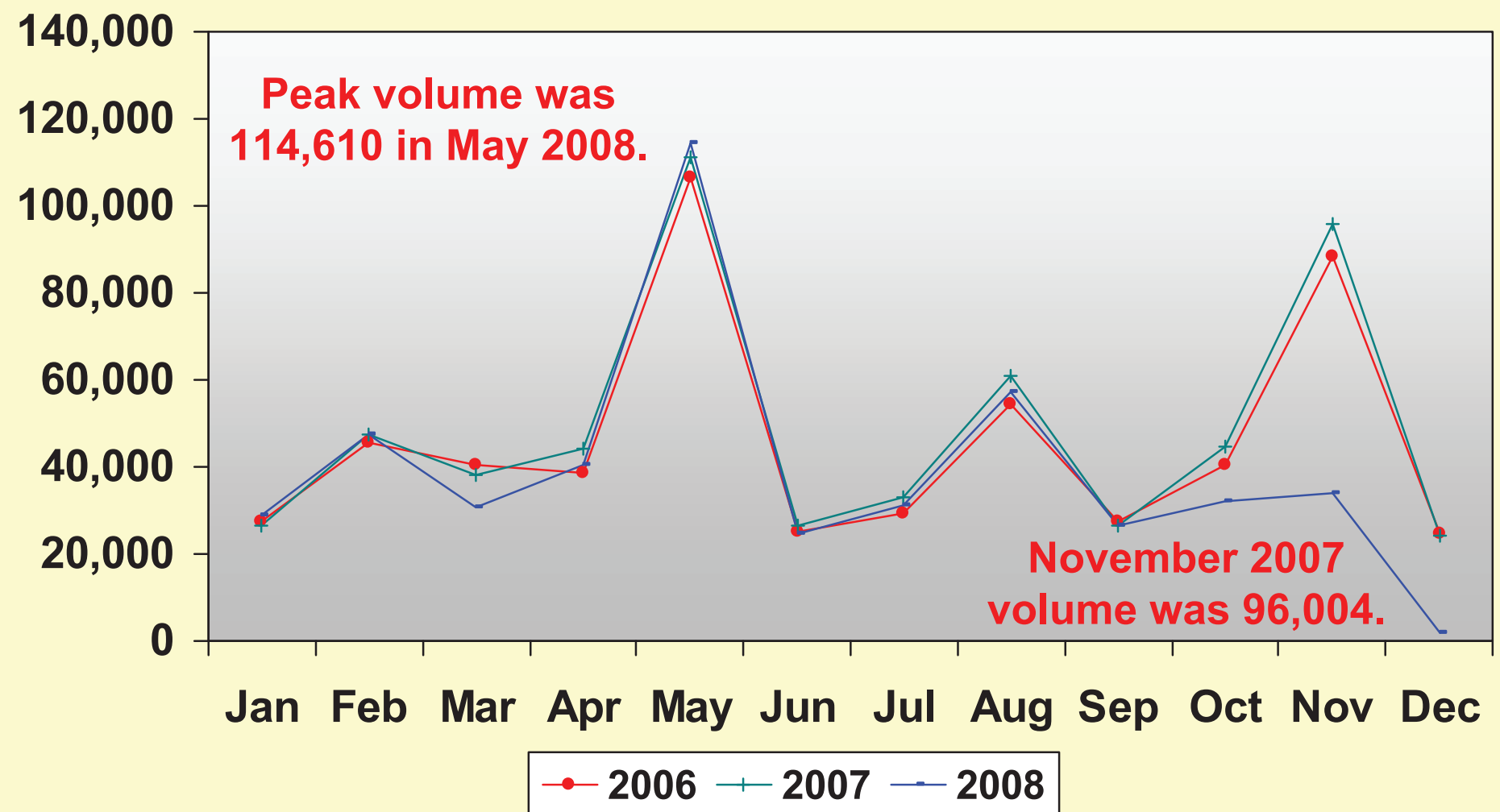
# Form 990: Implementation Schedule



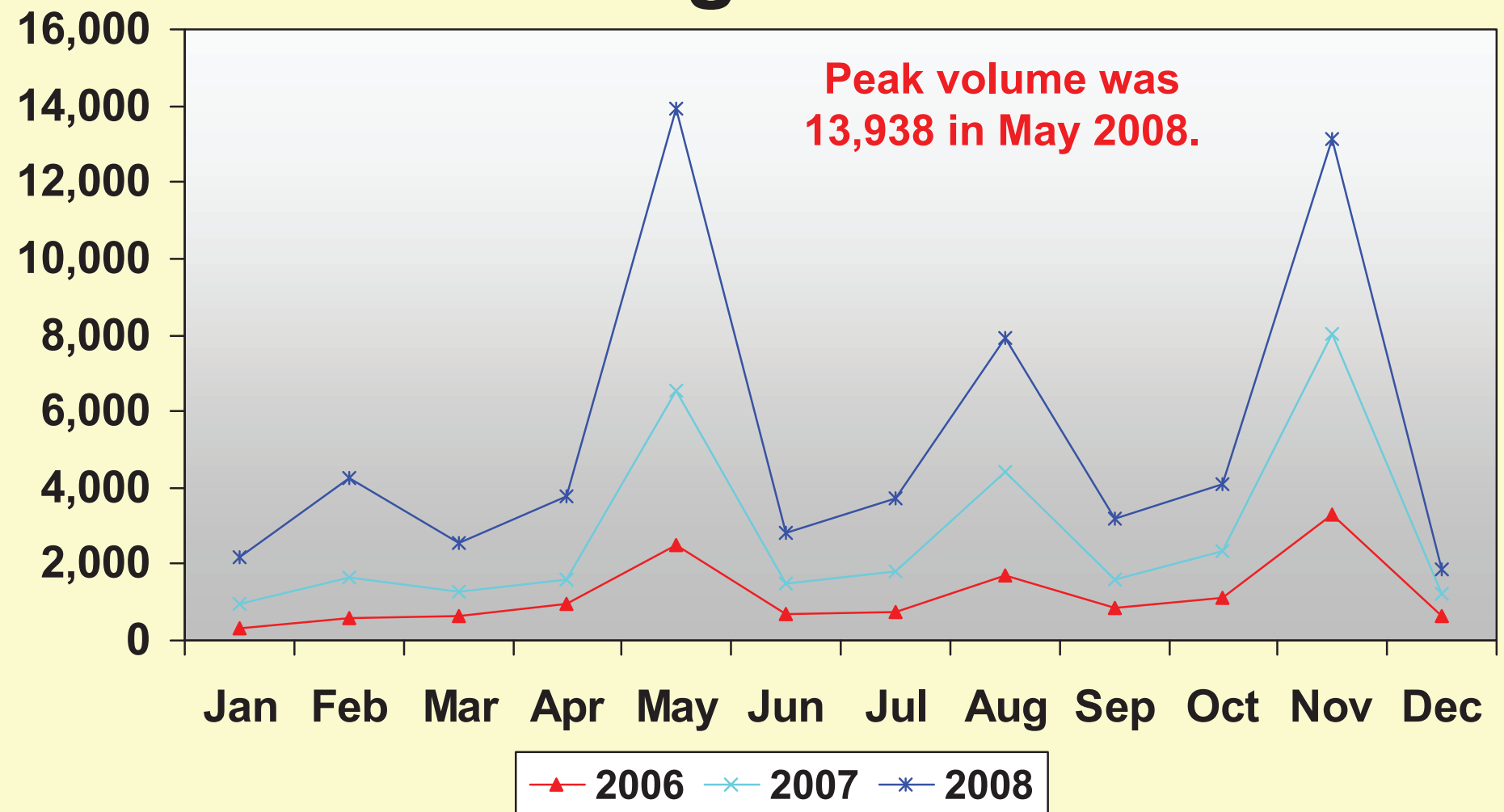
# Form 990 Projected *e-file* Penetration Rate



# Form 990: Monthly Filing Patterns

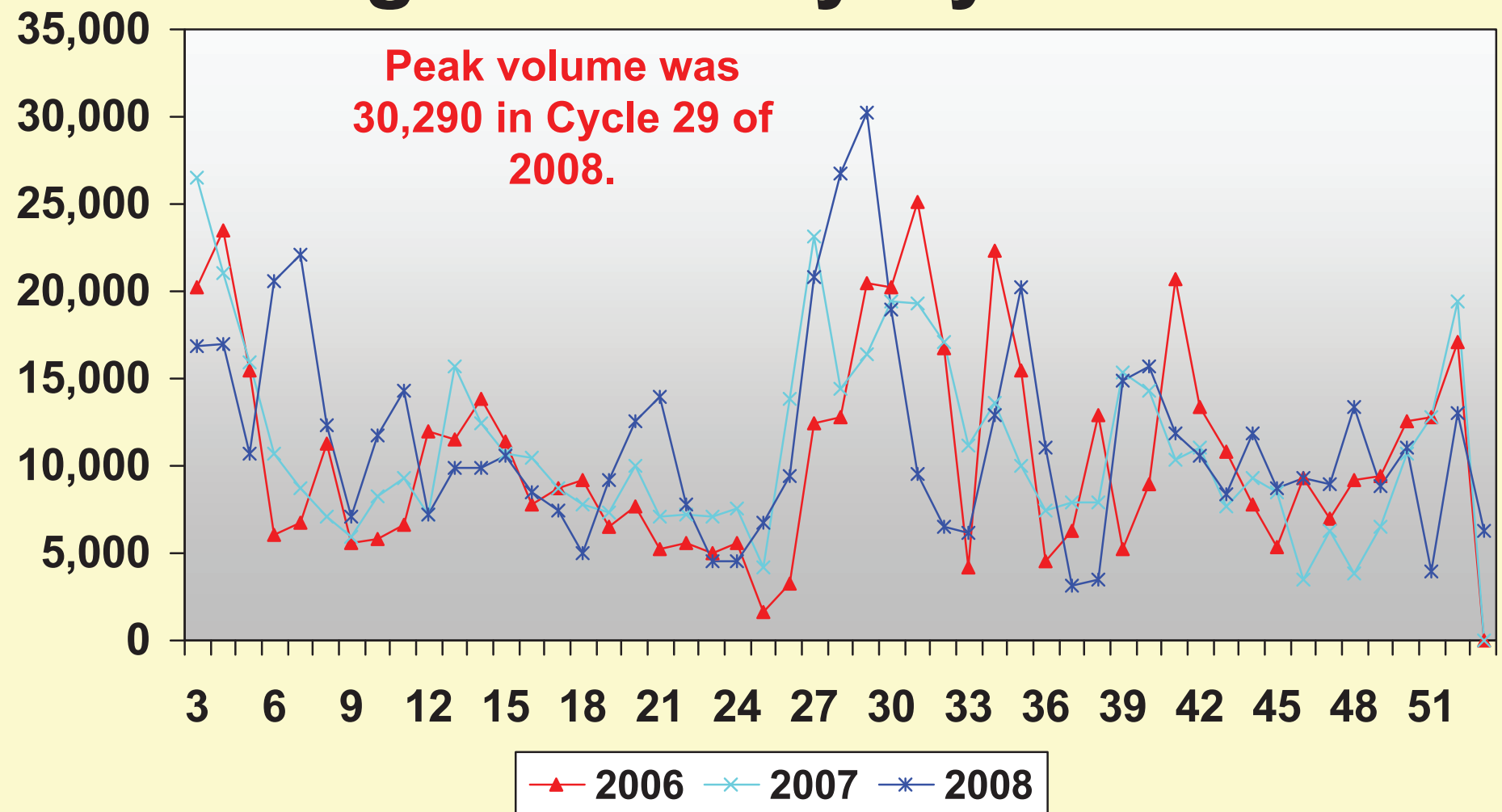


# Form 990 Monthly e-file Filing Patterns

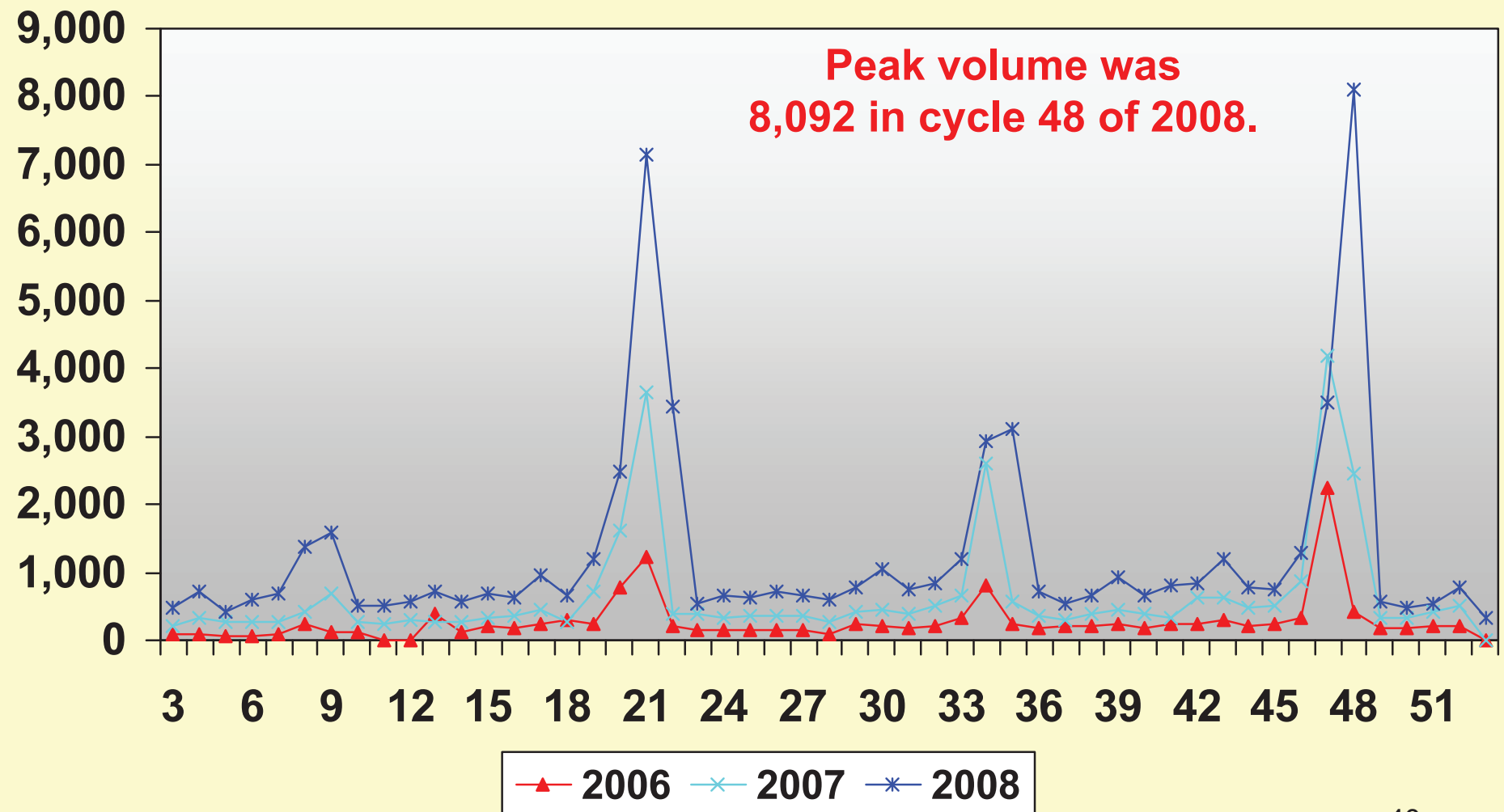


# Form 990

## Filing Pattern by Cycle Posted

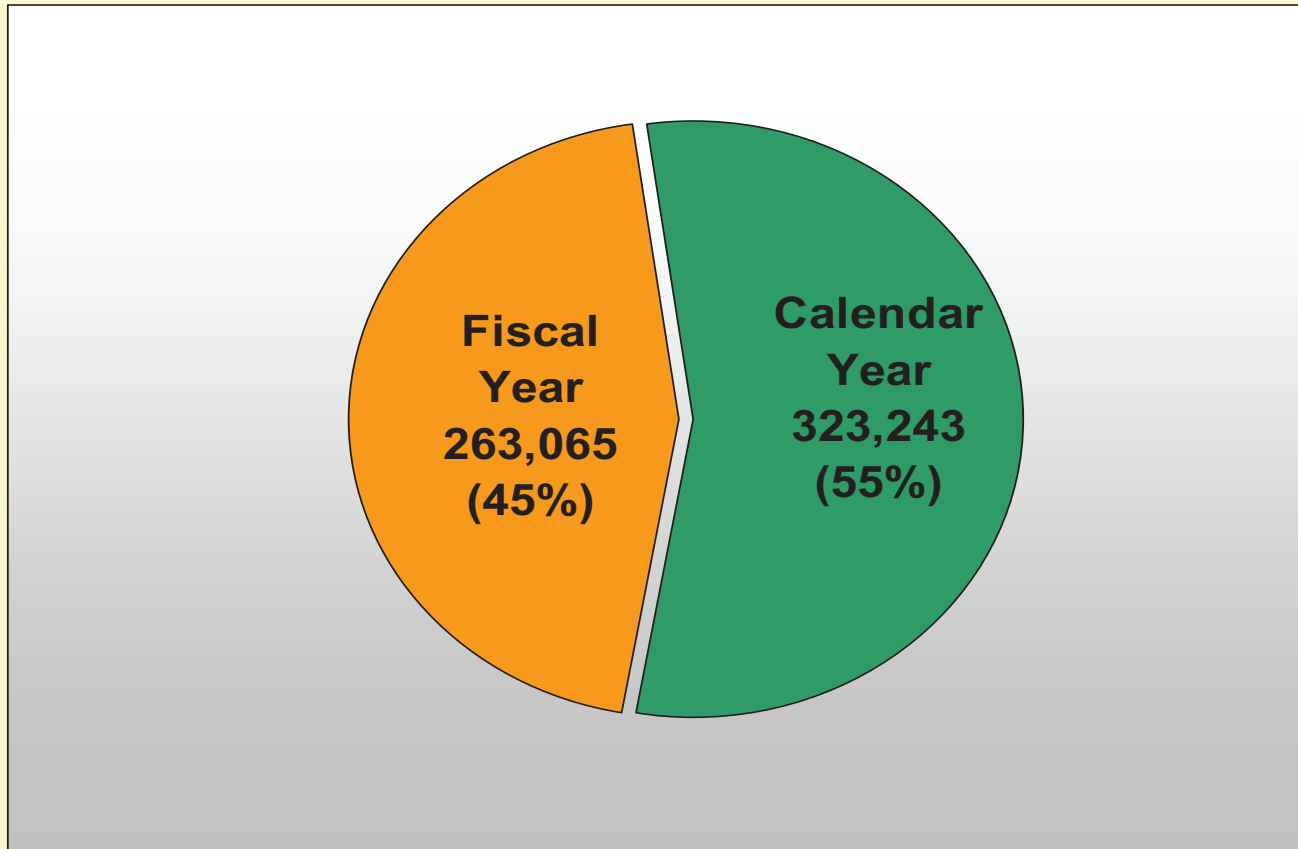


# Form 990 e-file Pattern by Cycle Posted



# Form 990 Fiscal Year Returns vs. Calendar Year Returns

Total: 586,308



Processing Year 2008

# Most Form 990 Returns by NAICS

(The North American Industry Classification System - NAICS)

<u>NAICS</u>	<u>NAICS TITLE</u>	<u>e-file</u>	<u>Total</u>
813000	Religious, Grantmaking, Civic, Professional, & Similar Organizations	20,774	201,750
611000	Educational Services	8,976	87,161
624000	Social Assistance	6,990	65,944
713000	Amusement, Gambling and Recreation Industries	2,451	29,332
711000	Performing Arts, Spectator Sports	2,144	24,404
712000	Museums, Historical Sites, & Similar Institutions	1,950	18,699
621000	Ambulatory Health Care Service	3,075	18,407
623000	Nursing & Residential Care Facilities	1,988	9,656
813410	Civic and Social Organizations	536	8,965

One NAICS Code 813000 accounted for 34% of all NAICS in 2008.

42

# Form 990 Returns by Assets & Method

## Processing Year 2008

	Paper	<i>e-file</i>	Total
Under \$250,000	338,042	28,389	366,431
\$250,000 Under \$1 Million	93,208	10,455	103,663
\$1 Million Under \$5 Million	62,122	8,731	70,853
\$5 Million Under \$10 Million	14,304	2,550	16,854
\$10 Million Under \$50 Million	11,726	7,924	19,650
\$50 Million or More	3,136	5,721	8,857
Total	522,538	63,770	586,308

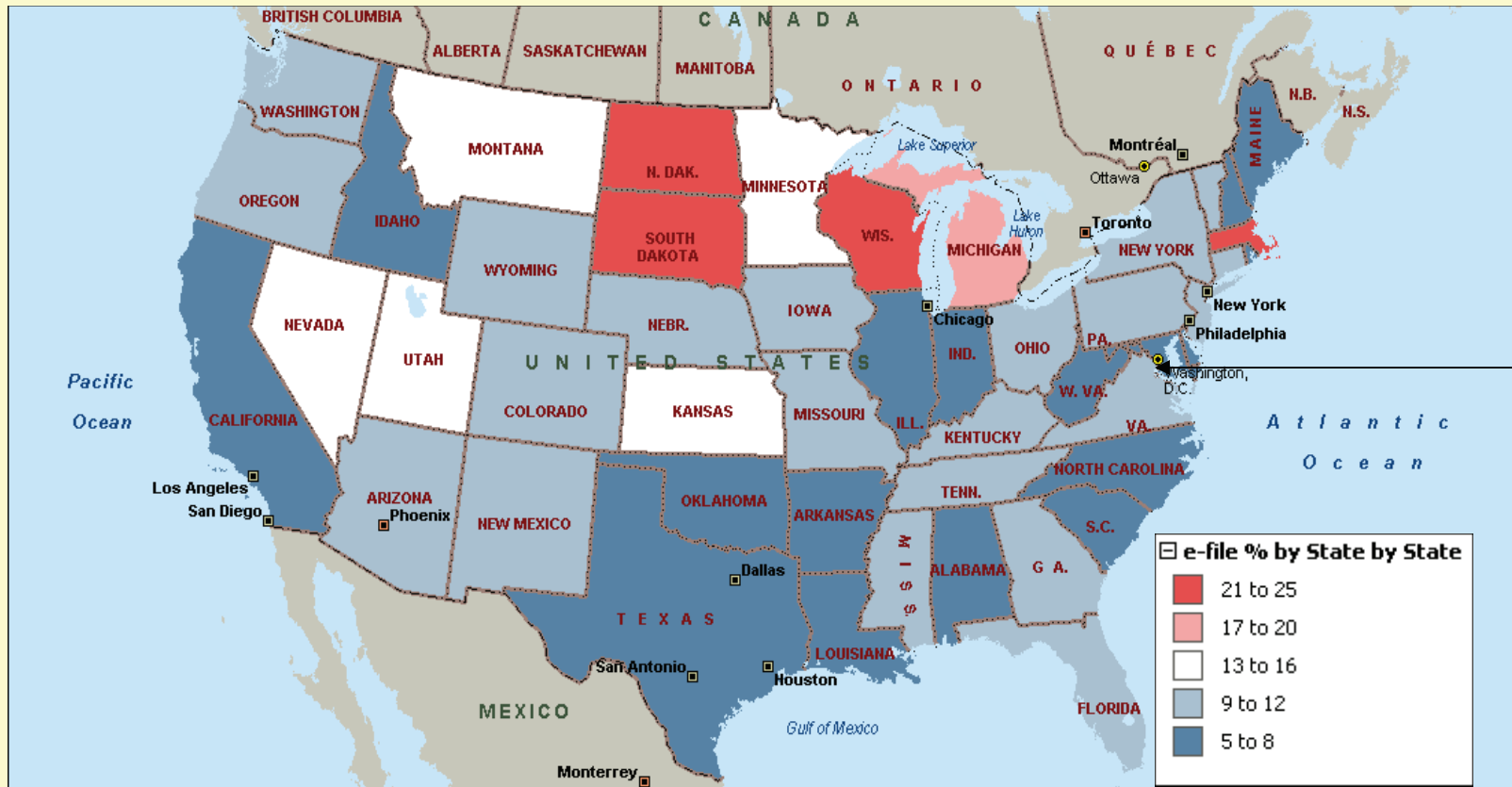
# Form 990 Returns by State

Processing Year 2008

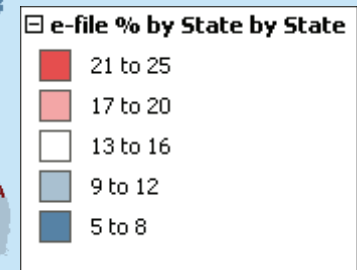


# Form 990 e-file Penetration by State

Processing Year 2008



DC 9%



Alaska (AK)	17%	Hawaii (HI)	8%	Maine (ME)	7%	New Jersey (NJ)	11%	South Dakota (SD)	23%
Alabama (AL)	8%	Iowa (IA)	11%	Michigan (MI)	19%	New Mexico (NM)	11%	Tennessee (TN)	11%
Arkansas (AR)	8%	Idaho (ID)	8%	Minnesota (MN)	15%	Nevada (NV)	15%	Texas (TX)	9%
Arizona (AZ)	9%	Illinois (IL)	9%	Missouri (MO)	11%	New York (NY)	9%	Utah (UT)	13%
California (CA)	8%	Indiana (IN)	8%	Mississippi (MS)	11%	Ohio (OH)	11%	Virginia (VA)	9%
Colorado (CO)	11%	Kansas (KS)	14%	Montana (MT)	17%	Oklahoma (OK)	8%	Vermont (VT)	12%
Connecticut (CT)	11%	Kentucky (KY)	10%	North Carolina (NC)	9%	Oregon (OR)	12%	Washington (WA)	12%
Delaware (DE)	8%	Louisiana (LA)	7%	North Dakota (ND)	21%	Pennsylvania (PA)	12%	Wisconsin (WI)	22%
Florida (FL)	10%	Massachusetts (MA)	23%	Nebraska (NE)	13%	Rhode Island (RI)	9%	West Virginia (WV)	7%
Georgia (GA)	9%	Maryland (MD)	8%	New Hampshire (NH)	8%	South Carolina (SC)	8%	Wyoming (WY)	11%

Source: 2008 ETA Marketing Database

# **Form 990-N Filers**

**Annual Electronic Filing Requirement  
for Small Exempt Organizations  
e-Postcard**

**Processing Year 2008**



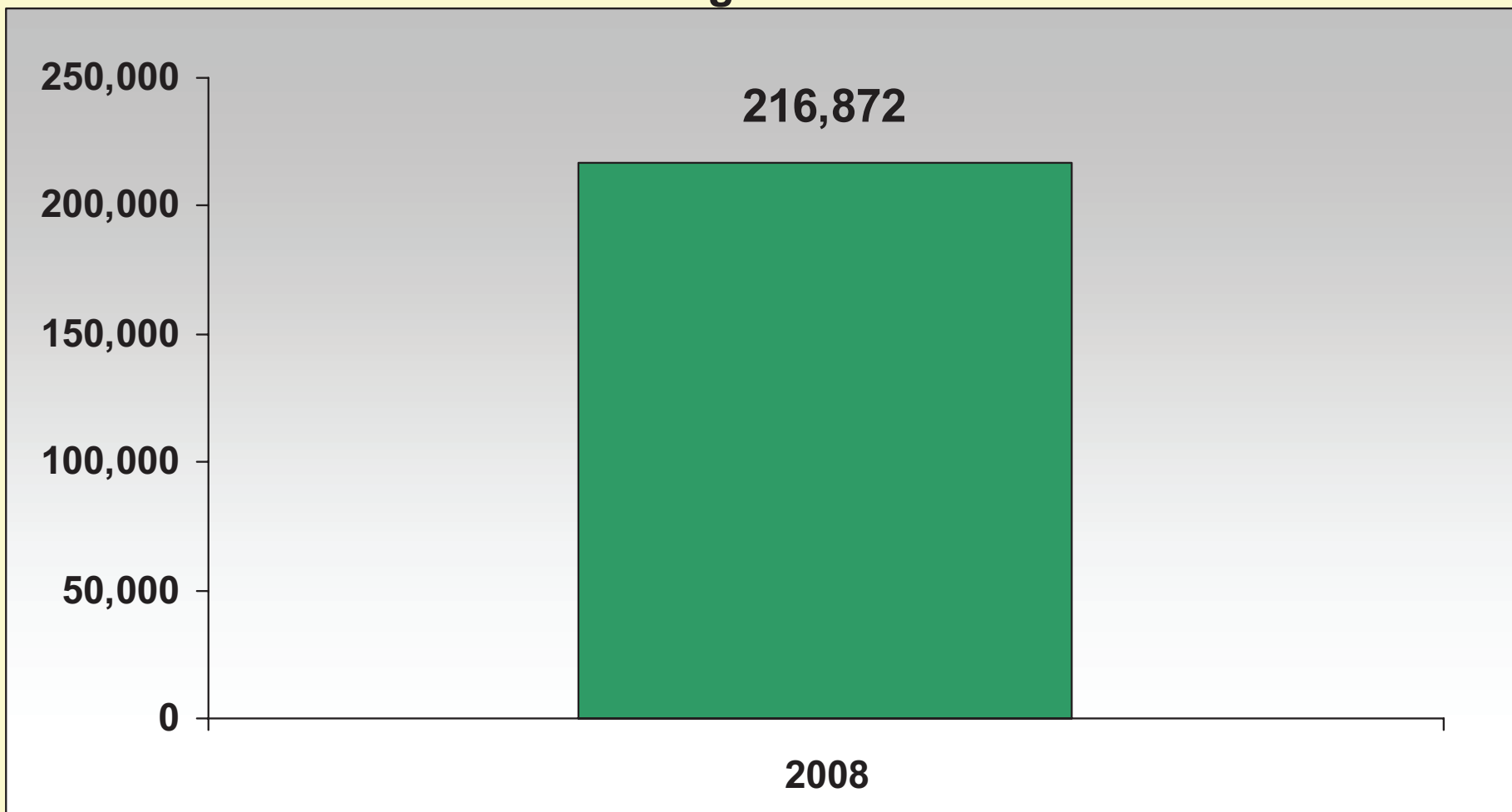
# Who must file Form 990-N ?

Under the Pension Protection Act of 2006, most small tax-exempt organizations whose gross receipts are normally \$25,000 or less must file Form 990-N, *Electronic Notice (e-Postcard) for Tax-Exempt Organizations not Required To File Form 990 or 990-EZ*. Before this law was enacted, these small organizations were not required to file annually with the IRS. The first filings were due in 2008 for tax years ending on or after December 31, 2007.

Source: [www.irs.gov](http://www.irs.gov)

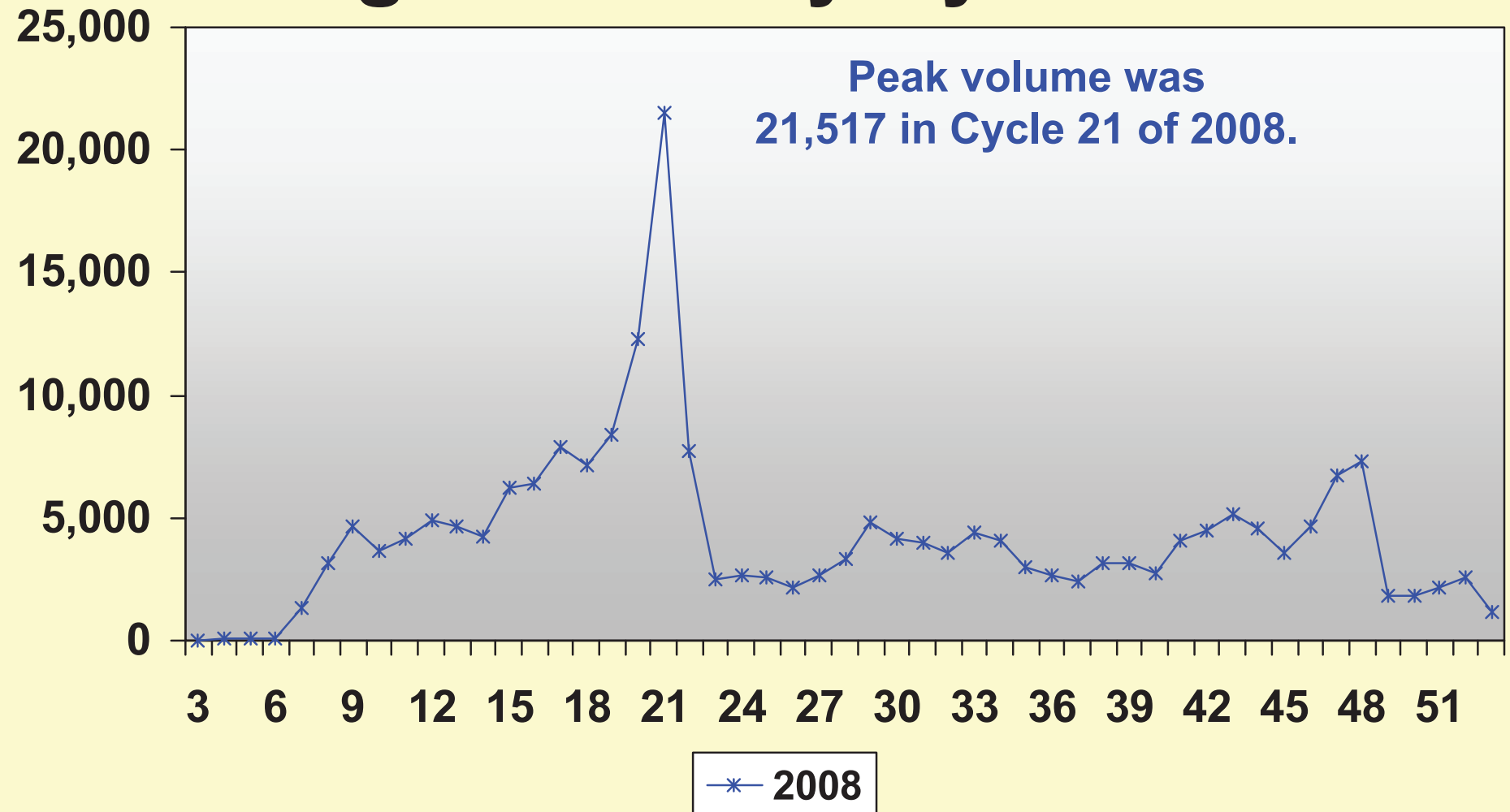
# Form 990-N Annual Filing Volume

Processing Years 2008



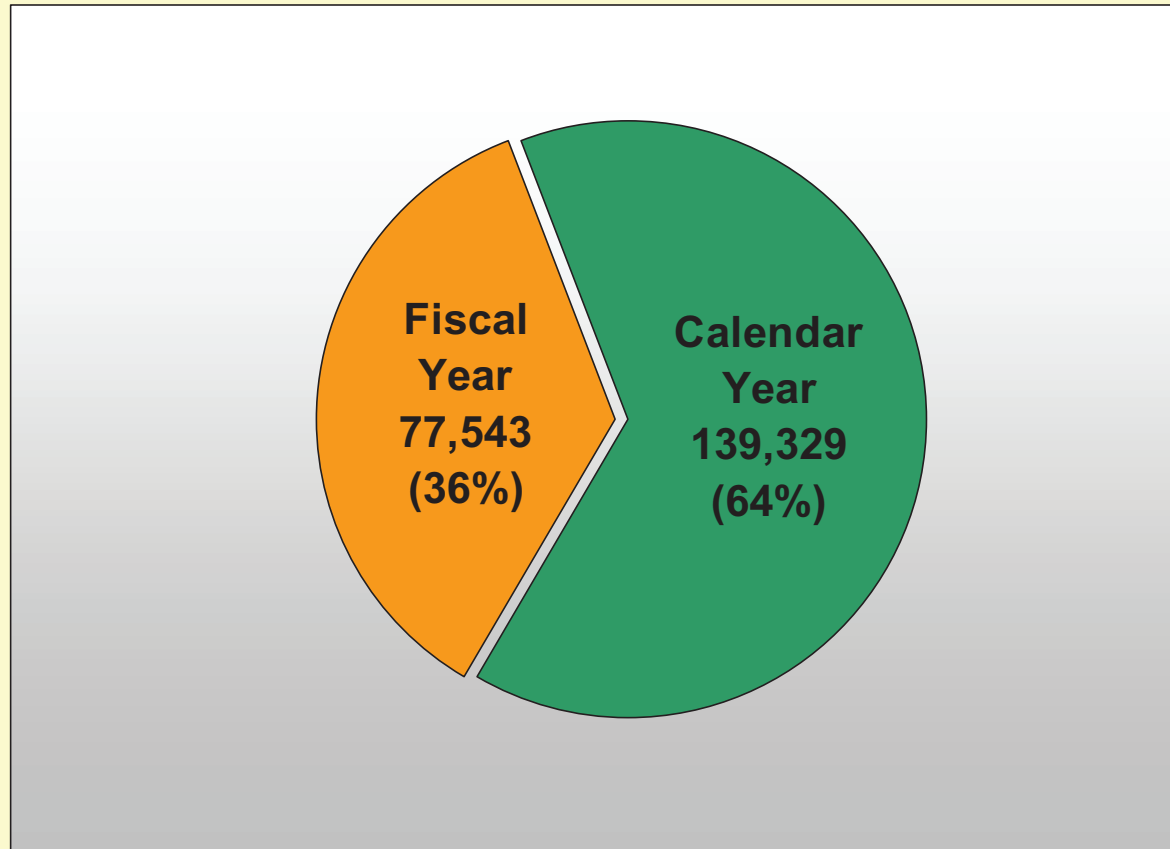
**In Processing Year 2008, 100% of all Forms 990-N were *e-filed*. 990-N can only be electronically filed.**

# Form 990-N Filing Pattern by Cycle Posted



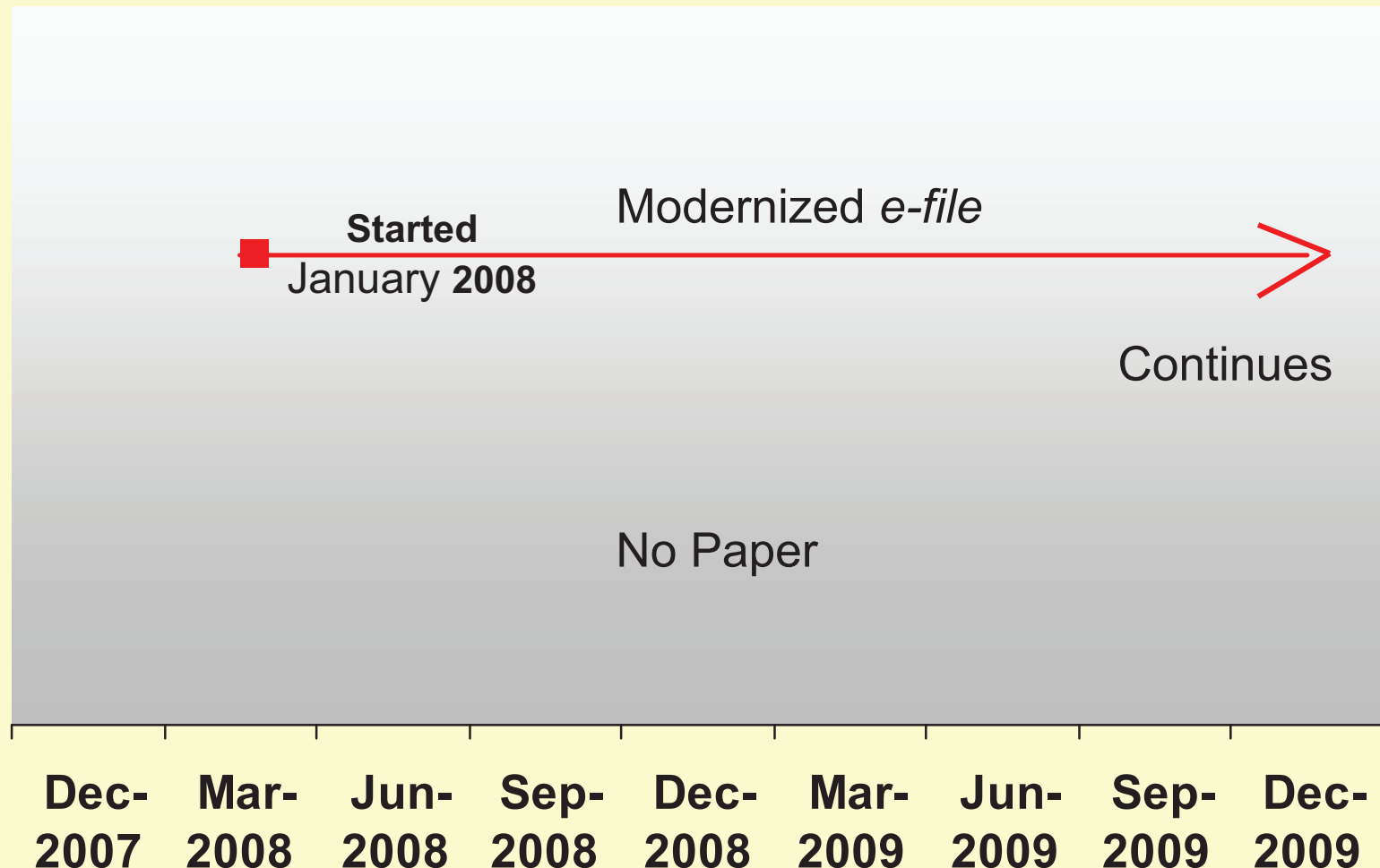
# Form 990-N Fiscal Year Returns vs. Calendar Year Returns

Total: 216,872

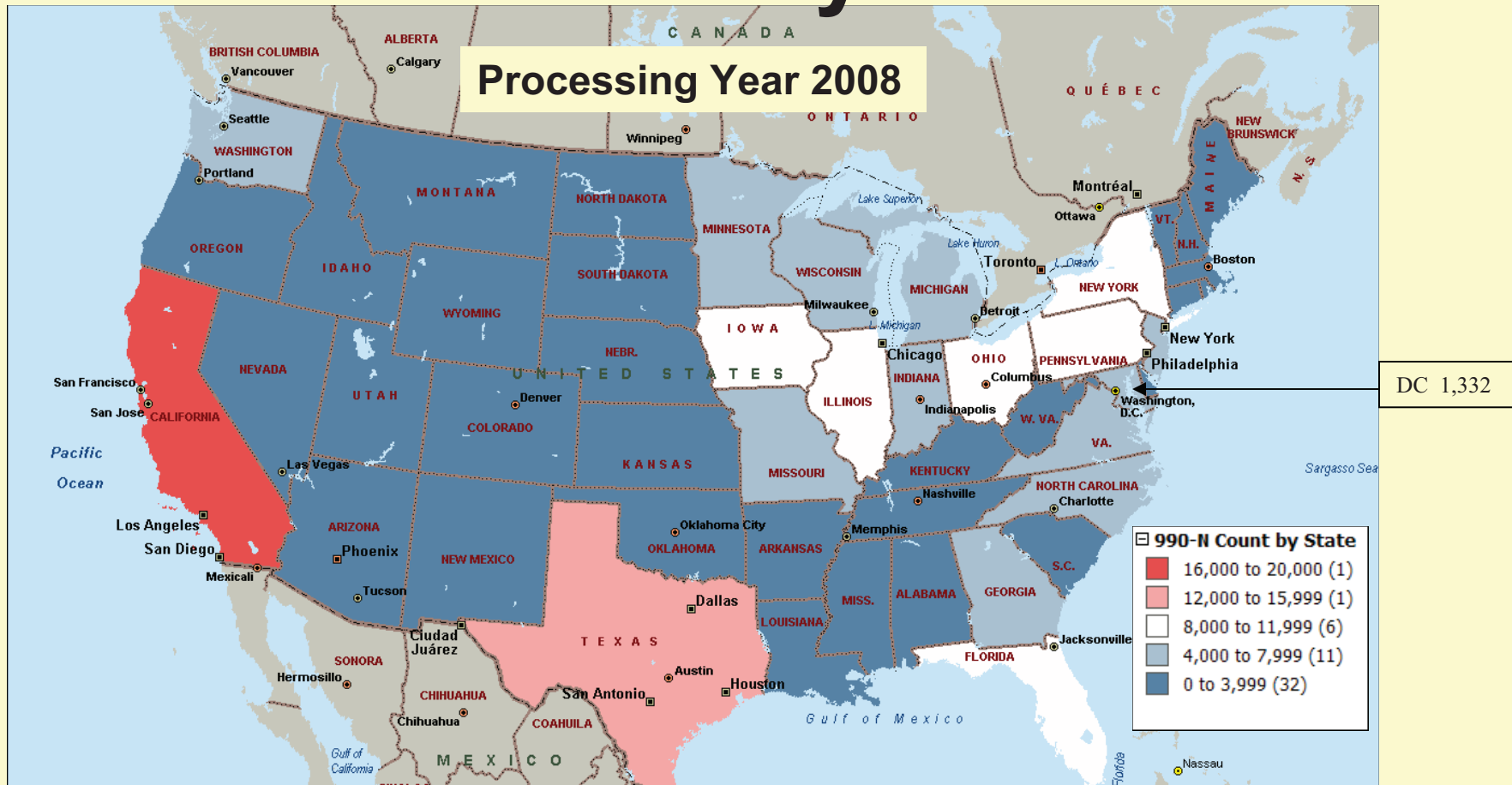


**Processing Year 2008**

# Form 990-N: Implementation Schedule



# Form 990-N by State



Alaska (AK)	651	Hawaii (HI)	841	Maine (ME)	1,536	New Jersey (NJ)	4,271	South Dakota (SD)	1,429
Alabama (AL)	2,674	Iowa (IA)	10,259	Michigan (MI)	6,453	New Mexico (NM)	1,445	Tennessee (TN)	3,990
Arkansas (AR)	2,347	Idaho (ID)	1,359	Minnesota (MN)	4,978	Nevada (NV)	1,029	Texas (TX)	15,095
Arizona (AZ)	3,000	Illinois (IL)	10,405	Missouri (MO)	7,137	New York (NY)	9,122	Utah (UT)	1,448
California (CA)	19,051	Indiana (IN)	4,869	Mississippi (MS)	1,741	Ohio (OH)	9,511	Virginia (VA)	6,350
Colorado (CO)	3,875	Kansas (KS)	3,186	Montana (MT)	1,804	Oklahoma (OK)	3,460	Vermont (VT)	1,009
Connecticut (CT)	2,561	Kentucky (KY)	2,759	North Carolina (NC)	5,992	Oregon (OR)	3,318	Washington (WA)	5,729
Delaware (DE)	662	Louisiana (LA)	2,588	North Dakota (ND)	1,045	Pennsylvania (PA)	9,670	Wisconsin (WI)	5,674
Florida (FL)	8,320	Massachusetts (MA)	3,434	Nebraska (NE)	2,606	Rhode Island (RI)	650	West Virginia (WV)	1,782
Georgia (GA)	4,881	Maryland (MD)	4,538	New Hampshire (NH)	1,183	South Carolina (SC)	2,884	Wyoming (WY)	712

# **Form 990 & 990-N Summary (PY2008)**

- **11% of all Form 990 returns are *e-filed*.**
- **36% of all Form 990 returns are projected to be filed electronically in CY2015.**
- **Form 990 has two peak volume filing months: May and November.**
- **One NAICS Code (813000: Religious, Grantmaking, Civic, Professional, & Similar Organizations) accounts for 34% of all Form 990 returns.**
- **There is no preparer information available for paper Form 990 returns.**
- **100% of 990-N returns are e-filed.**

# Form 990-PF Filers

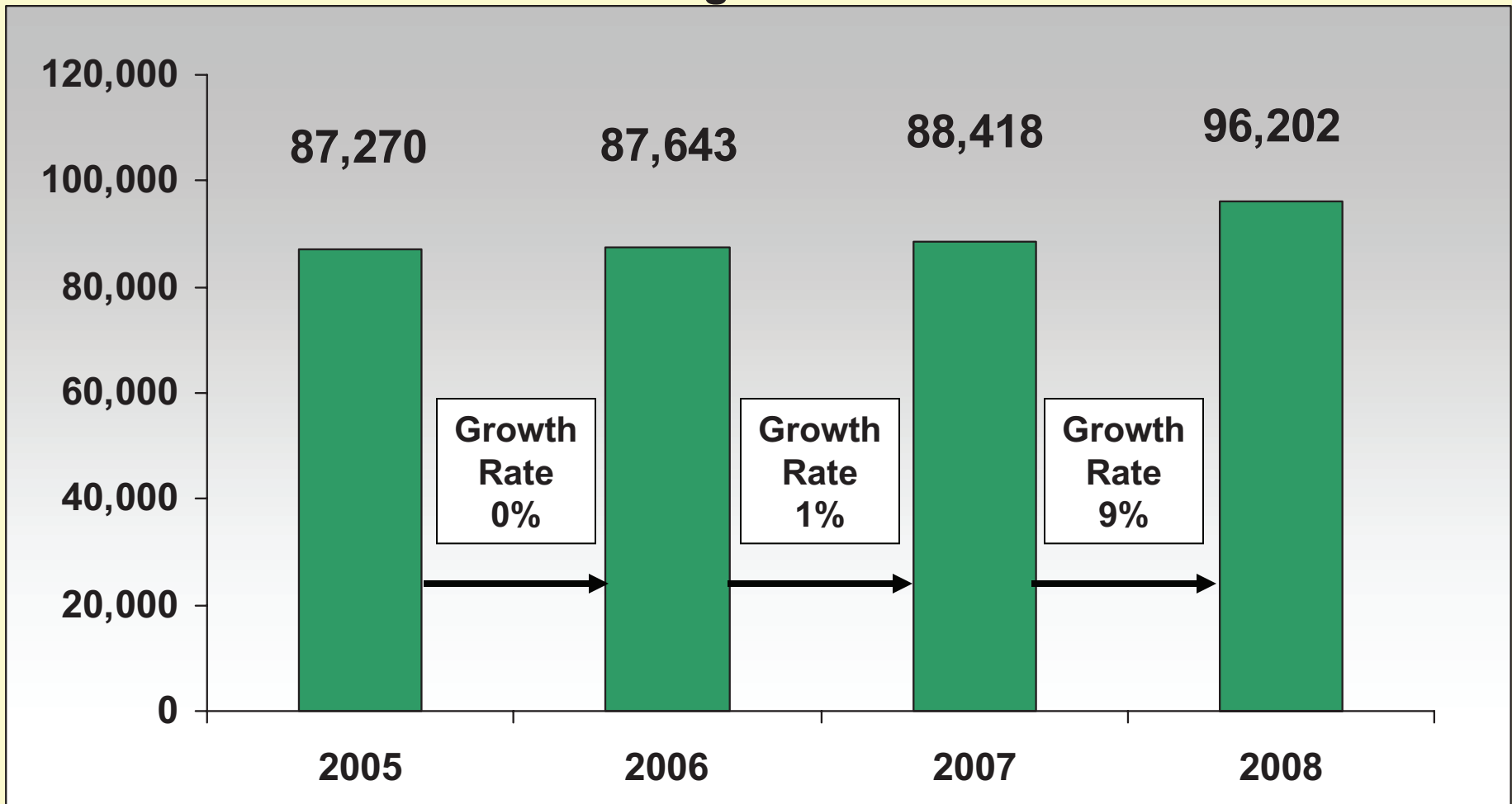
Return of Private Foundation

Processing Year 2008

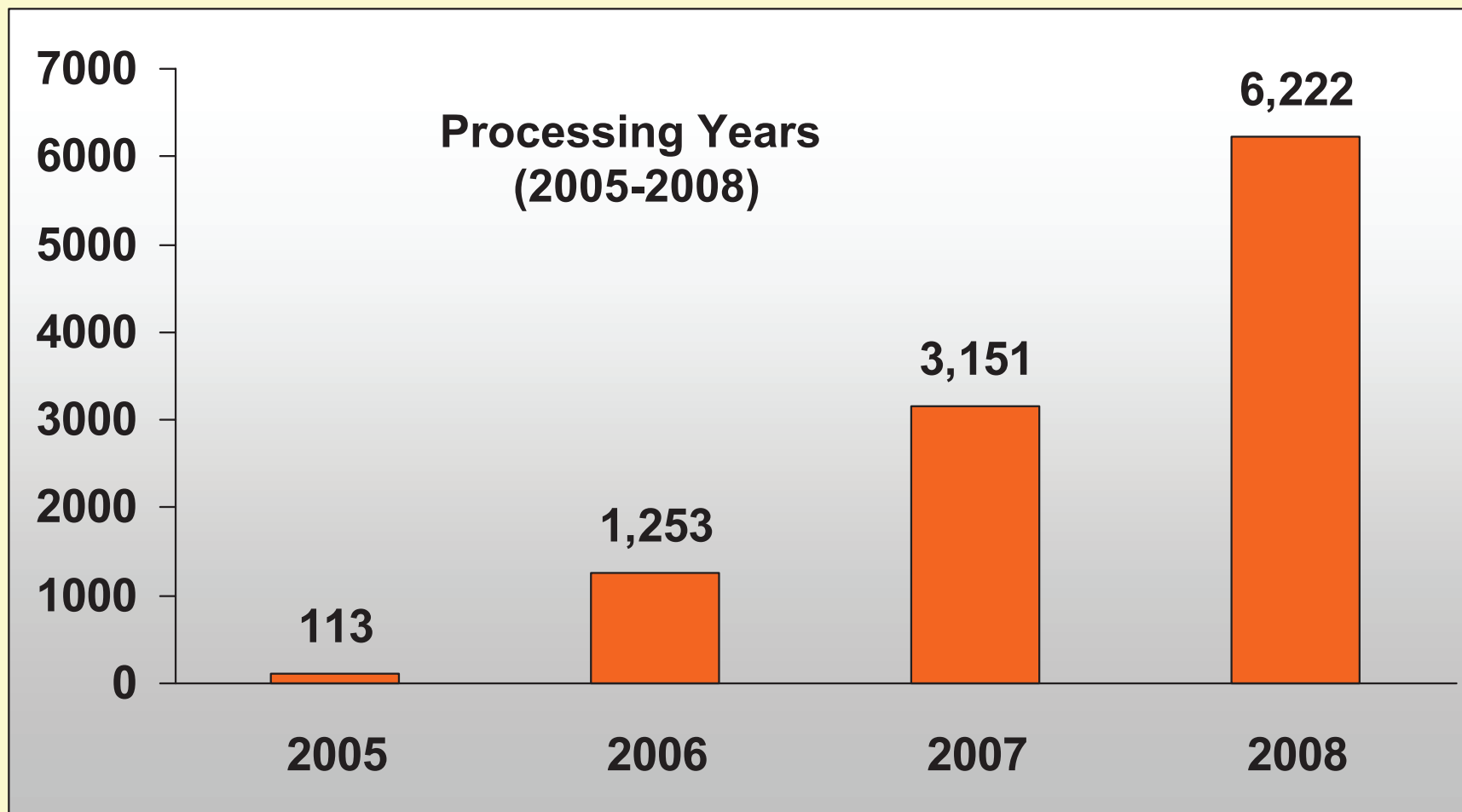


# Form 990-PF Annual Filing Volume

Processing Years 2005-2008

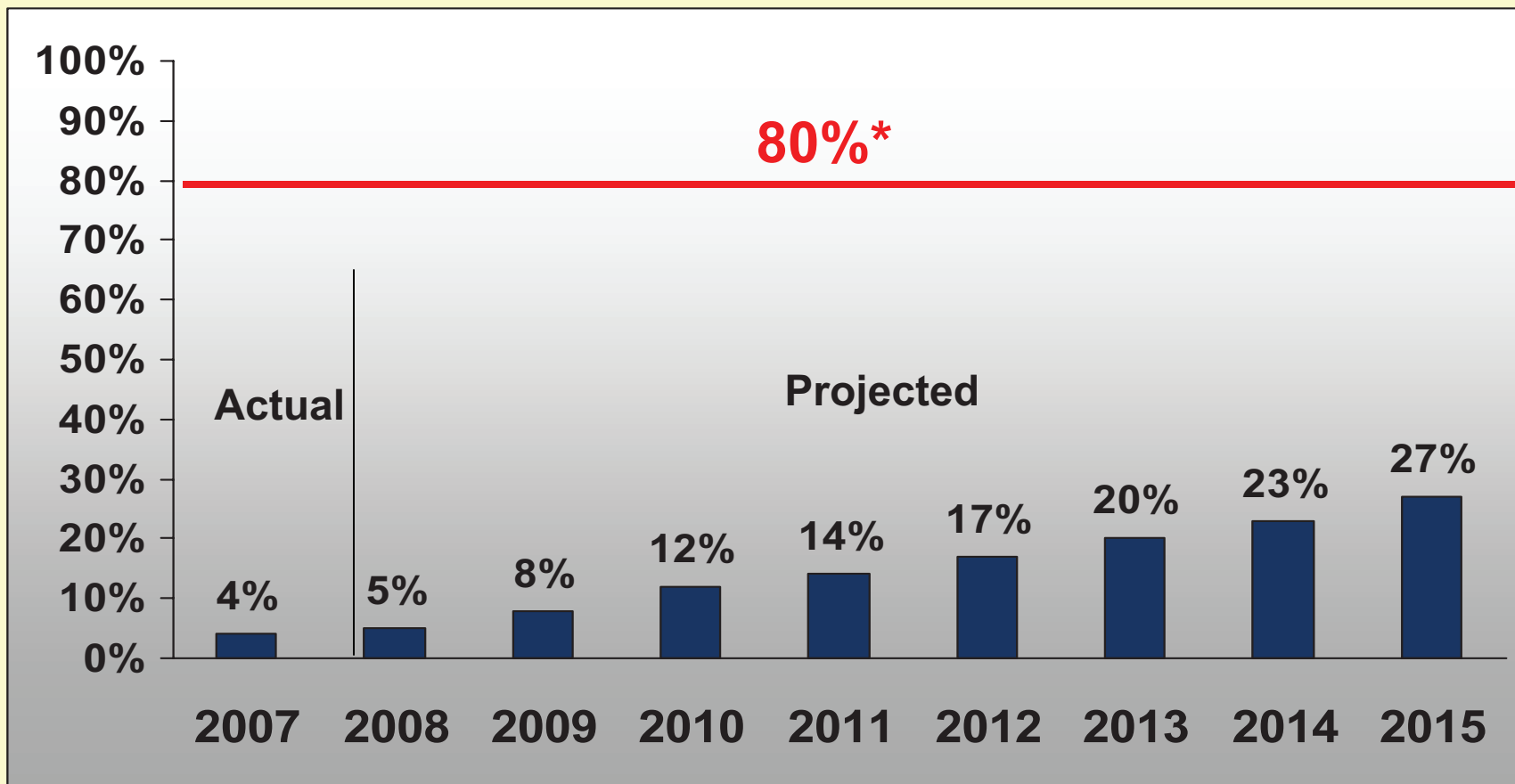


# Annual Form 990-PF *e-file* Volume

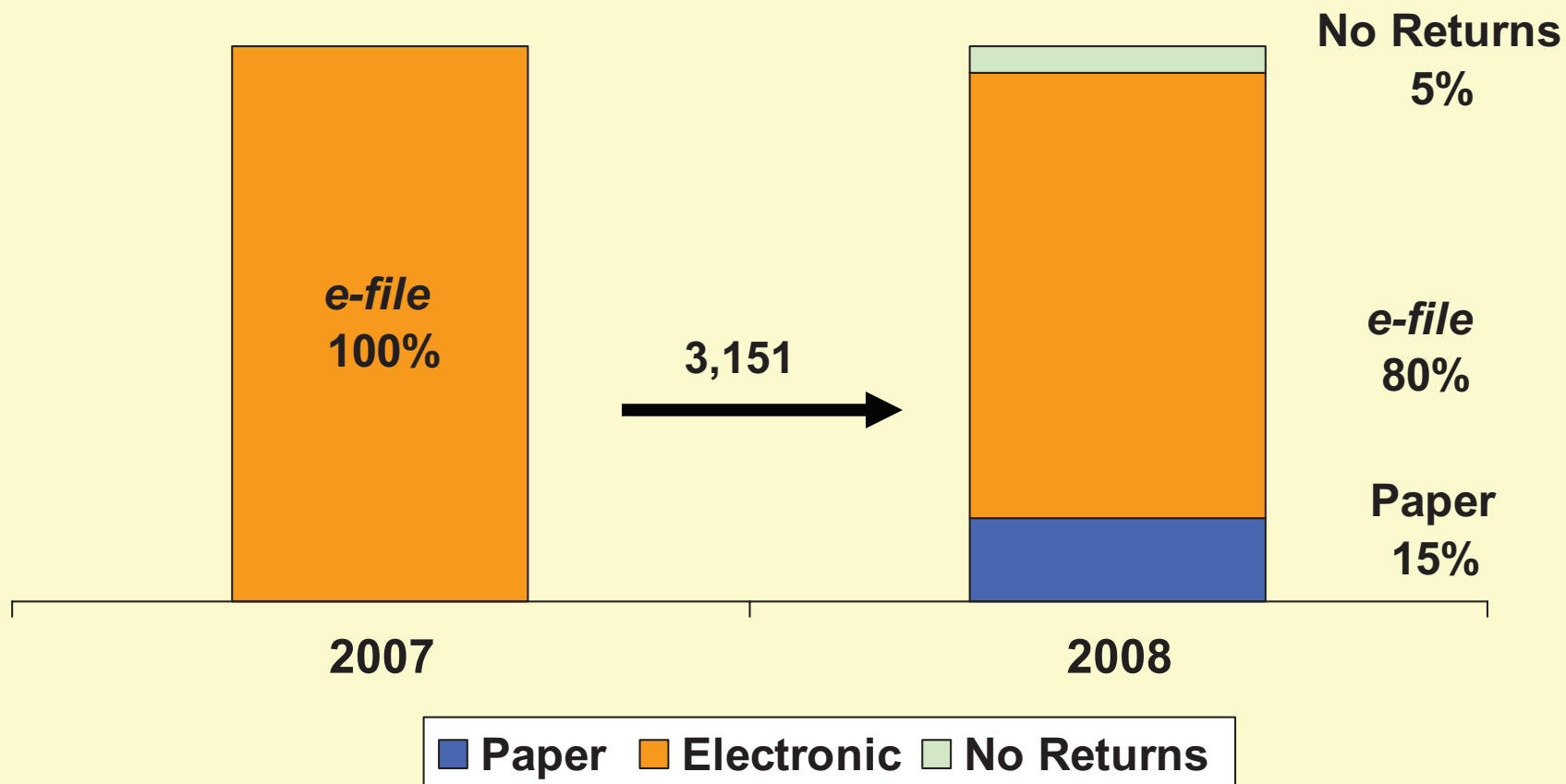


**In Processing Year 2008,  
6% of all Forms 990-PF  
were *e-filed*.**

# Form 990-PF Projected *e-file* Penetration Rate

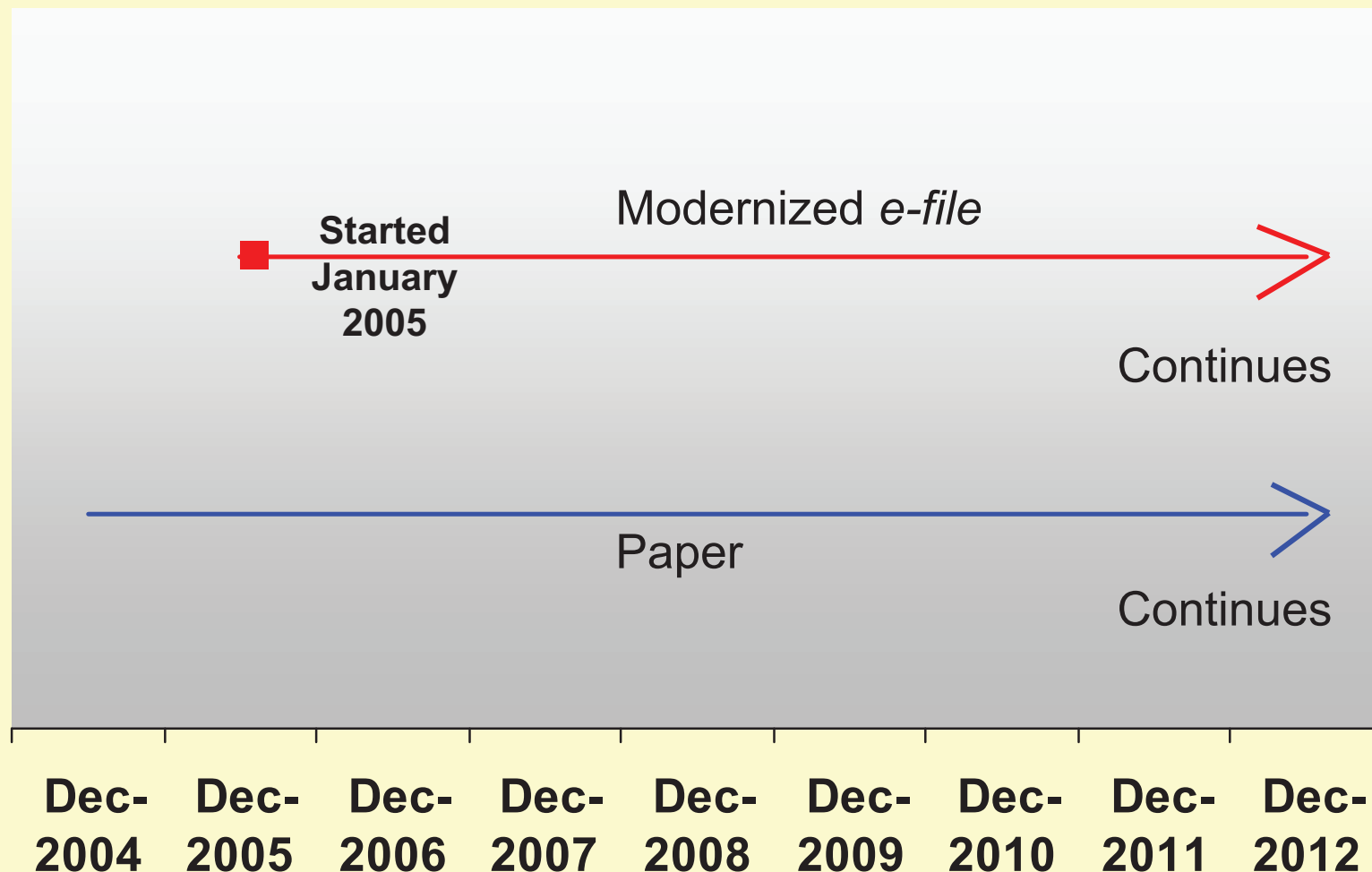


# Form 990-PF *e-file* Loyalty

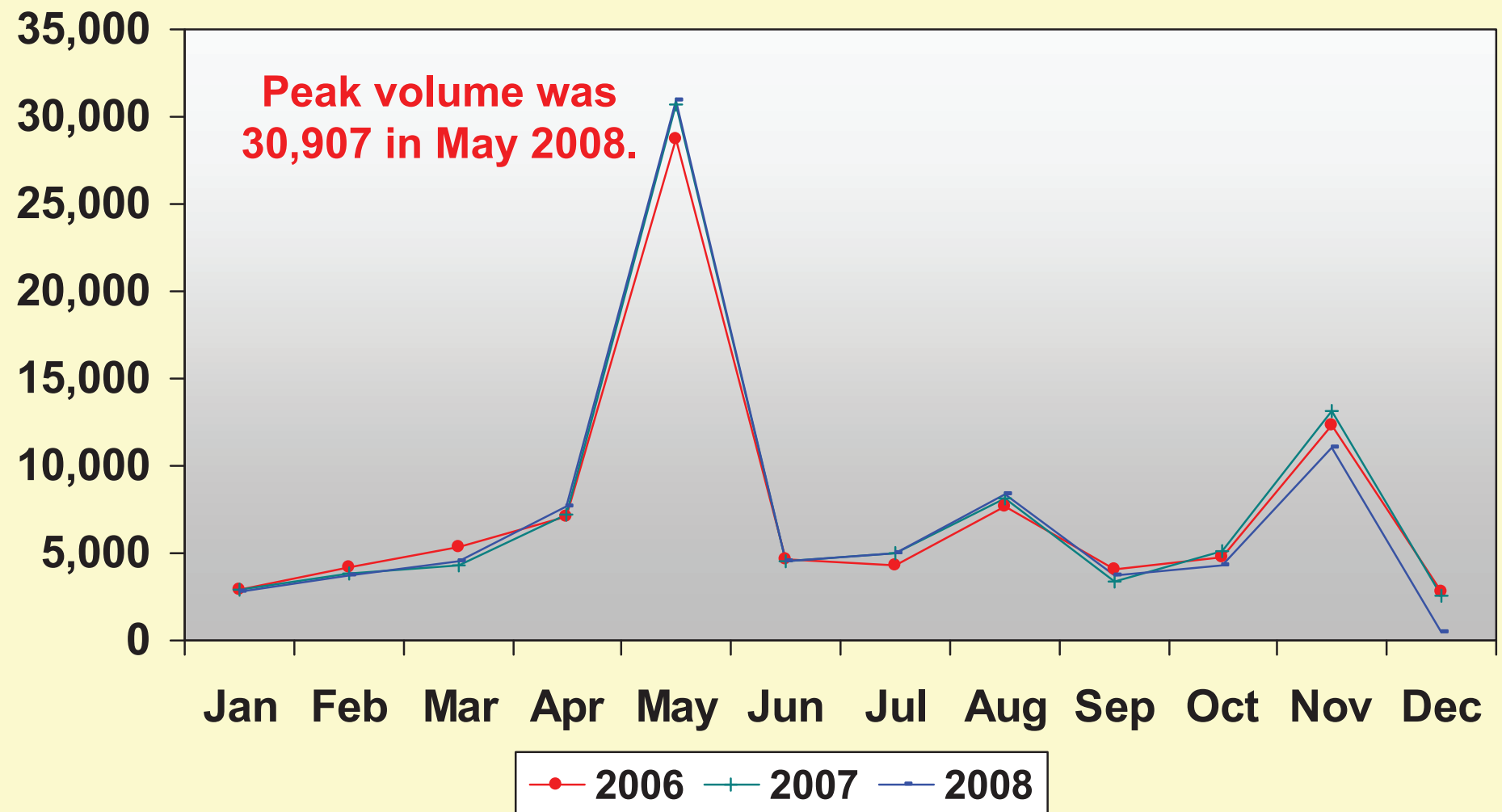


**80% of Form 990-PF *e-file* Users Remained Loyal**

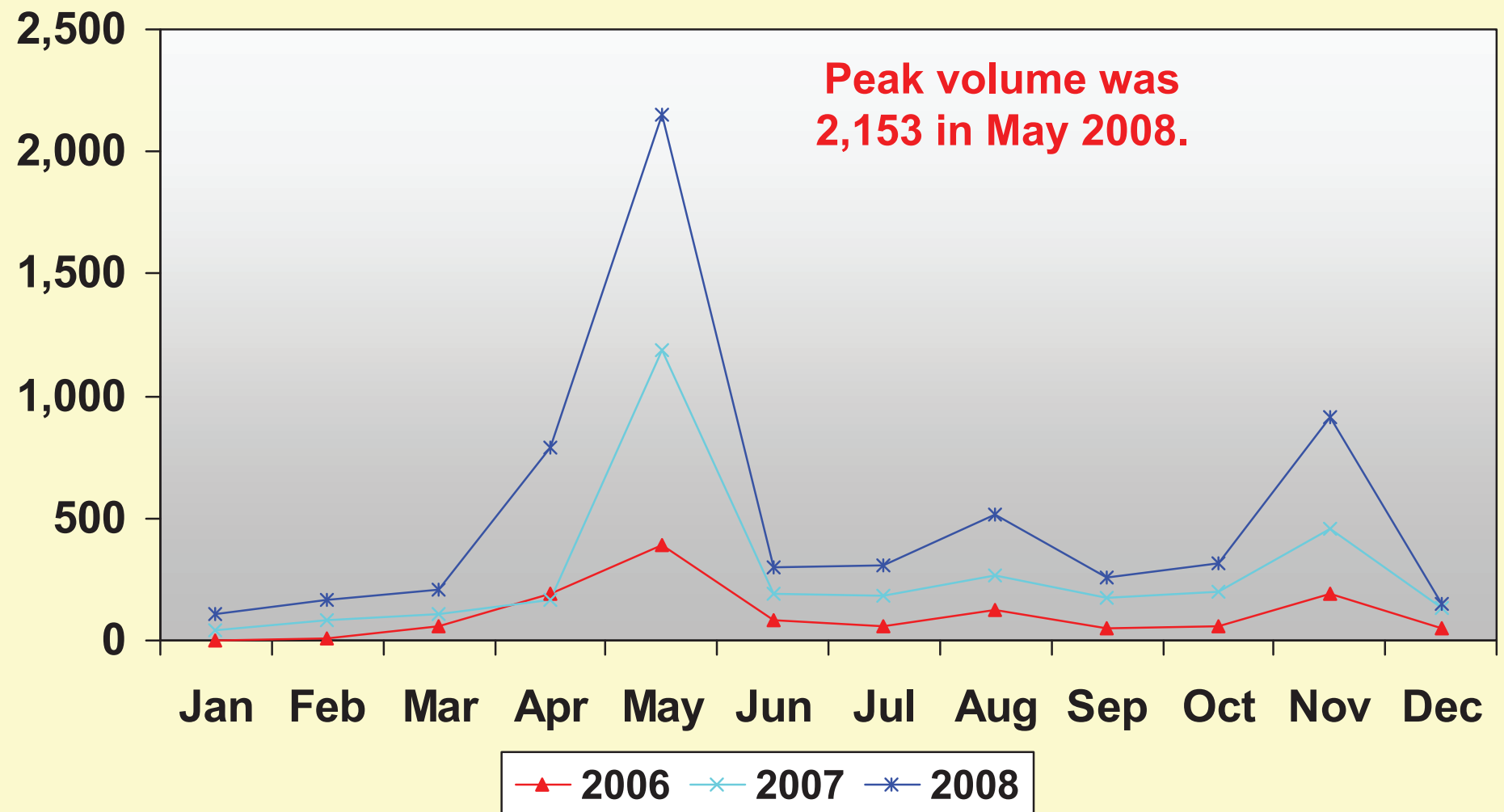
# Form 990-PF: Implementation Schedule



# Form 990-PF: Monthly Filing Patterns

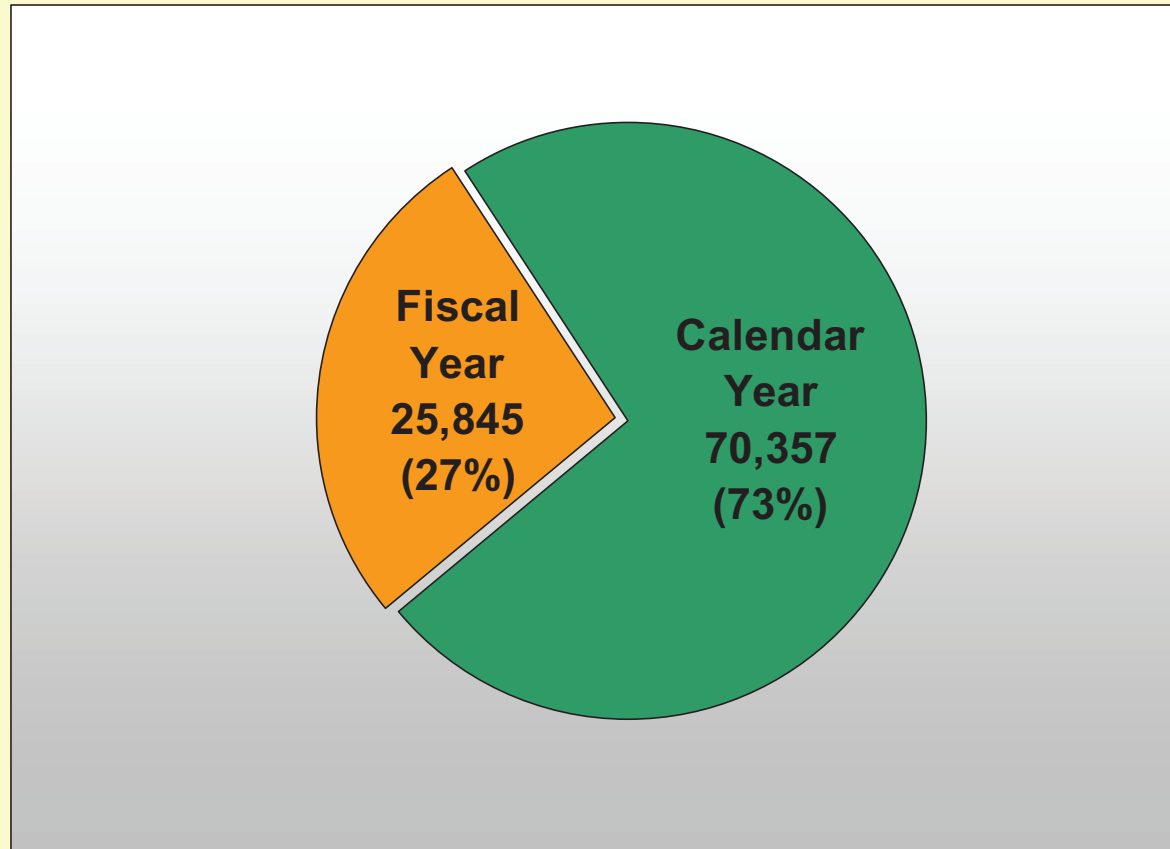


# Form 990-PF Monthly e-file Patterns



# Form 990-PF Fiscal Year Returns vs. Calendar Year Returns

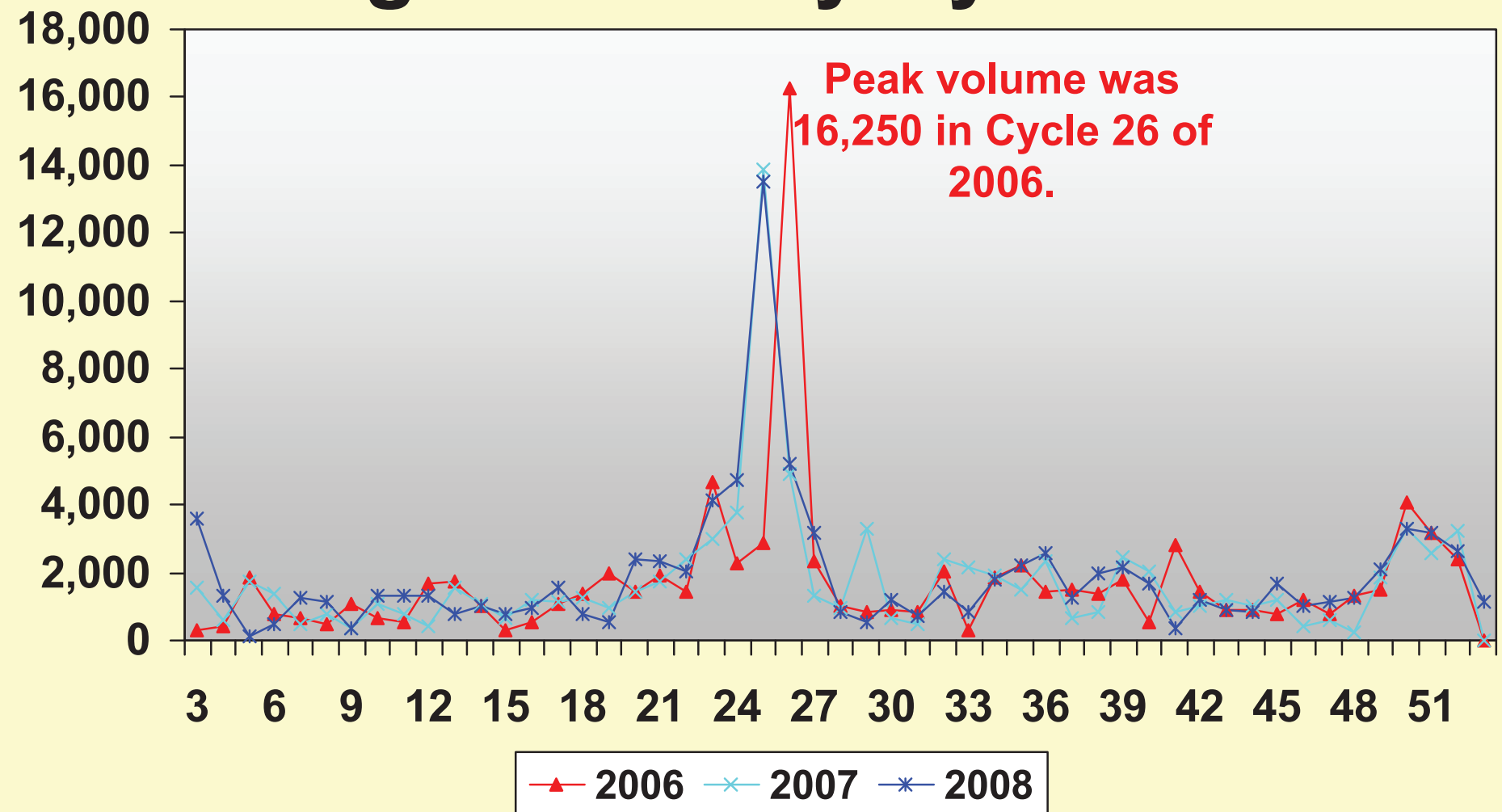
Total: 96,202



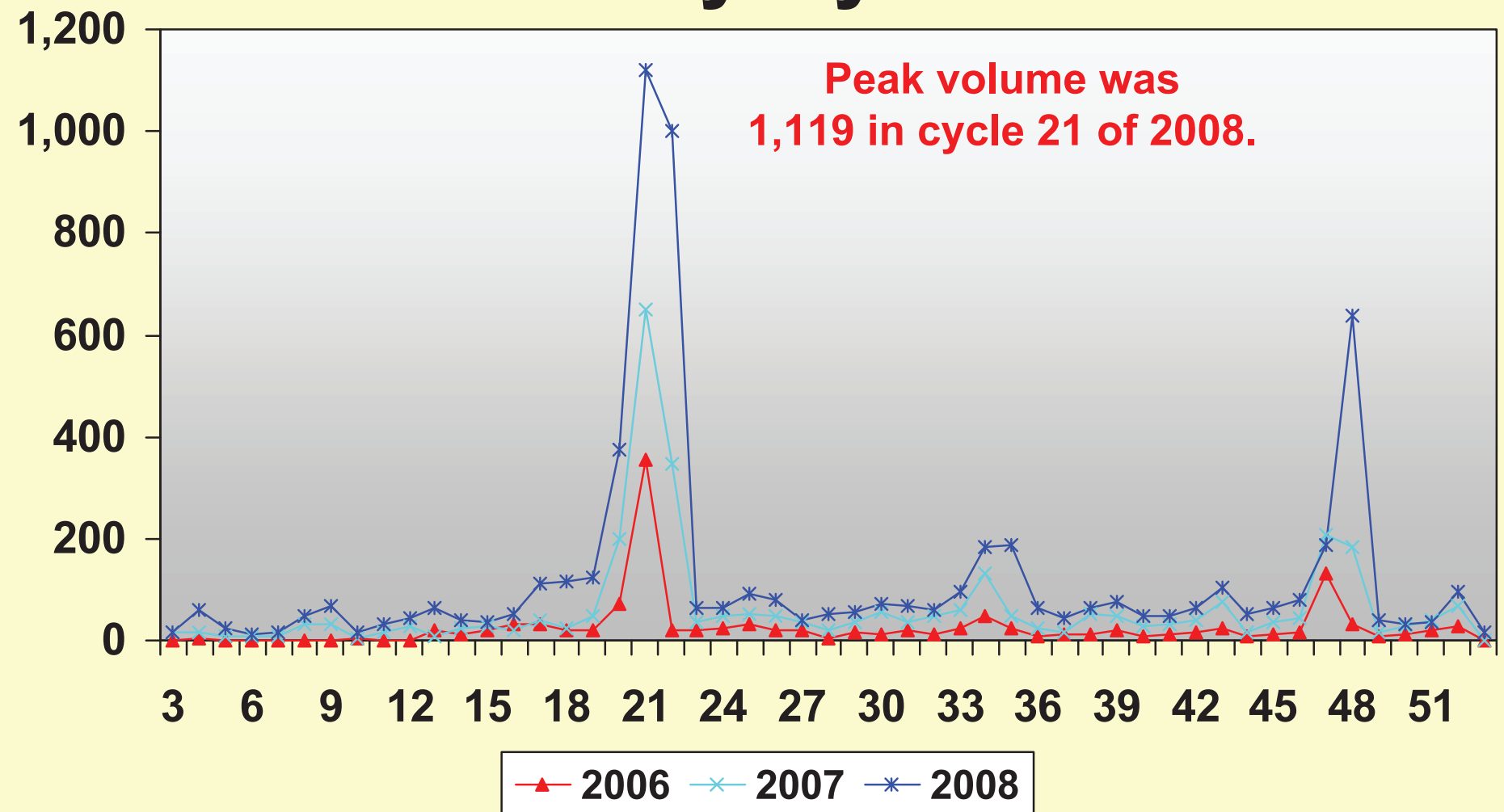
**Processing Year 2008**

# Form 990-PF

## Filing Pattern by Cycle Posted



# Form 990-PF e-file Pattern by Cycle Posted



# Form 990-PF Returns by Assets & Method

## Processing Year 2008

	Paper	<i>e-file</i>	Total
Under \$250,000	39,059	2,434	41,493
\$250,000 Under \$1 Million	21,799	1,804	23,603
\$1 Million Under \$5 Million	19,080	1,356	20,436
\$5 Million Under \$10 Million	4,246	232	4,478
\$10 Million Under \$50 Million	4,438	298	4,736
\$50 Million or More	1,358	98	1,456
Total	89,980	6,222	96,202

# Form 990-PF Returns by State



DC 532

Alaska (AK)	104	Hawaii (HI)	435	Maine (ME)	422	New Jersey (NJ)	3496	South Dakota (SD)	163
Alabama (AL)	929	Iowa (IA)	981	Michigan (MI)	2,590	New Mexico (NM)	360	Tennessee (TN)	1,014
Arkansas (AR)	418	Idaho (ID)	297	Minnesota (MN)	1,748	Nevada (NV)	609	Texas (TX)	5,325
Arizona (AZ)	1,157	Illinois (IL)	4,906	Missouri (MO)	1,698	New York (NY)	12,006	Utah (UT)	782
California (CA)	9,784	Indiana (IN)	1,332	Mississippi (MS)	327	Ohio (OH)	3,981	Virginia (VA)	1,852
Colorado (CO)	1,683	Kansas (KS)	921	Montana (MT)	295	Oklahoma (OK)	924	Vermont (VT)	323
Connecticut (CT)	1,819	Kentucky (KY)	679	North Carolina (NC)	3,266	Oregon (OR)	1,039	Washington (WA)	1,666
Delaware (DE)	1,116	Louisiana (LA)	614	North Dakota (ND)	122	Pennsylvania (PA)	4,986	Wisconsin (WI)	2,651
Florida (FL)	5,366	Massachusetts (MA)	3,691	Nebraska (NE)	831	Rhode Island (RI)	1,507	West Virginia (WV)	295
Georgia (GA)	1,885	Maryland (MD)	1,855	New Hampshire (NH)	403	South Carolina (SC)	602	Wyoming (WY)	257

# Form 990-PF e-file Penetration by State



Alaska (AK)	15%	Hawaii (HI)	3%	Maine (ME)	5%	New Jersey (NJ)	4%	South Dakota (SD)	15%
Alabama (AL)	4%	Iowa (IA)	4%	Michigan (MI)	15%	New Mexico (NM)	7%	Tennessee (TN)	4%
Arkansas (AR)	2%	Idaho (ID)	6%	Minnesota (MN)	8%	Nevada (NV)	8%	Texas (TX)	5%
Arizona (AZ)	3%	Illinois (IL)	3%	Missouri (MO)	8%	New York (NY)	3%	Utah (UT)	7%
California (CA)	4%	Indiana (IN)	4%	Mississippi (MS)	6%	Ohio (OH)	6%	Virginia (VA)	5%
Colorado (CO)	5%	Kansas (KS)	10%	Montana (MT)	18%	Oklahoma (OK)	4%	Vermont (VT)	5%
Connecticut (CT)	5%	Kentucky (KY)	3%	North Carolina (NC)	3%	Oregon (OR)	15%	Washington (WA)	4%
Delaware (DE)	1%	Louisiana (LA)	2%	North Dakota (ND)	11%	Pennsylvania (PA)	15%	Wisconsin (WI)	34%
Florida (FL)	5%	Massachusetts (MA)	14%	Nebraska (NE)	4%	Rhode Island (RI)	1%	West Virginia (WV)	4%
Georgia (GA)	3%	Maryland (MD)	4%	New Hampshire (NH)	5%	South Carolina (SC)	5%	Wyoming (WY)	15%

# **Form 990-PF Summary (PY2008)**

- **Form 990-PF has been *e-filed* since 2005.**
- **6% of all 990-PF's are *e-filed*.**
- **27% of all 990-PF's are projected to be *e-filed* in CY2015.**
- **Form 990-PF filers have an 80% e-file loyalty rate.**
- **Form 990PF has a peak filing rate in May.**

# **FY 09 NATIONWIDE ANALYSIS Form 1065**

**Electronic Tax Administration  
Business ETA Marketing Database**

**SB/SE Research**

**June 2009**

**Project BKN0126**

# Acknowledgements

This report was prepared at the SB/SE Research site in Brooklyn/Hartford under the direction of Research Chief Wendy S. Handin. Kenneth Bulcroft was the primary author with valuable support provided by Kevin Mullen. Special thanks to Lisa Burch of ETA for posting this report to [www.irs.gov](http://www.irs.gov) so that it can be used by taxpayers and preparers to learn about e-file progress. For further information, please contact Wendy S. Handin at (718) 488-3260.

# Primary Data Sources

- All business tax returns filed for Processing Year 2008
- Returns processed through December 31, 2008 (cycle 200853)
- The Business Marketing Database contains variables from the TRDB (Tax Return Data Base), MTRDB (Modernized TRDB) and Business Masterfile databases as well as the BRTF (Business Returns Transaction File)
- Over 34 million entities



# **Form 1065 Filers**

## **Return of Partnership Income**

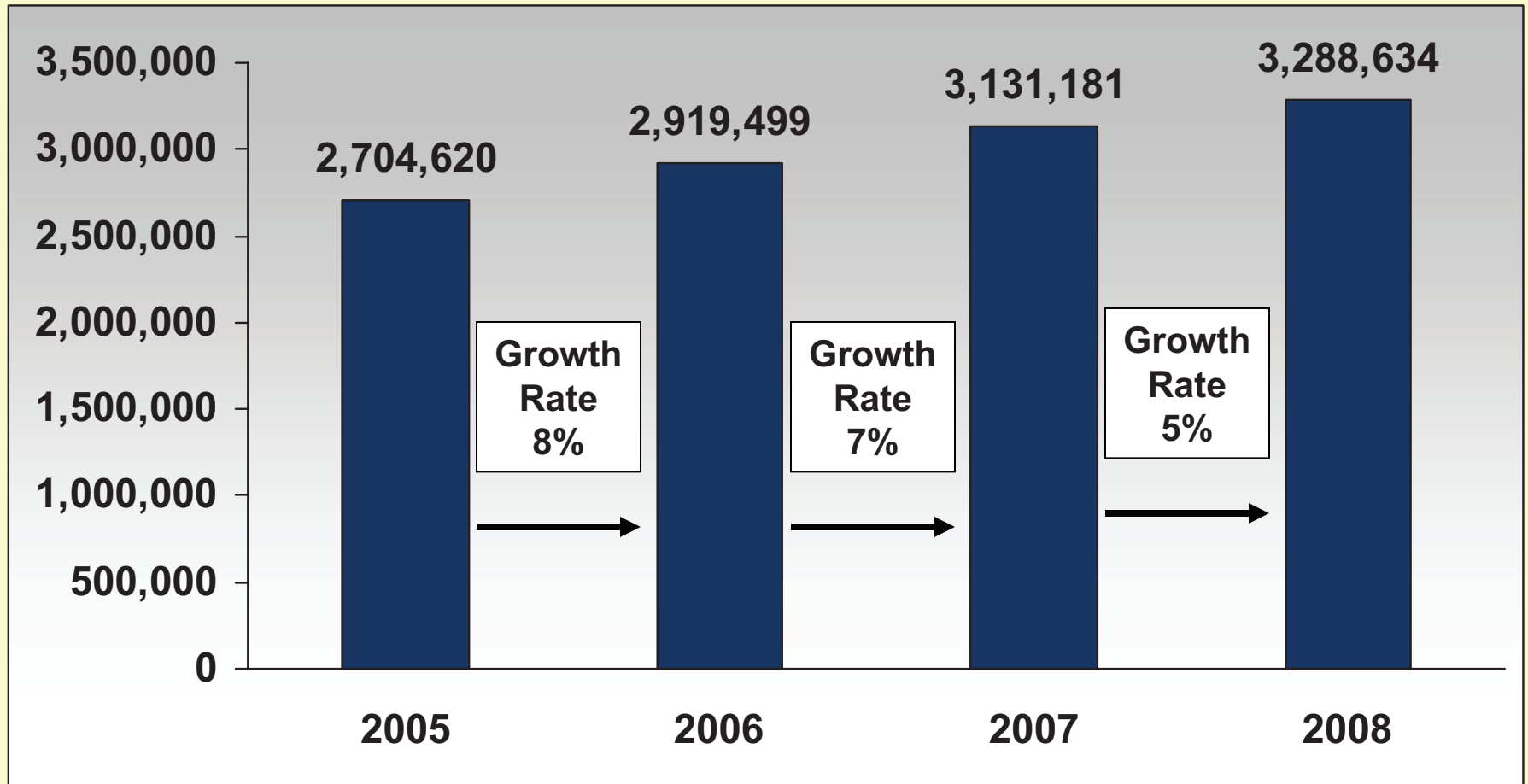
### **Processing Year 2008**



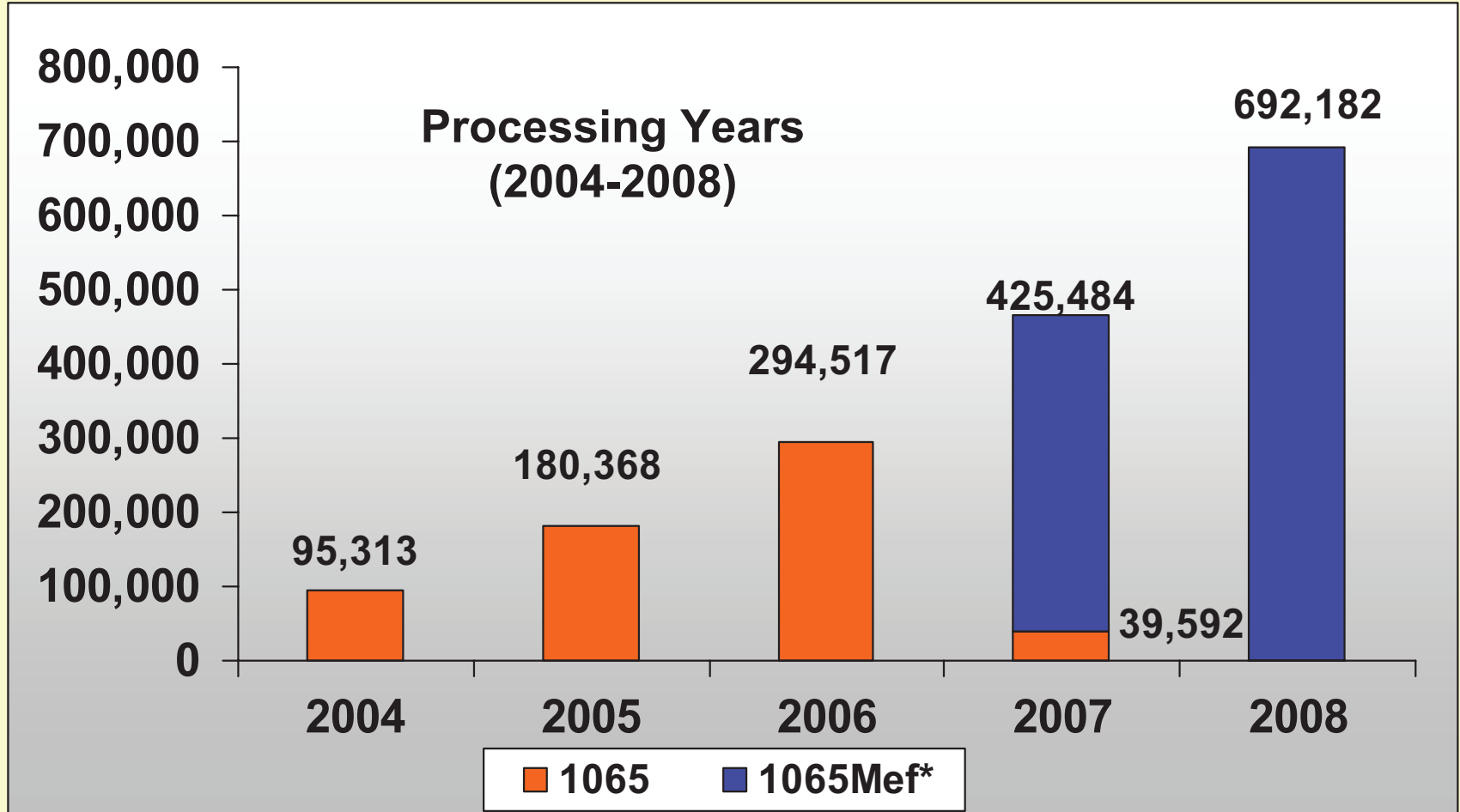
# Form 1065

## Annual Filing Volume

Processing Years 2005-2008



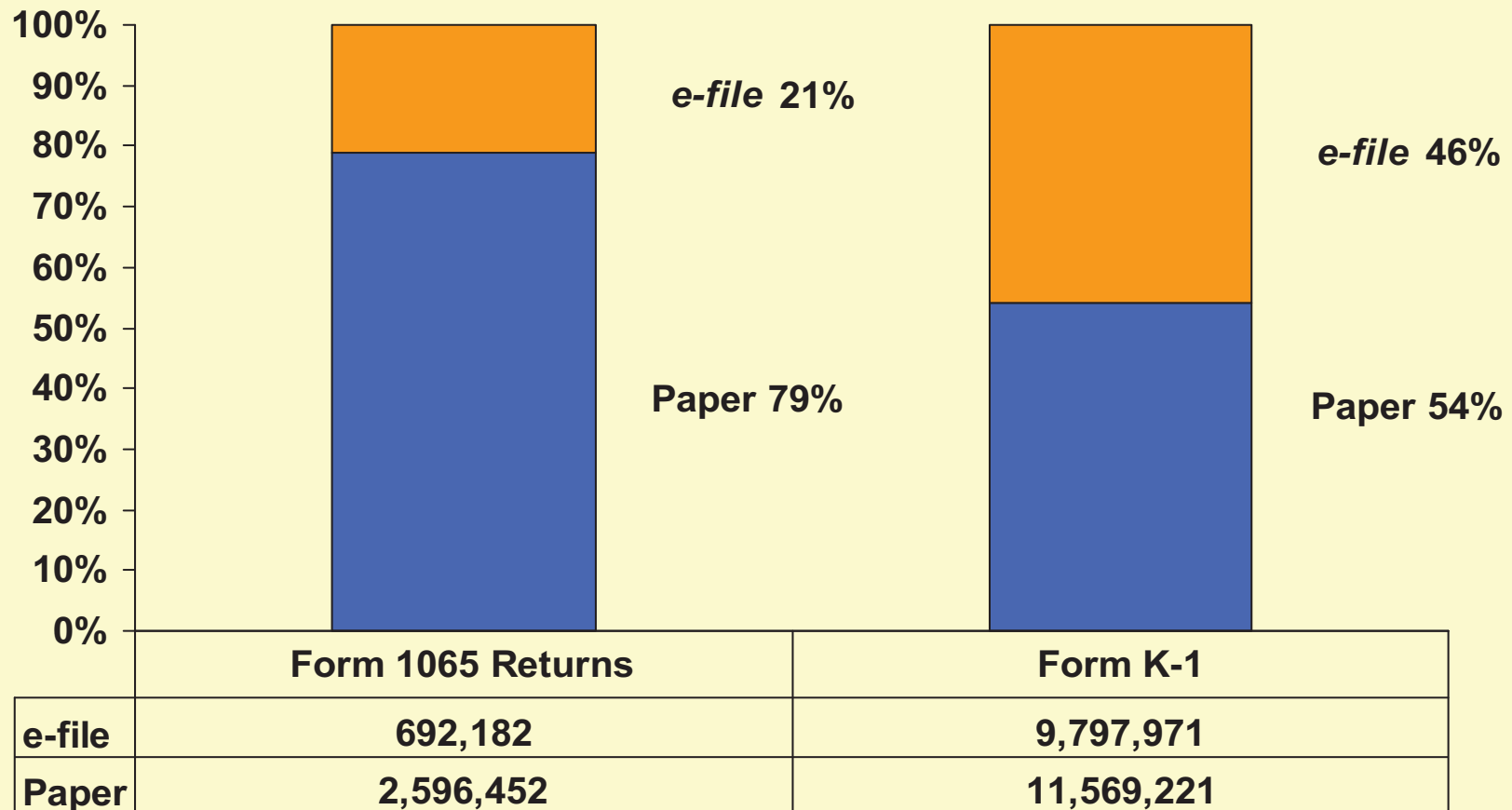
# Annual Filing Volume for *e-file* Form 1065



\* MeF = Modernized e-file 76

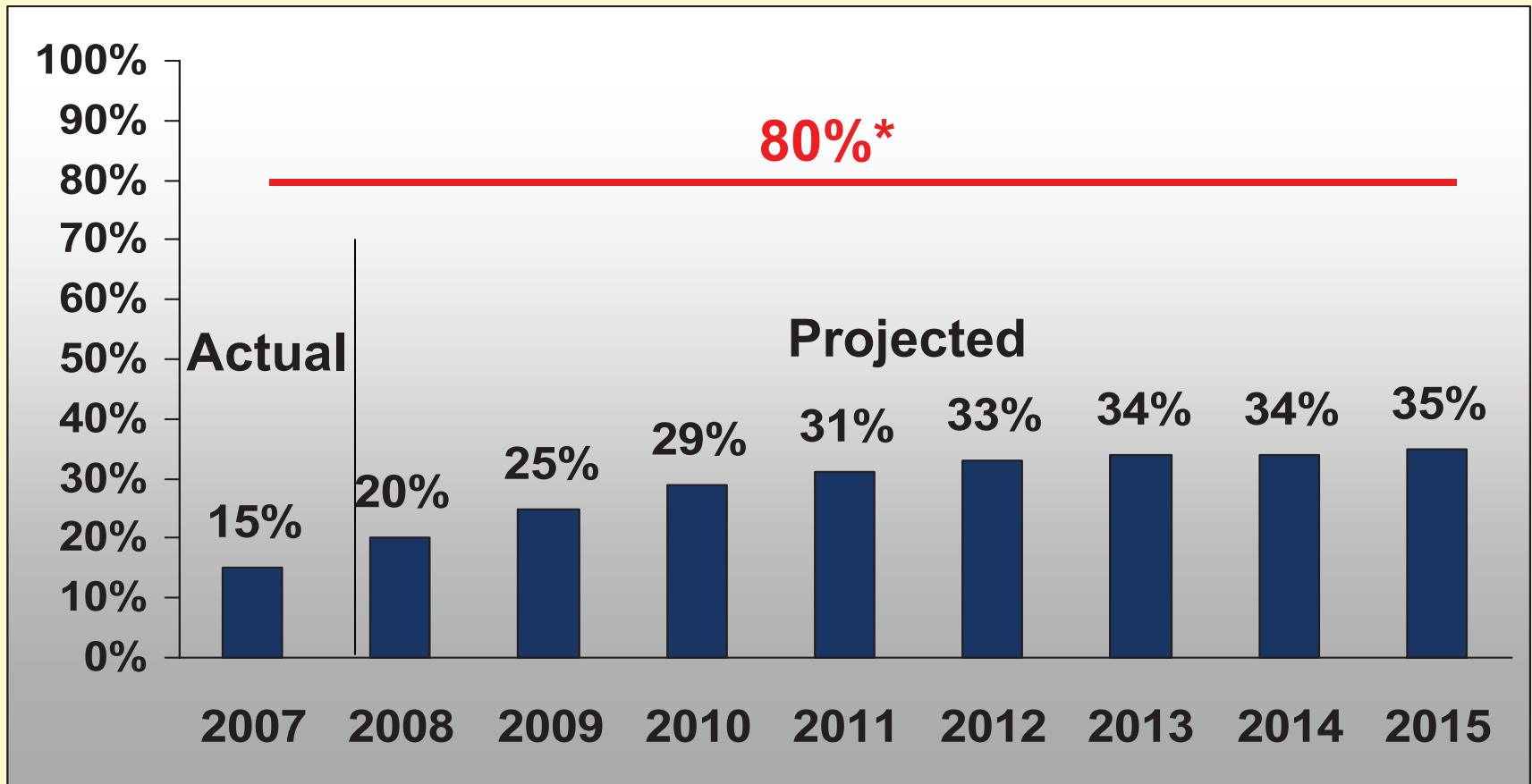
# Forms K-1 Associated to Form 1065 Returns

(where each partner is issued one Form K-1)



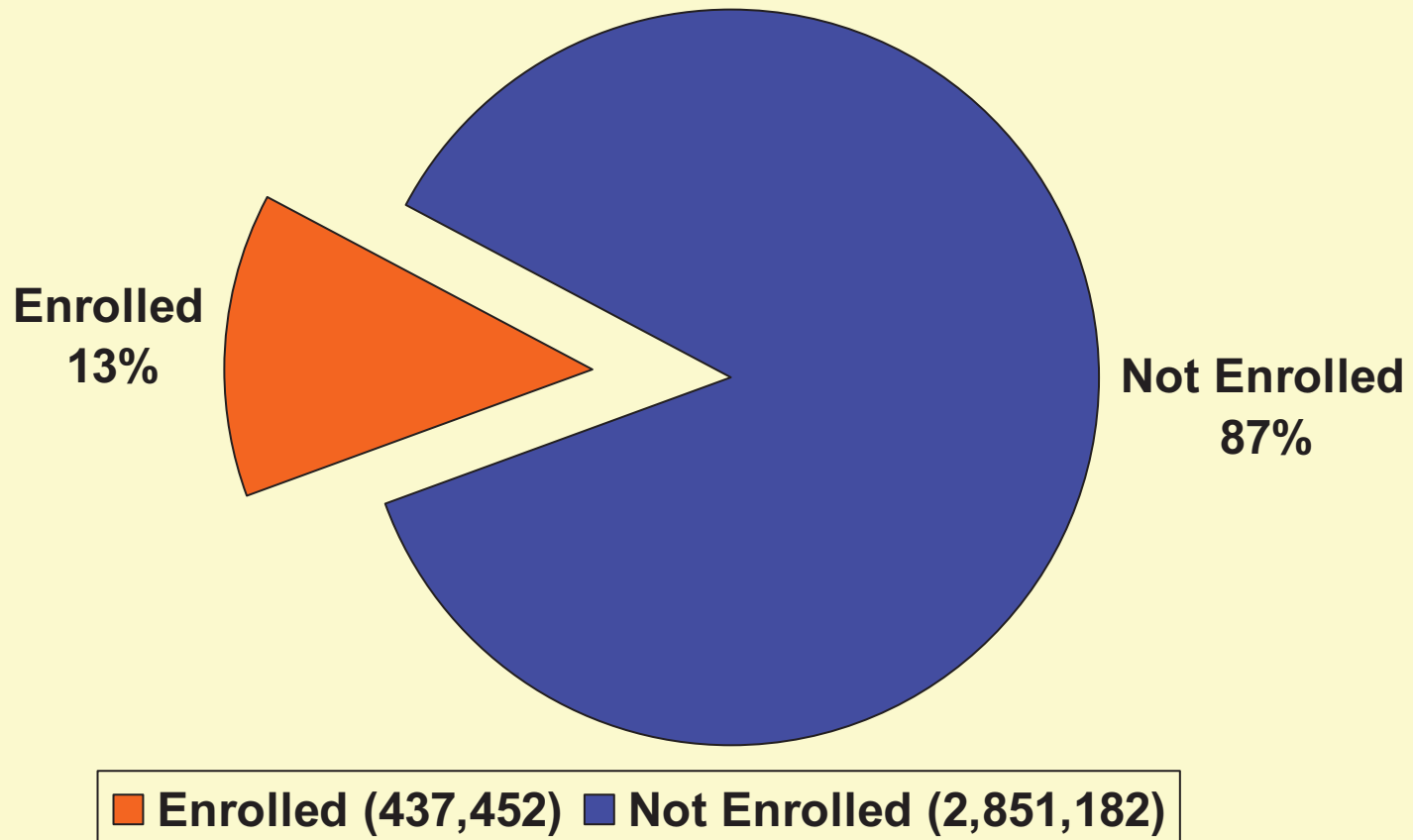
**In Processing Year 2008,  
21% of all Form 1065  
Returns were filed  
electronically.**

# Form 1065 Projected Electronic Filing Penetration Rate



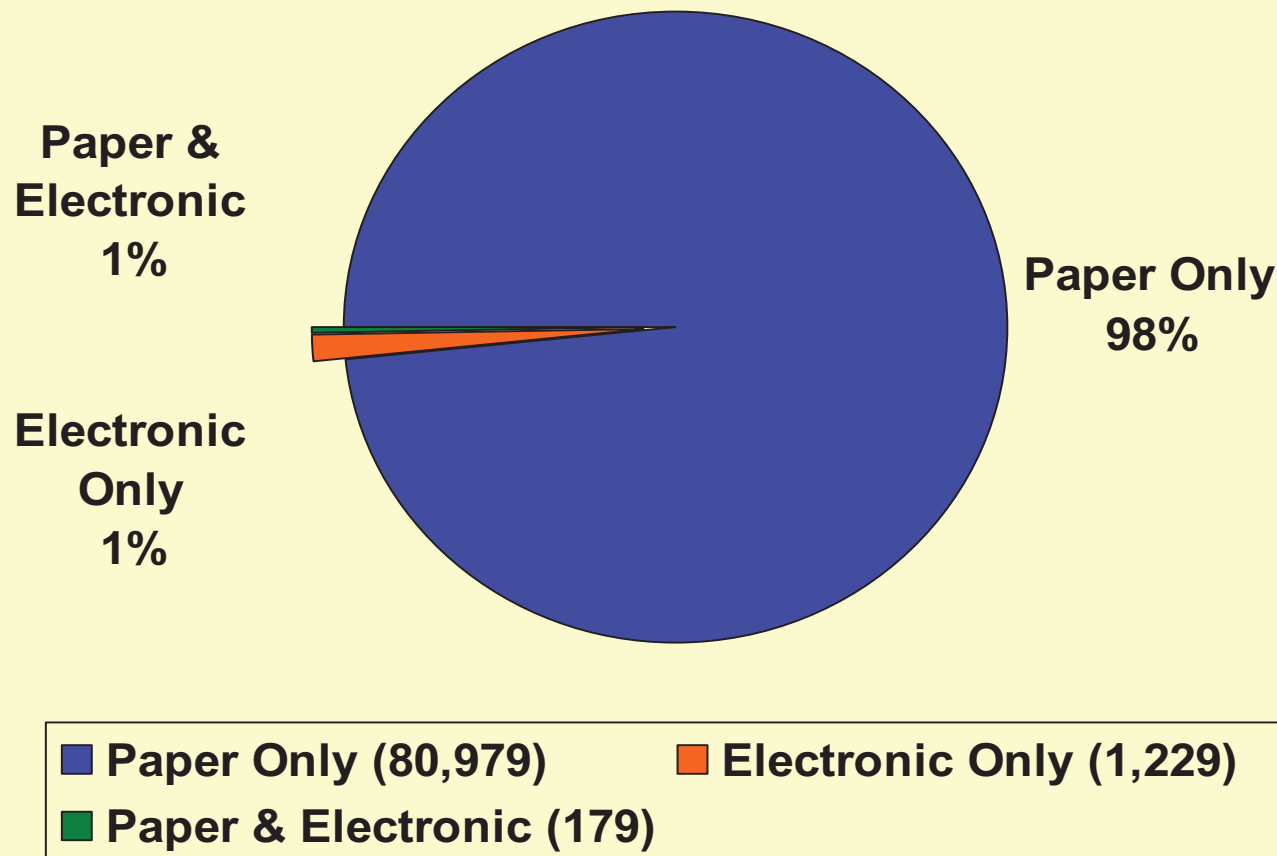
# Form 1065 Taxpayers Enrolled in EFTPS (Electronic Federal Tax Payment System)

Processing Year 2008

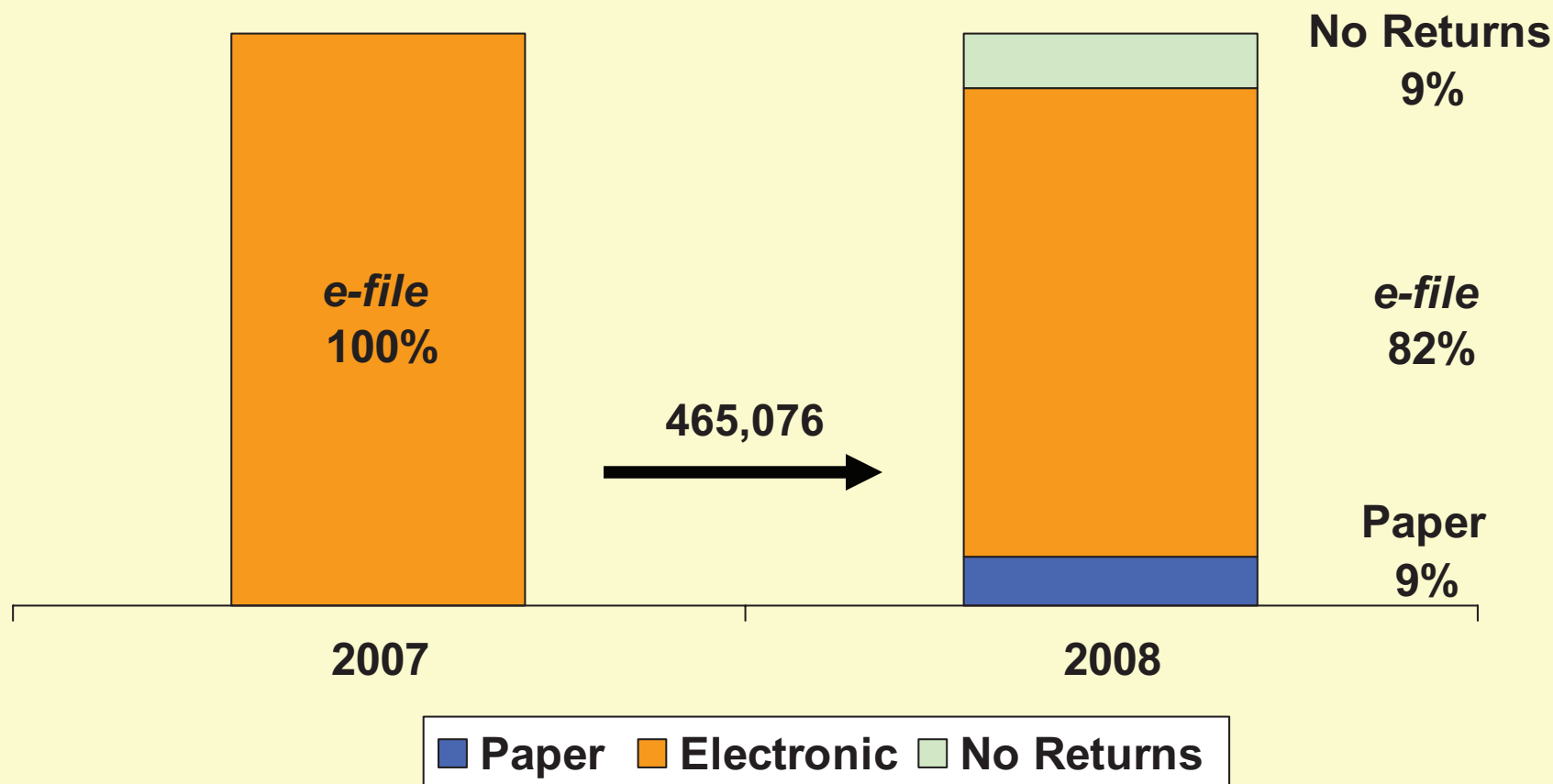


# Payment Method Used by Form 1065 Taxpayers Making 1065 Payments\*

Processing Year 2008



# Form 1065 e-file Loyalty

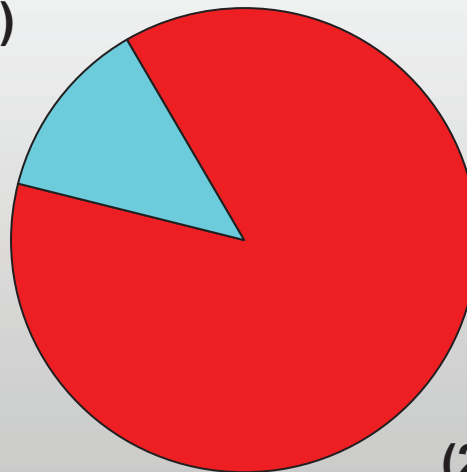


**82% of Form 1065 Users Remained Loyal**

# Preparer/No Preparer

Total: 3,288,634

No Preparer  
(416,712)  
13%

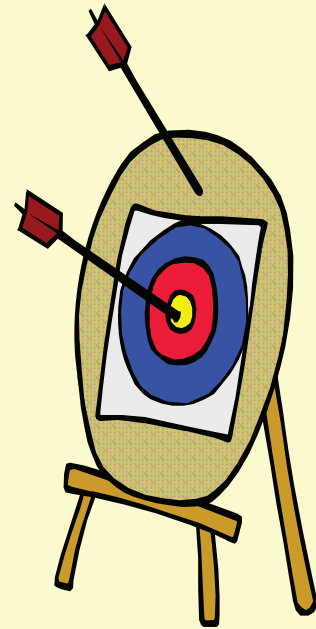
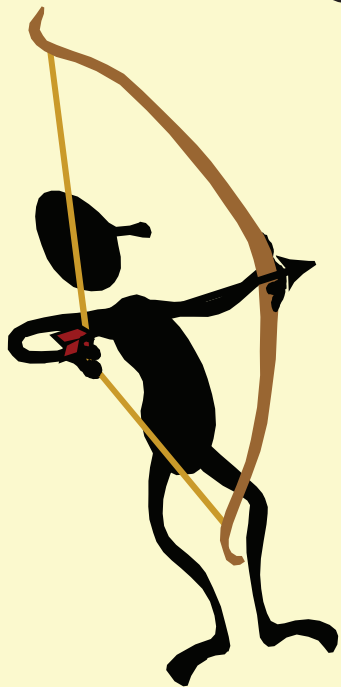


Preparer  
(2,871,922)  
87%

Form 1065 - Processing Year 2008

# Suggested Target Market

**The 8,361 Electronic Return  
Originators Who Each e-filed  
More Than 50 Individual  
Returns But Also Filed  
890,541 Partnership  
Returns on Paper.**



# There are three forms in the 1065 Series:

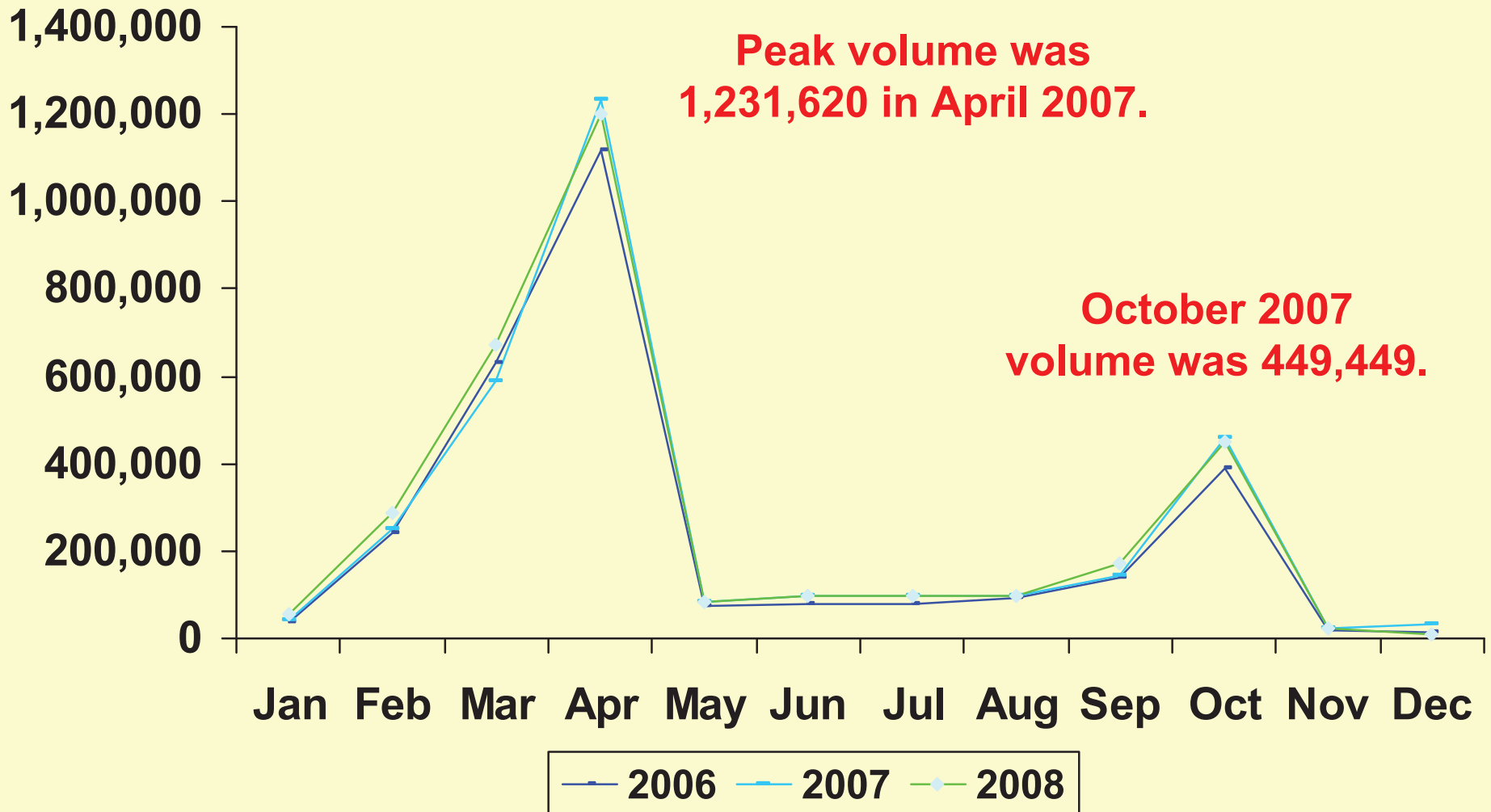
- Form 1065PTP\*
- Form 1065B\*\*
- Form 1065

In Processing Years 2006, 2007 and 2008, Forms 1065PTP and 1065B comprised less than 1% of all Forms in the 1065 series.

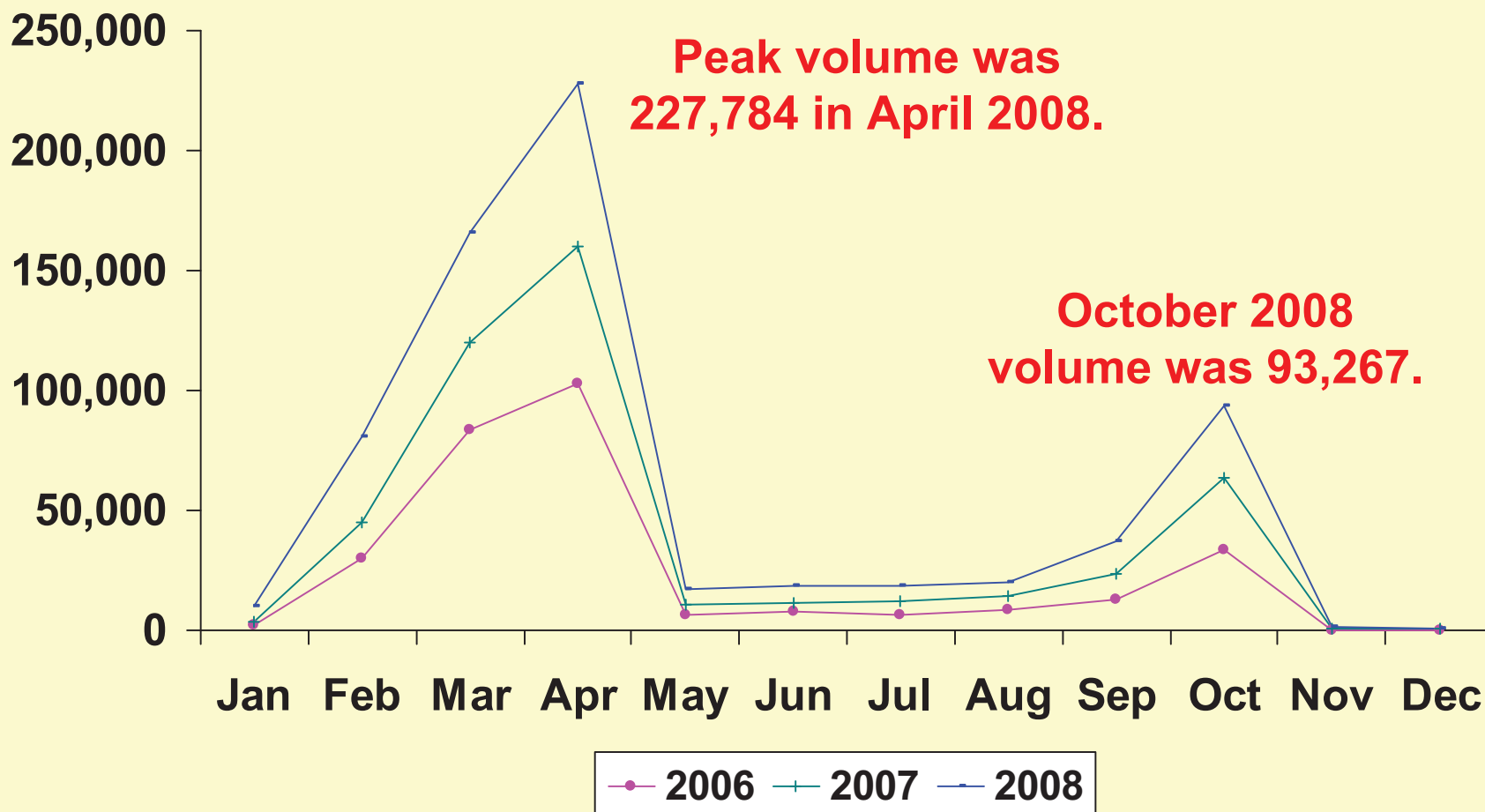
\* Form 1065-PTP: Publicly Traded Partnerships.

\*\* Form 1065-B: US Return of Income for Electing Large Partnerships

# Form 1065 Monthly Filing Patterns

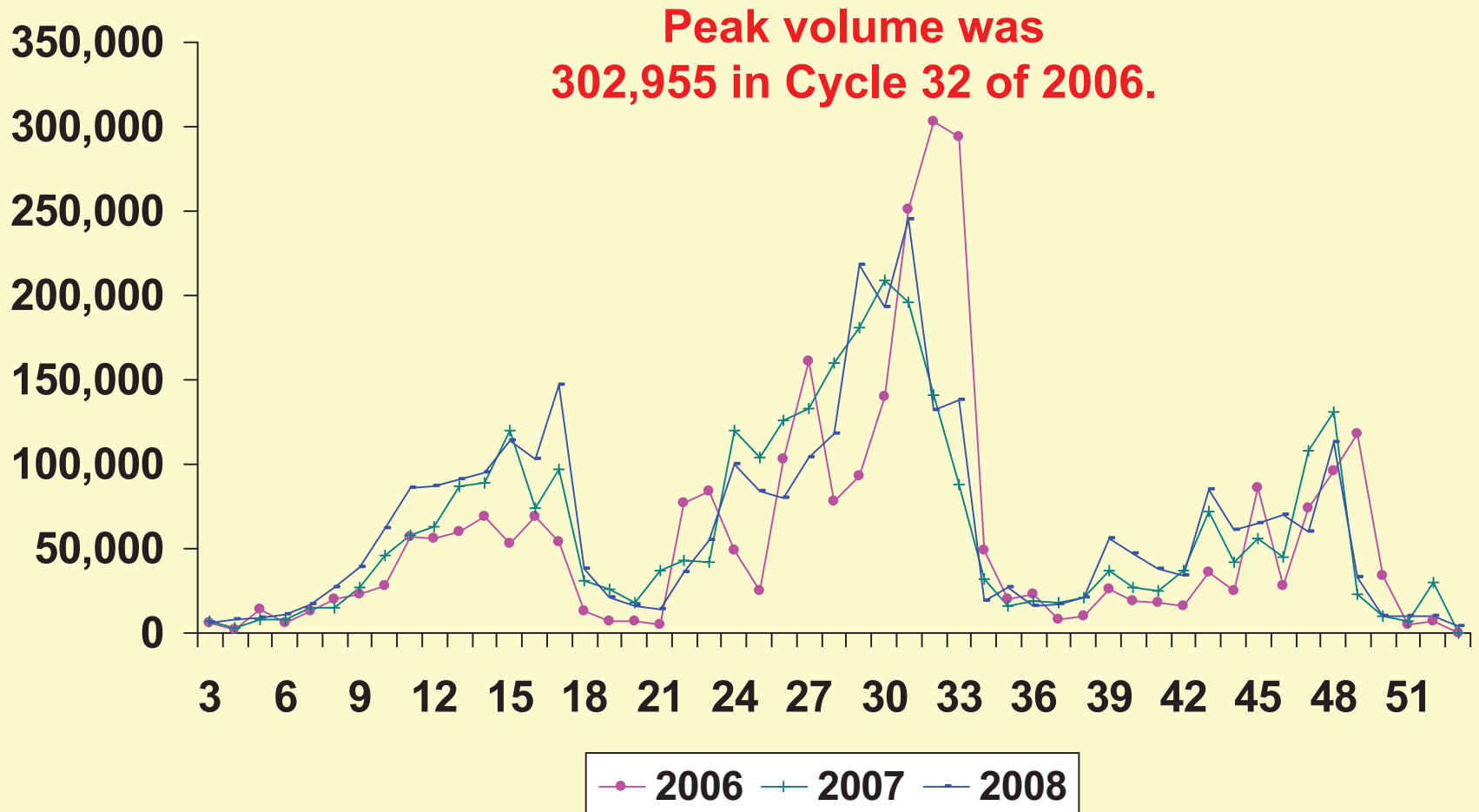


# e-file Form 1065 Monthly Filing Patterns

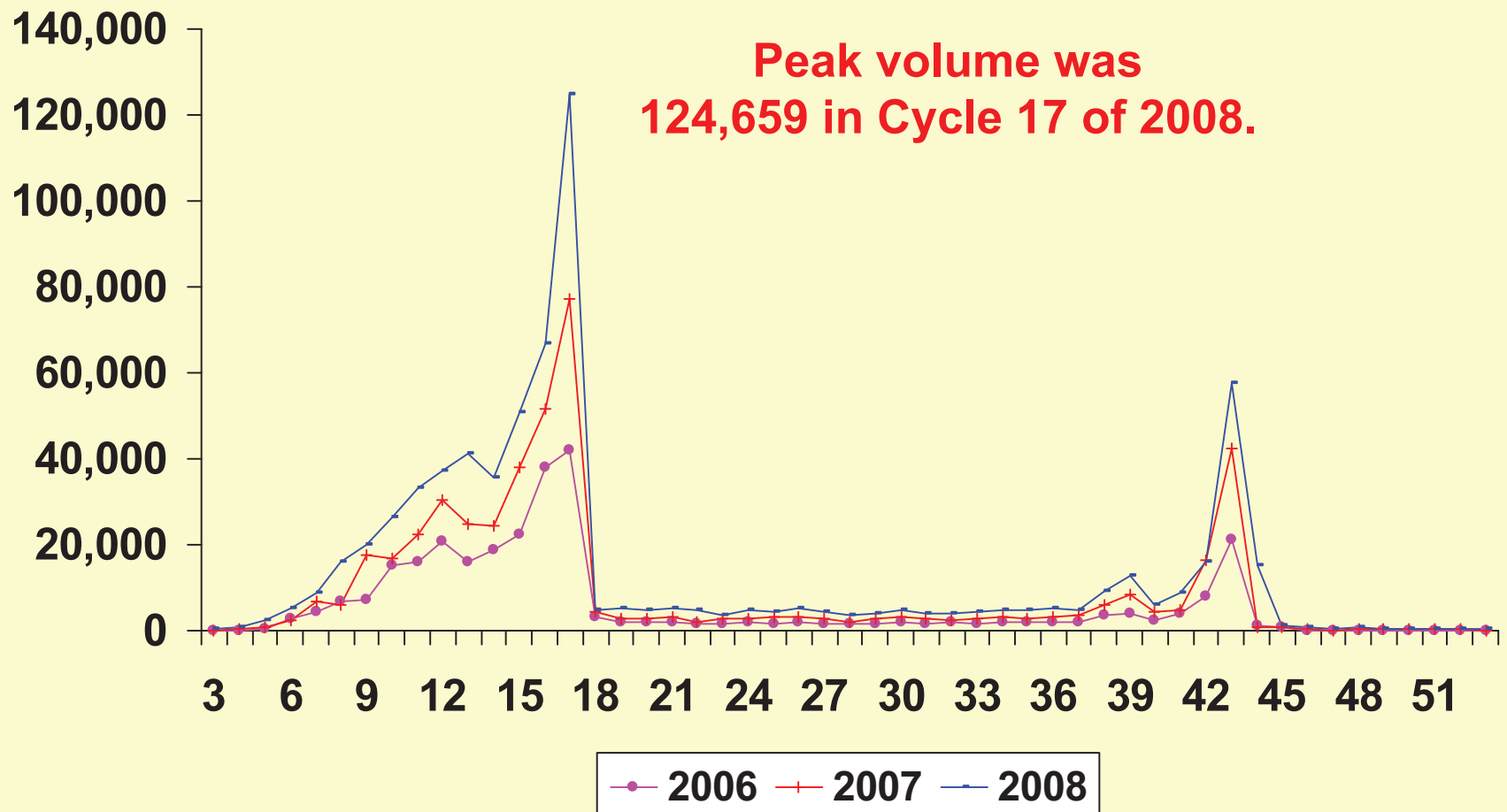


# Form 1065

## Filing Pattern by Cycle Posted

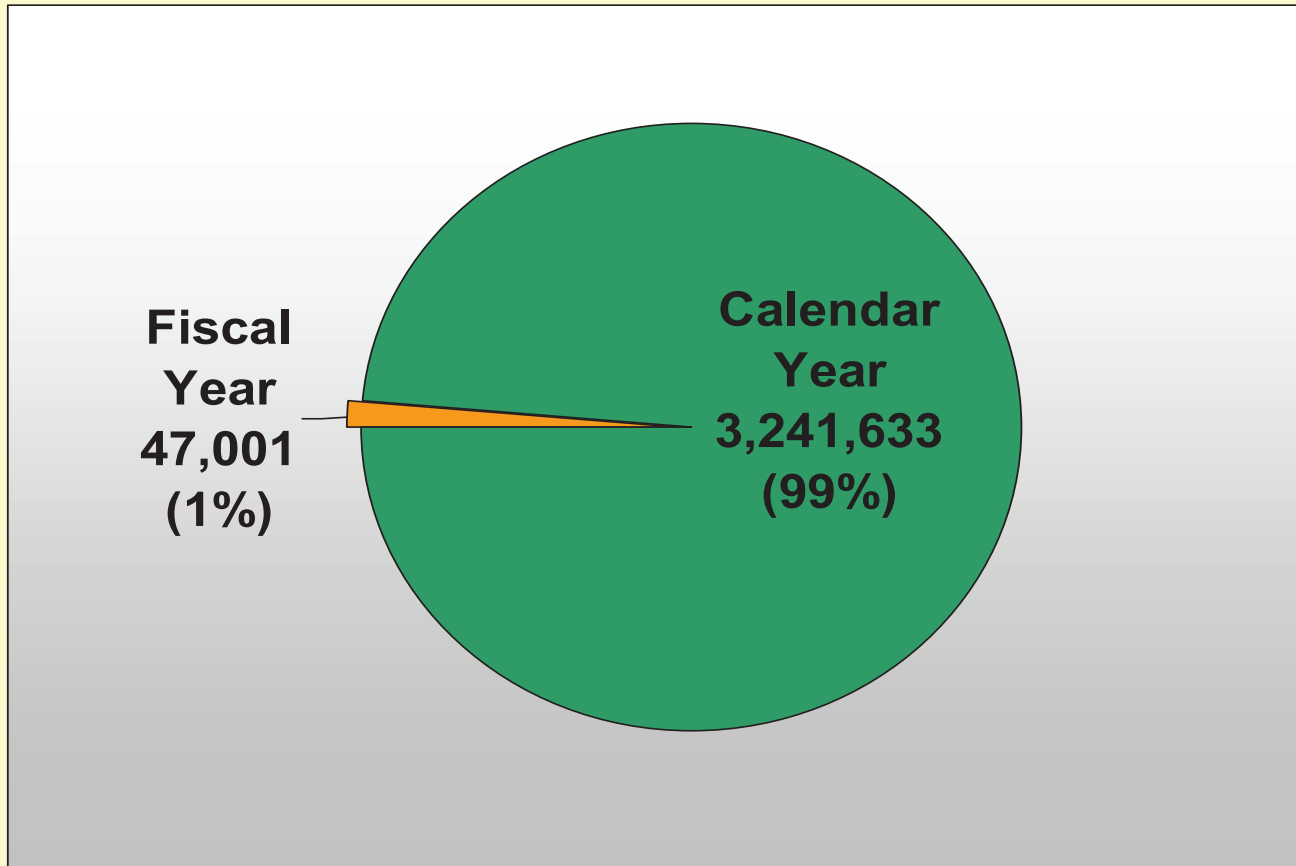


# Form 1065 e-file Filing Pattern by Cycle Posted



# Form 1065 Fiscal Year Returns vs. Calendar Year Returns

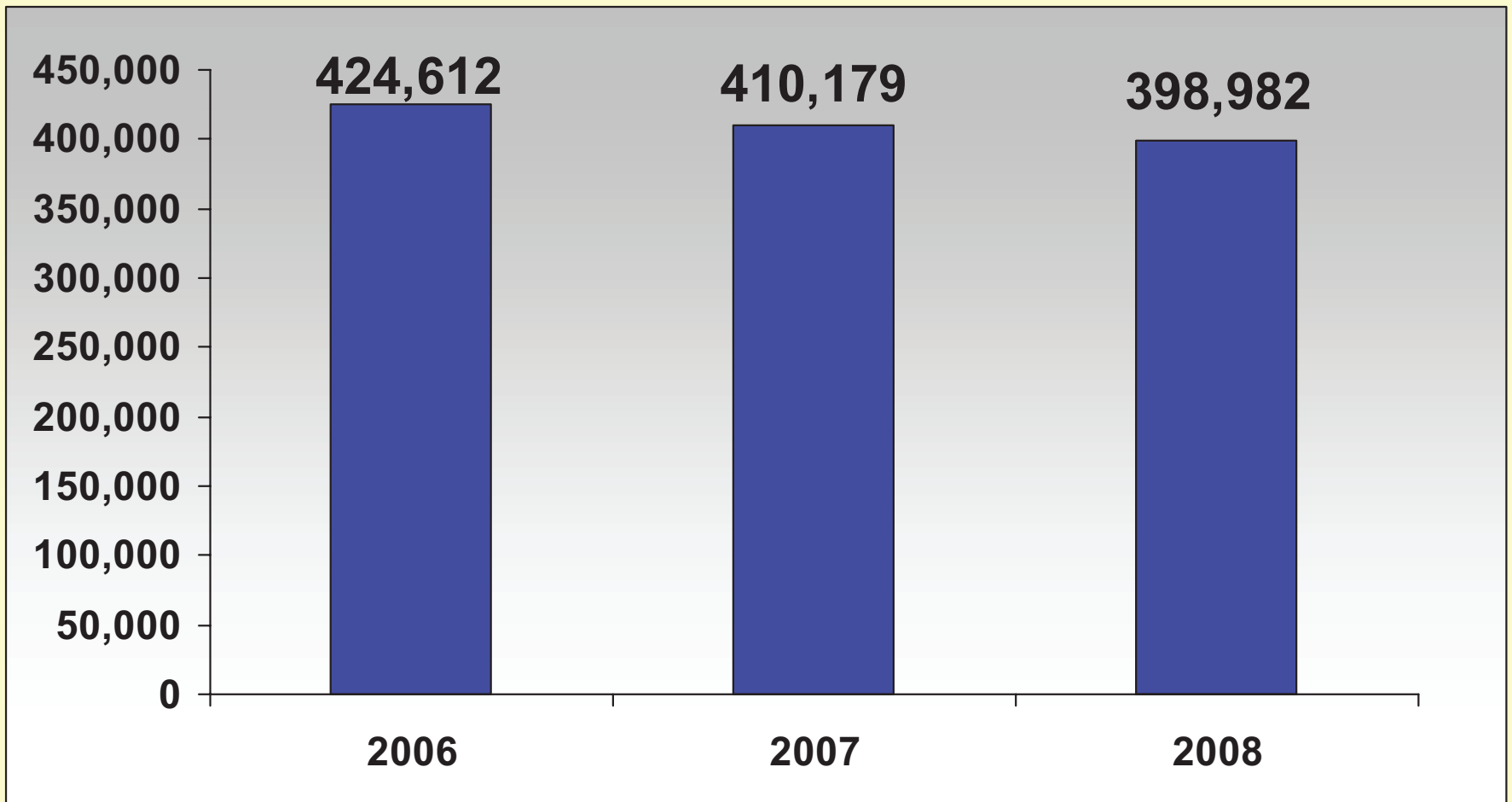
Total: 3,288,634



Processing Year 2008

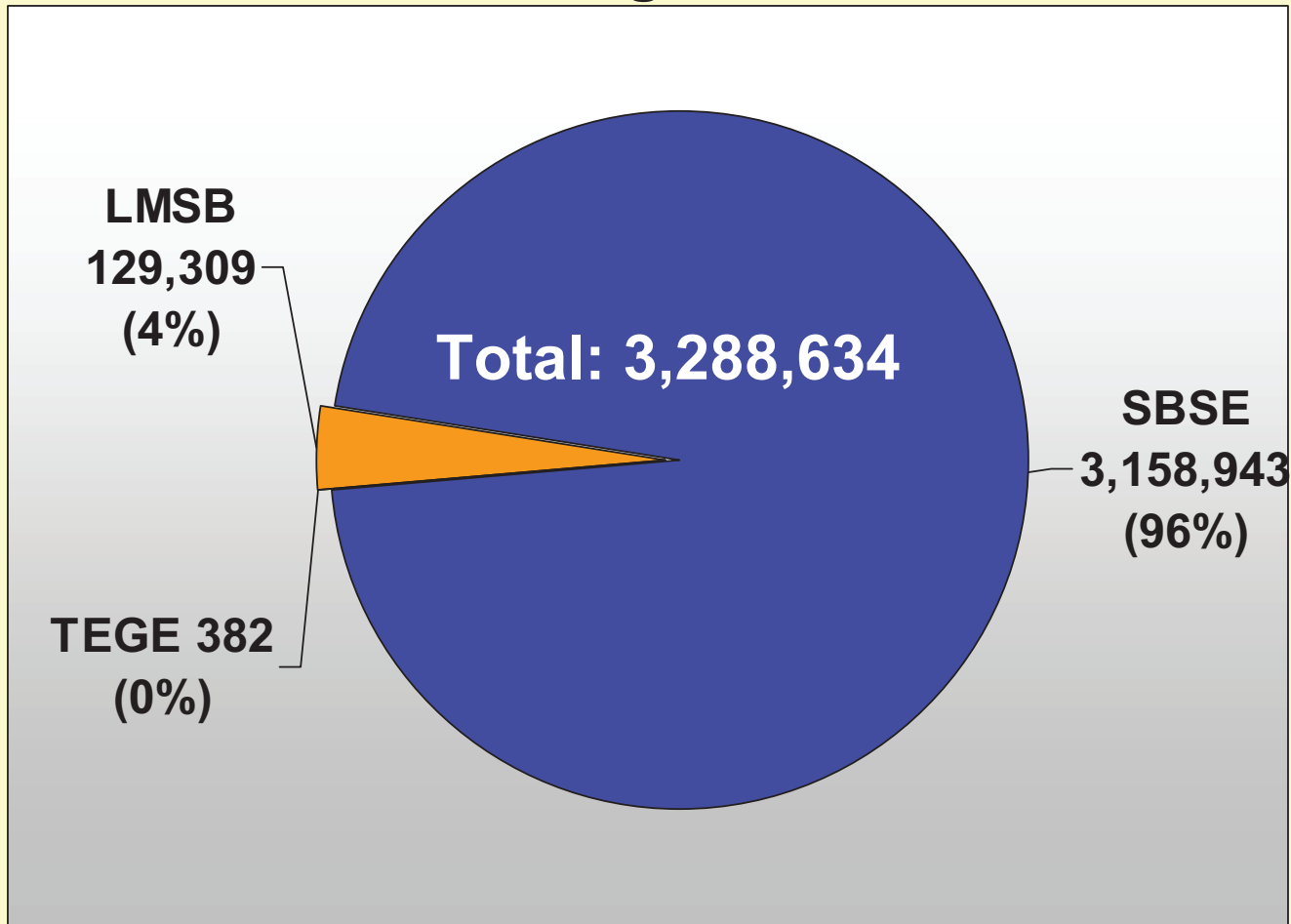
# Initial Partnership Filings

Processing Years 2006-2008



# Form 1065 Returns by Business Operating Division

## Processing Year 2008



# Most Form 1065 Returns by NAICS

(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
<b>531120</b>	<b>Lessors of Nonresidential Buildings</b>	<b>472,829</b>	<b>14%</b>
<b>531110</b>	<b>Lessors of Residential Buildings</b>	<b>409,296</b>	<b>12%</b>
<b>531390</b>	<b>Other Activities Related to Real Estate</b>	<b>334,289</b>	<b>10%</b>
<b>523900</b>	<b>Other Financial Investment Activities</b>	<b>159,371</b>	<b>5%</b>
<b>531190</b>	<b>Lessors of Other Real Estate Property</b>	<b>95,350</b>	<b>3%</b>
<b>236110</b>	<b>Residential Building Construction</b>	<b>68,910</b>	<b>2%</b>
<b>531310</b>	<b>Real Estate Property Managers</b>	<b>66,982</b>	<b>2%</b>
<b>525990</b>	<b>Other Financial Vehicles</b>	<b>55,396</b>	<b>2%</b>
<b>541990</b>	<b>All Other Professional, Scientific</b>	<b>43,447</b>	<b>1%</b>
<b>722110</b>	<b>Full-Service Restaurants</b>	<b>33,712</b>	<b>1%</b>

**44% of 1065 returns represent real estate related activities**

**\* The percentage of all Form 1065 returns filed in PY2008**

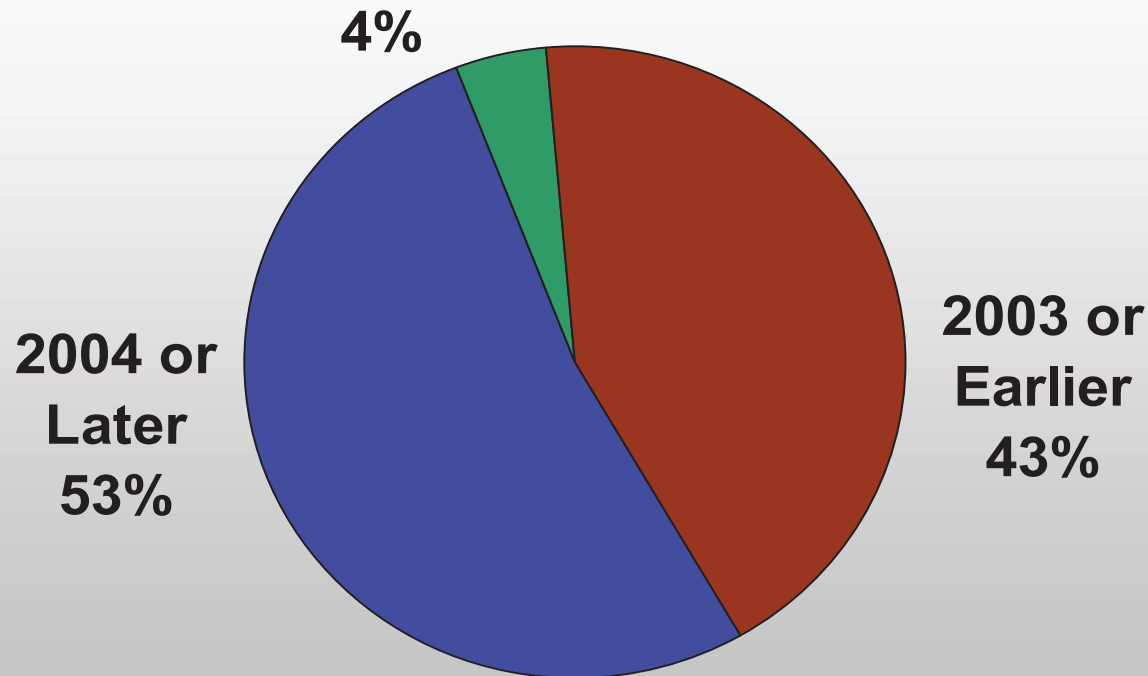
# Most e-filed Forms 1065 by NAICS

(The North American Industry Classification System - NAICS)

<u>CODE</u>	<u>TITLE</u>	<u>2008</u>	<u>%*</u>
<b>531120</b>	Lessors of Nonresidential Buildings	<b>112,010</b>	<b>16%</b>
<b>531110</b>	Lessors of Residential Buildings	<b>92,294</b>	<b>13%</b>
<b>531390</b>	Other Activities Related to Real Estate	<b>68,237</b>	<b>10%</b>
<b>523900</b>	Other Financial Investment Activities	<b>30,716</b>	<b>4%</b>
<b>531190</b>	Lessors of Other Real Estate Property	<b>20,757</b>	<b>3%</b>
<b>531310</b>	Real Estate Property Managers	<b>15,278</b>	<b>2%</b>
<b>236110</b>	Residential Building Construction	<b>15,160</b>	<b>2%</b>
<b>541990</b>	All Other Professional, Scientific	<b>8,927</b>	<b>1%</b>
<b>525990</b>	Other Financial Vehicles	<b>8,107</b>	<b>1%</b>
<b>722110</b>	Full-Service Restaurants	<b>7,247</b>	<b>1%</b>

\* The percentage of all electronic Form 1065 returns filed in PY 2008 94

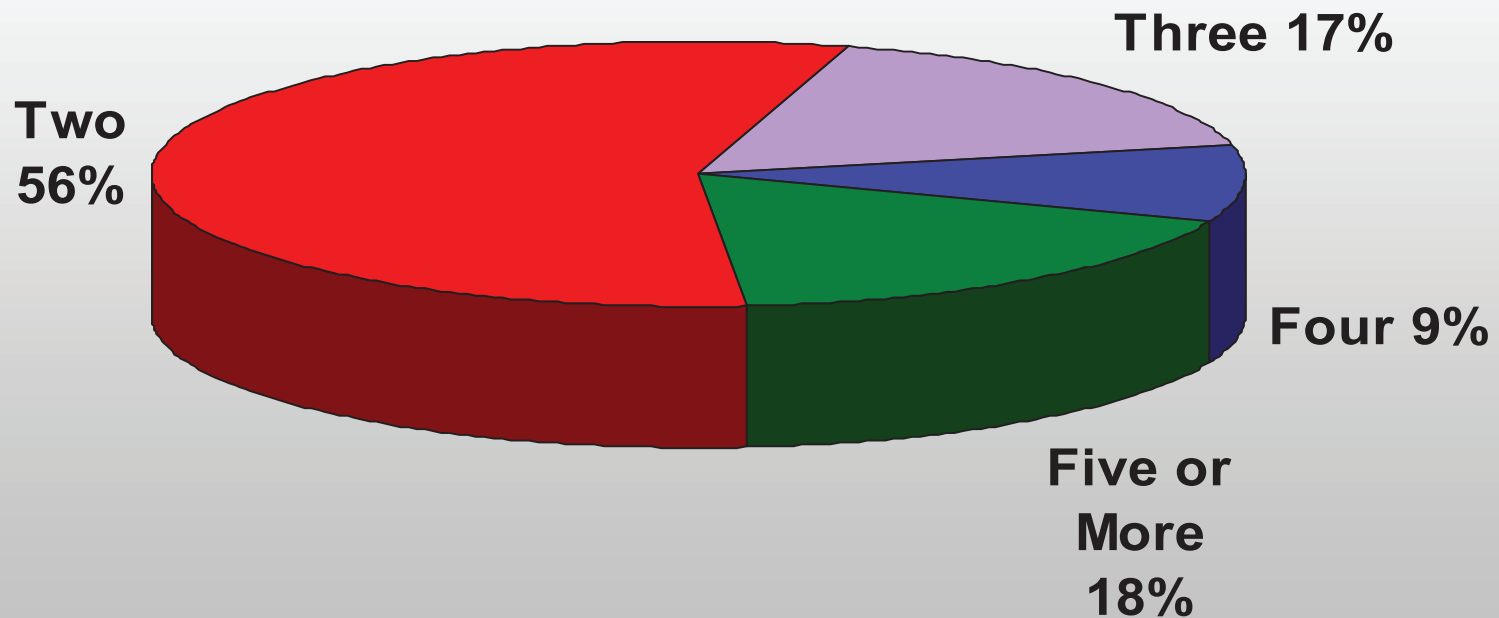
# Form 1065 Return Partnership Establishment Dates\*



■ 2004 or Later (1,730,906) ■ Undefined (143,704) ■ 2003 or Earlier (1,414,024)

**Processing Year 2008**

# Number of Partners for Form 1065 Returns



■ Two (1,838,436) ■ Three (551,861) ■ Four (309,864) ■ Five or More (588,473)

**Processing Year 2008**

# Partnership K-1's

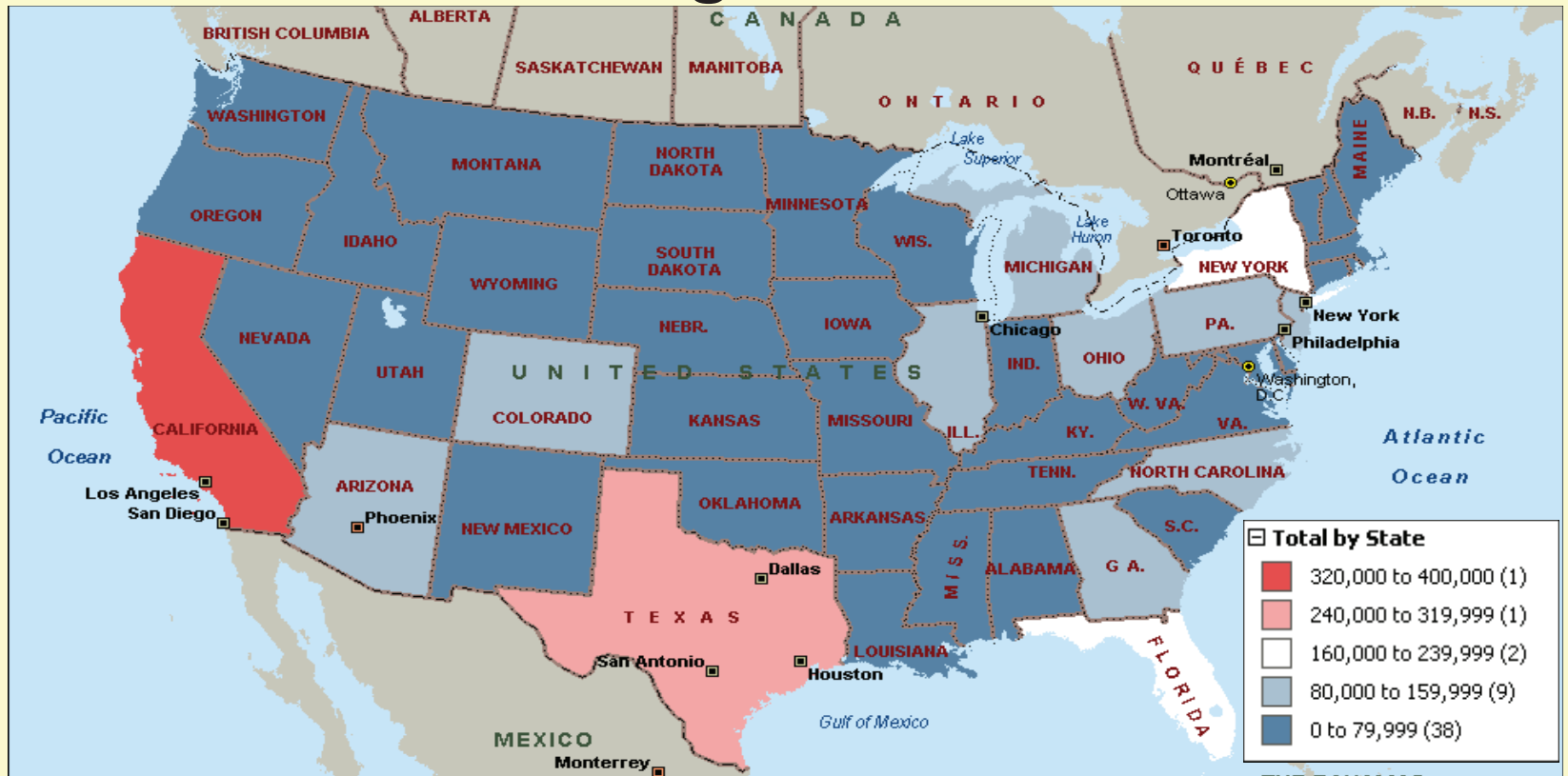
(where each partner is issued one K-1)

## Processing Year 2008

<b><u>Number of Partners</u></b>	<b><u>Number of Returns</u></b>	<b><u>Number of K-1's</u></b>	<b><u>Percent of K-1s</u></b>
<b>&lt;3*</b>	<b>1,838,436</b>	<b>3,675,628</b>	<b>17.20%</b>
<b>3</b>	<b>551,861</b>	<b>1,655,583</b>	<b>7.75%</b>
<b>4</b>	<b>309,864</b>	<b>1,239,456</b>	<b>5.80%</b>
<b>5 - 10</b>	<b>411,946</b>	<b>2,660,025</b>	<b>12.45%</b>
<b>11 - 100</b>	<b>169,363</b>	<b>4,003,711</b>	<b>18.74%</b>
<b>101 - 1,000</b>	<b>6,573</b>	<b>1,450,252</b>	<b>6.79%</b>
<b>&gt;1,000</b>	<b>591</b>	<b>6,682,537</b>	<b>31.27%</b>
<b>Total</b>	<b>3,288,634</b>	<b>21,367,192</b>	<b>100.00%</b>

# Form 1065 Returns Filed by State

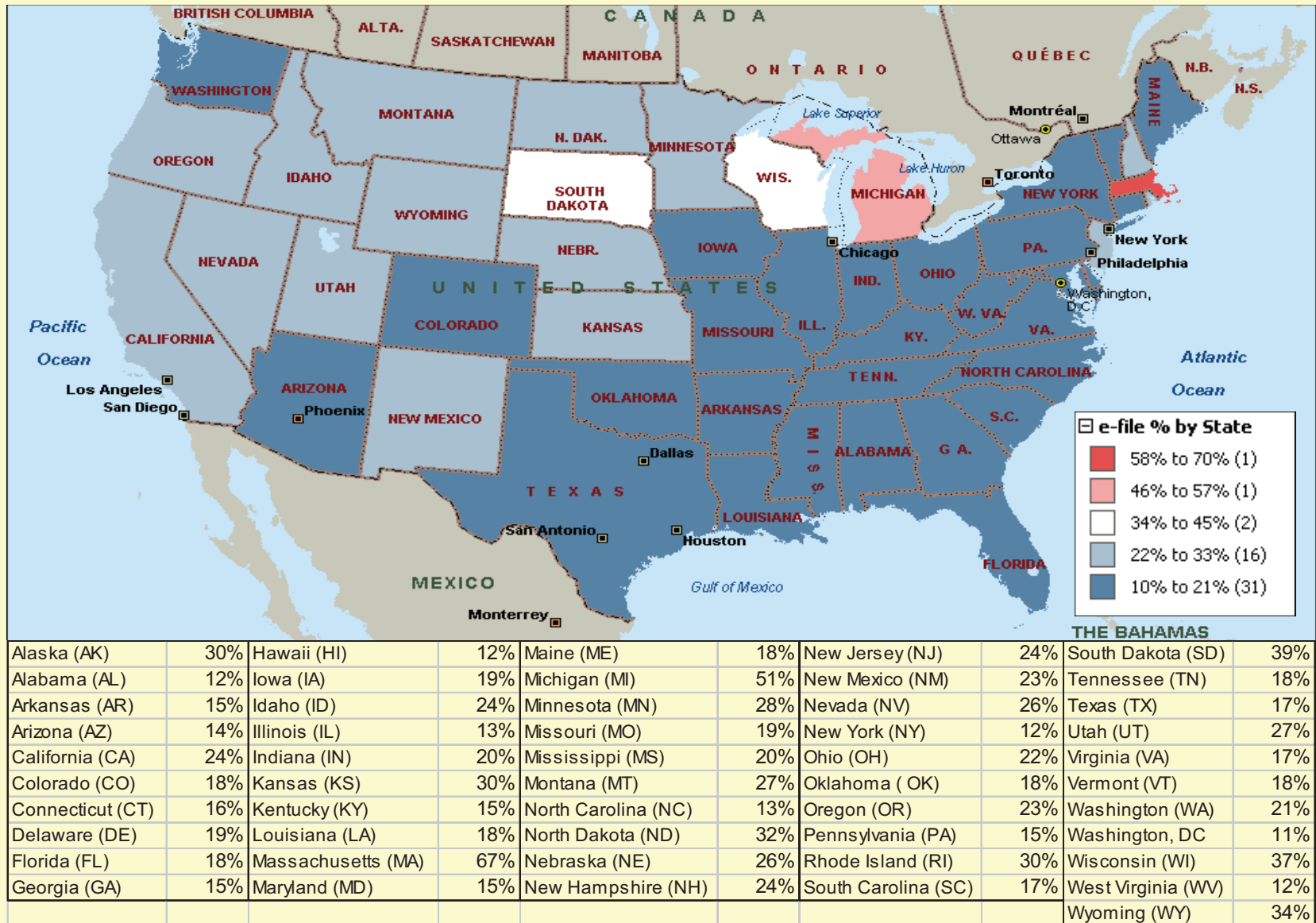
## Processing Year 2008



Alaska (AK)	6,643	Hawaii (HI)	10,845	Maine (ME)	11,048	New Jersey (NJ)	136,292	South Dakota (SD)	11,157
Alabama (AL)	42,962	Iowa (IA)	31,849	Michigan (MI)	101,097	New Mexico (NM)	18,375	Tennessee (TN)	63,515
Arkansas (AR)	26,094	Idaho (ID)	24,039	Minnesota (MN)	57,756	Nevada (NV)	47,101	Texas (TX)	281,285
Arizona (AZ)	80,332	Illinois (IL)	107,562	Missouri (MO)	62,000	New York (NY)	225,335	Utah (UT)	60,811
California (CA)	358,220	Indiana (IN)	51,739	Mississippi (MS)	23,781	Ohio (OH)	108,674	Virginia (VA)	76,562
Colorado (CO)	88,336	Kansas (KS)	31,374	Montana (MT)	16,487	Oklahoma (OK)	39,207	Vermont (VT)	5,949
Connecticut (CT)	62,499	Kentucky (KY)	38,803	North Carolina (NC)	88,368	Oregon (OR)	45,456	Washington (WA)	73,699
Delaware (DE)	13,332	Louisiana (LA)	48,995	North Dakota (ND)	9,410	Pennsylvania (PA)	115,832	Washington, DC	8,865
Florida (FL)	180,182	Massachusetts (MA)	63,245	Nebraska (NE)	21,033	Rhode Island (RI)	10,288	Wisconsin (WI)	59,596
Georgia (GA)	86,679	Maryland (MD)	63,733	New Hampshire (NH)	15,330	South Carolina (SC)	44,062	West Virginia (WV)	12,738
								Wyoming (WY)	11,563

# Form 1065 e-file Penetration by State

## Processing Year 2008



Source: 2008 ETA Marketing Database

Note that state color may appear incorrect due to rounding

# Form 1065 Summary (PY2008)

- 1065's have been *e-filed* since 2000, yet only 35% of all 1065's are projected to be *e-filed* in CY2015.
- 21% of Form 1065 returns are currently *e-filed*.
- 13% of all 1065 taxpayers are enrolled in EFTPS.
- Form 1065 filers have an 82% *e-file* loyalty rate.
- 1065's have two peak volume filing times: April and October.
- 1,447,656 (44%) of 1065 returns represent real estate related activities.
- 87% of filers use preparers.
- 53% of partnerships were established in 2004 or later.
- 82% of 1065 filers have fewer than five partners.

# **FY 09 NATIONWIDE ANALYSIS Forms 1120 &1120S**

**Electronic Tax Administration  
Business ETA Marketing Database**

**SB/SE Research**

**June 2009**

**Project BKN0126**

# Acknowledgements

This report was prepared at the SB/SE Research site in Brooklyn/Hartford under the direction of Research Chief Wendy S. Handin. Kenneth Bulcroft was the primary author with valuable support provided by Kevin Mullen. Special thanks to Lisa Burch of ETA for posting this report to [www.irs.gov](http://www.irs.gov) so that it can be used by taxpayers and preparers to learn about e-file progress. For further information, please contact Wendy S. Handin at (718) 488-3260.

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- Returns processed through December 31, 2008 (cycle 200853)
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- Over 34 million entities



# Form 1120 Filers

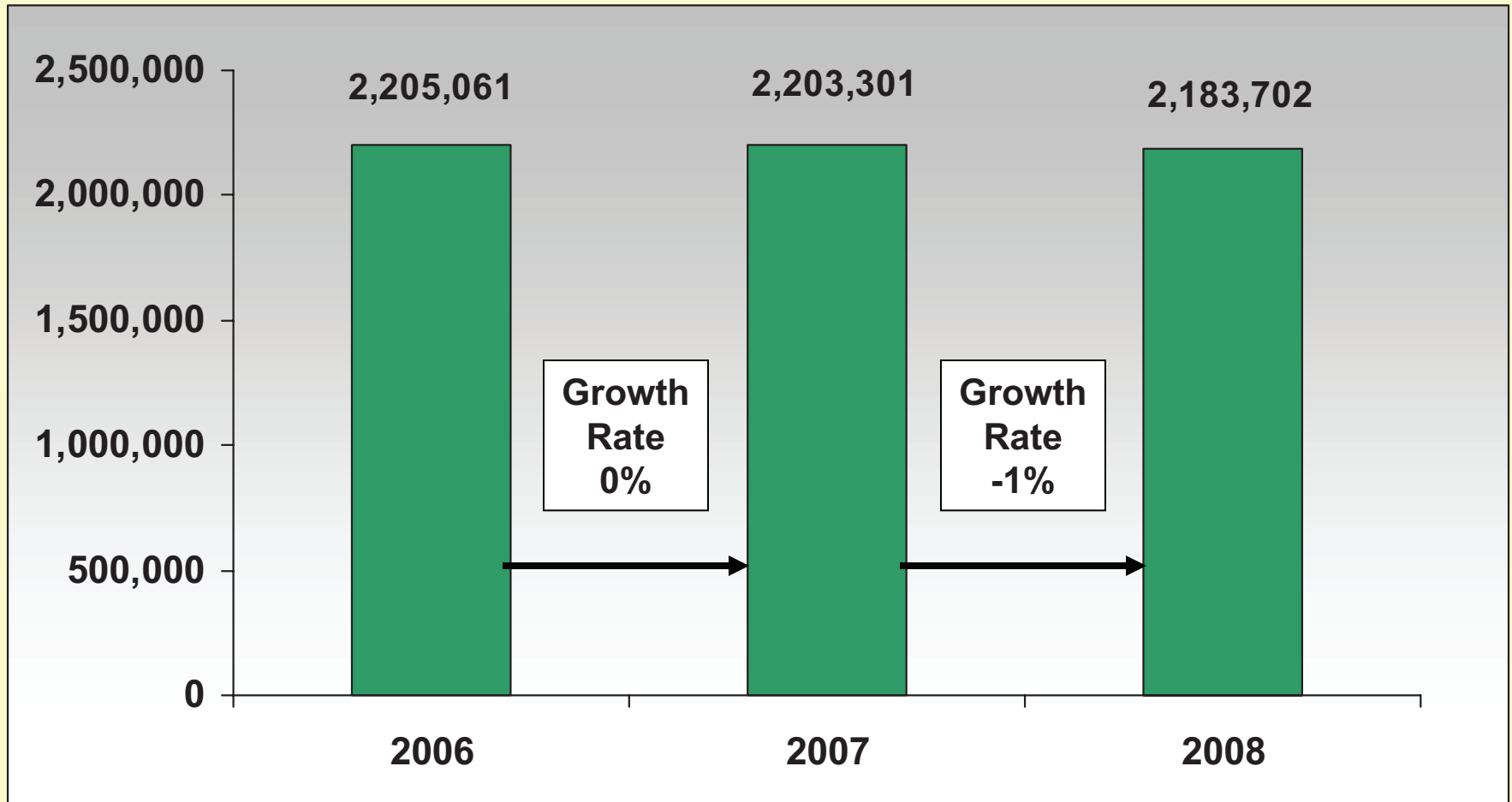
Corporation Income Tax Return

Processing Year 2008

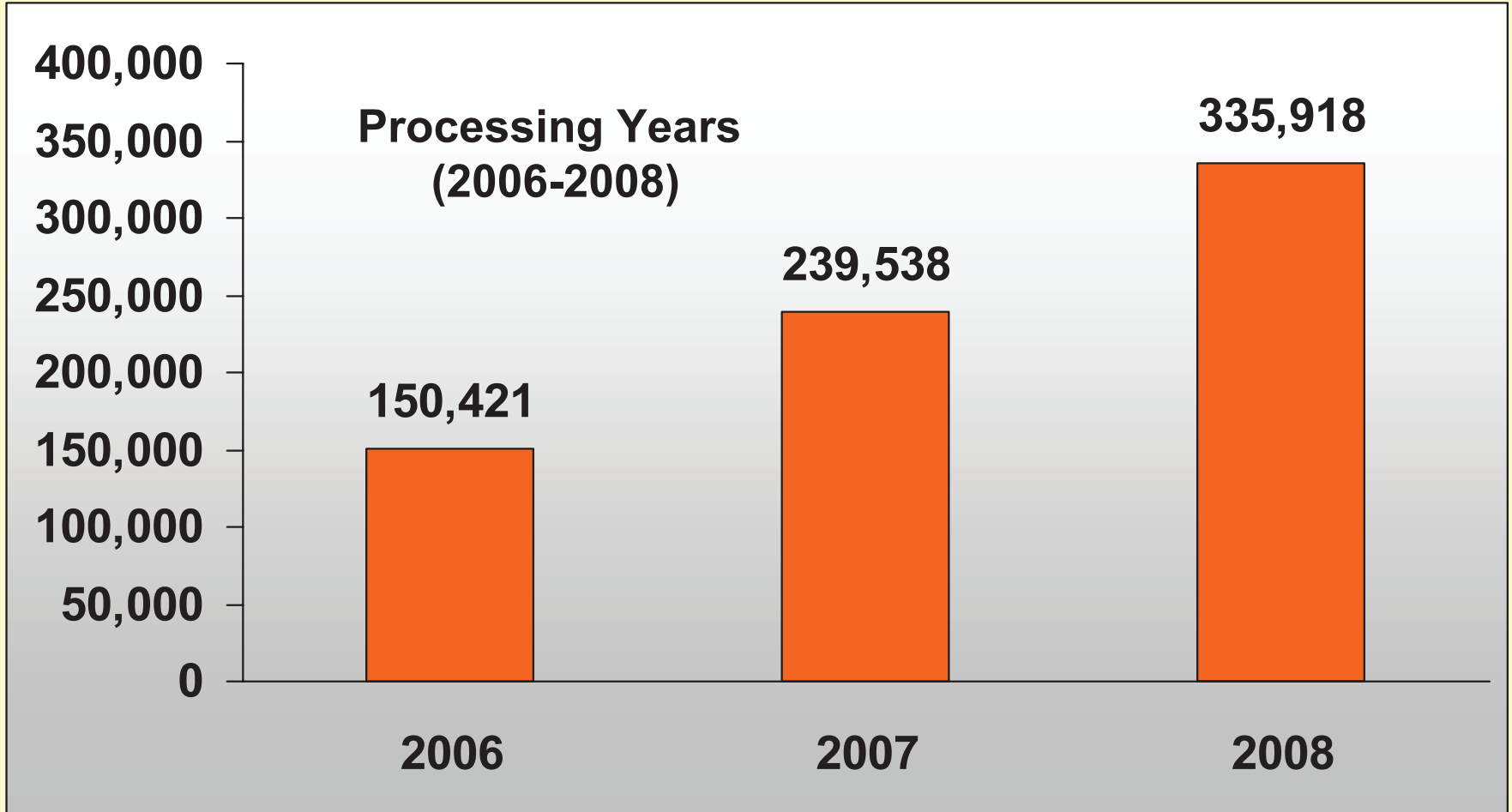


# Form 1120 Annual Filing Volume

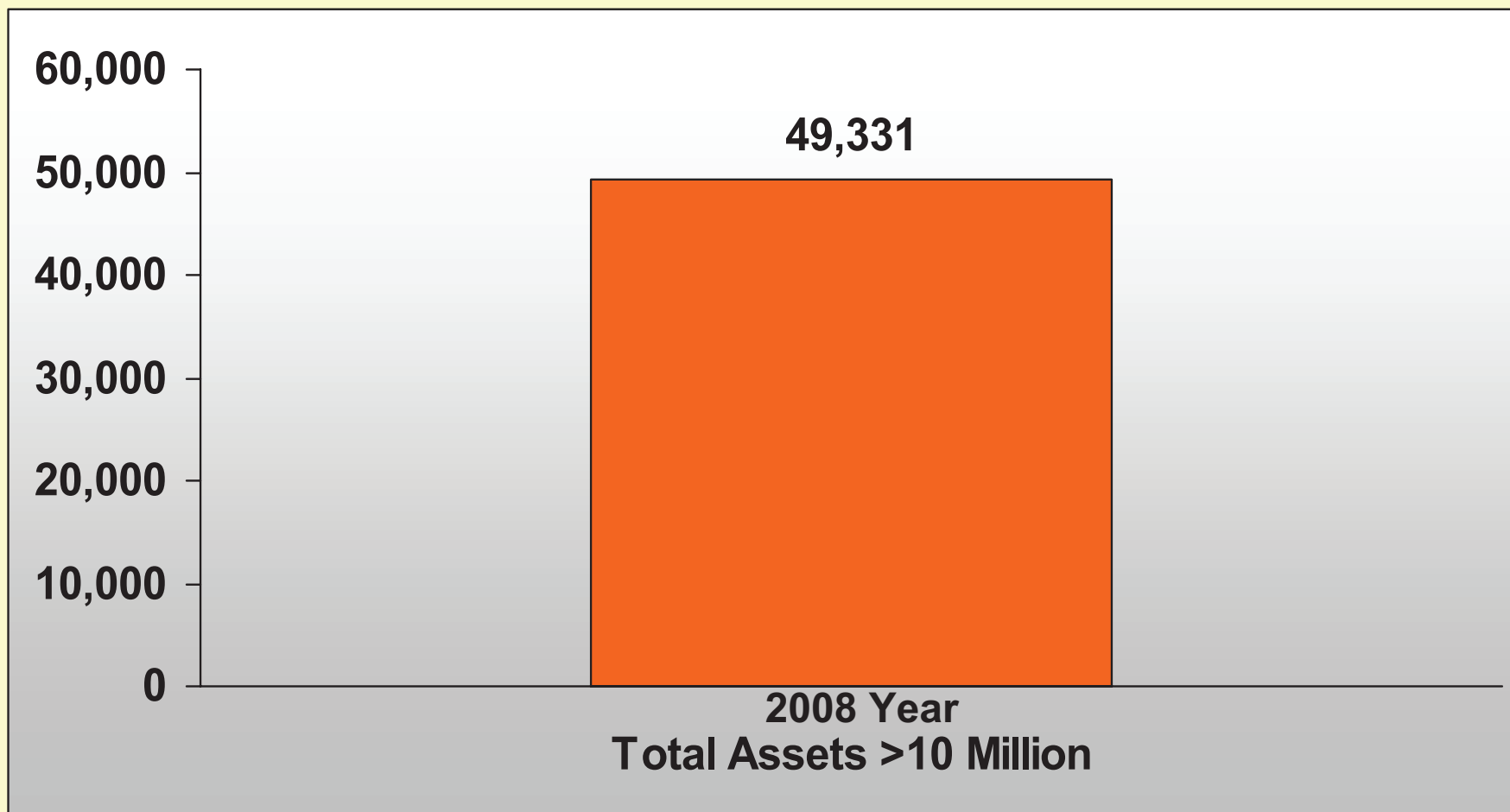
Processing Years 2006-2008



# Annual Filing Volume for *e-file* Form 1120



# Form 1120 Taxpayers Impacted by Mandating *e-filing* for Asset Thresholds

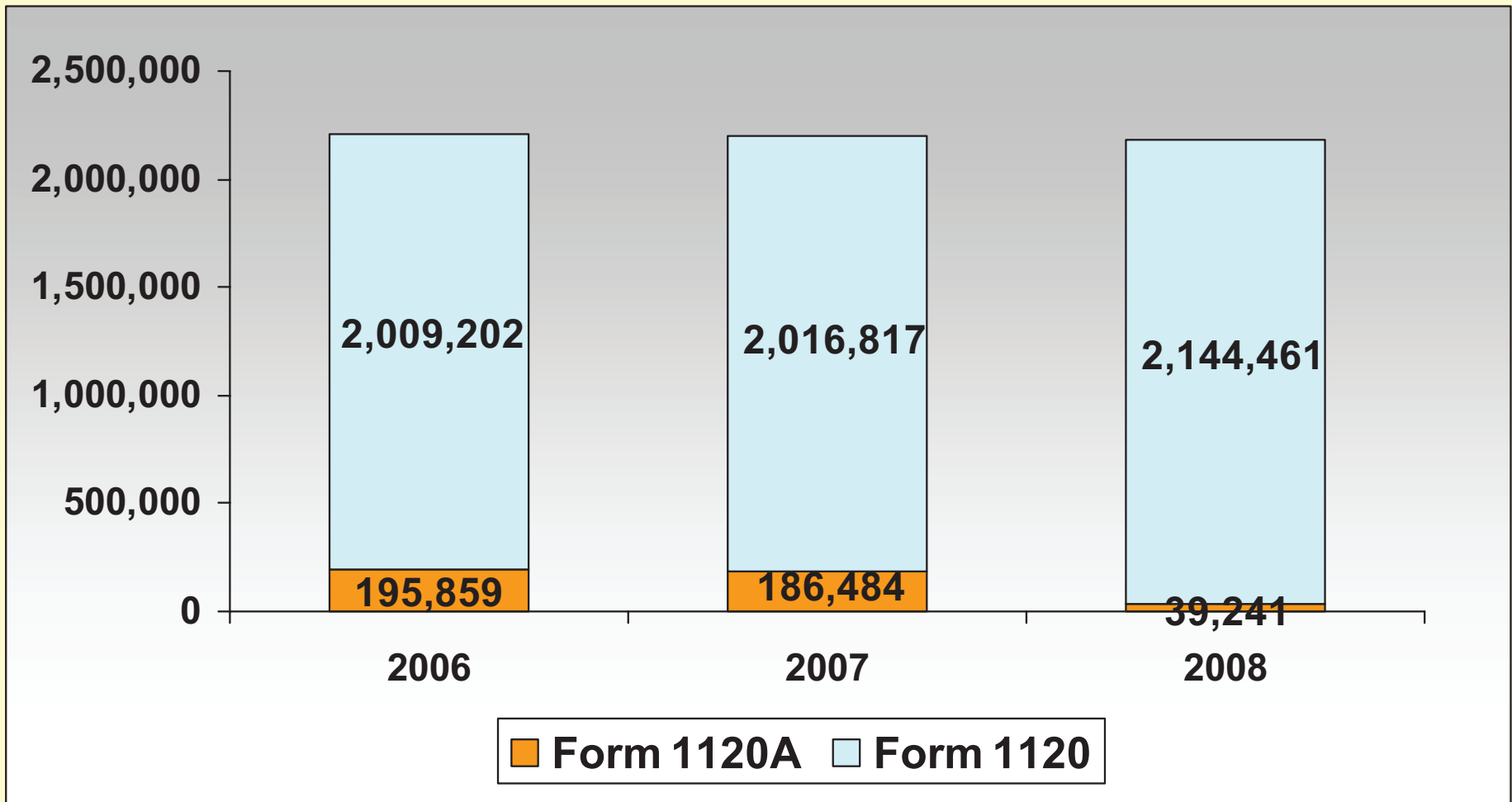


The electronic filing requirements only apply to entities that file at least 250 returns, including income tax, excise tax, information and employment tax returns, during a calendar year.

**In Processing Year 2008,  
15% of all Form 1120  
returns were filed  
electronically.**

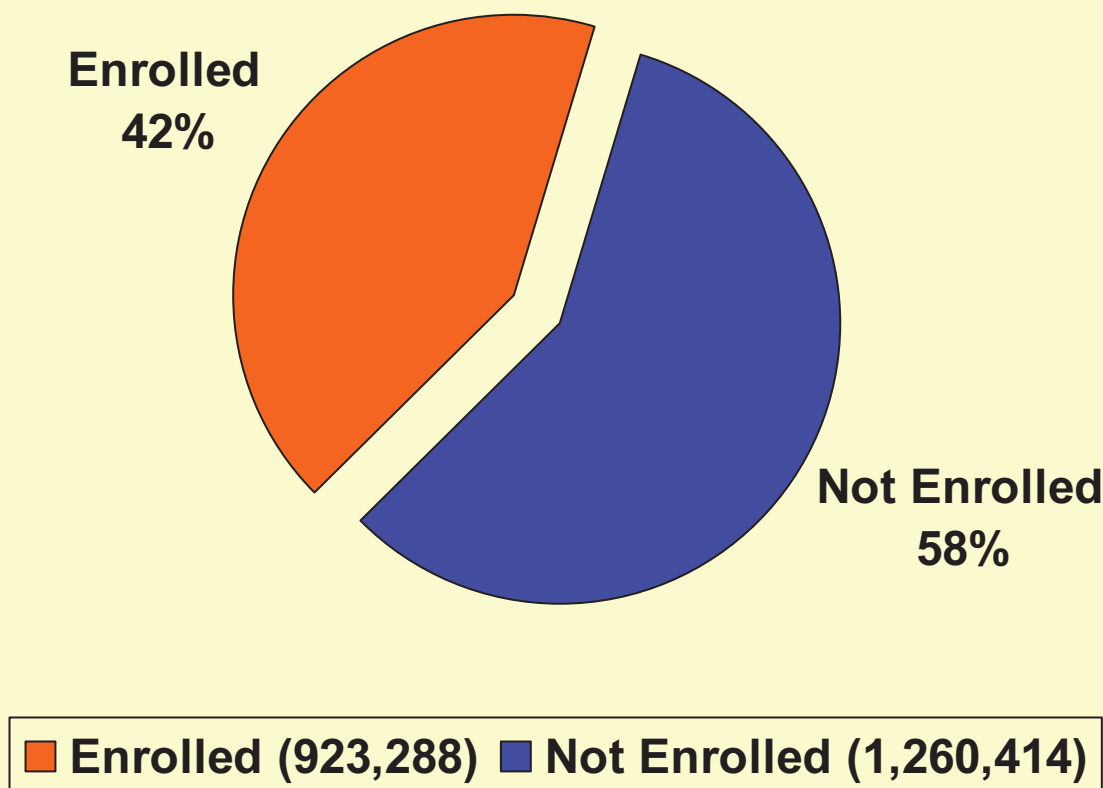
# Form 1120 by Series

Processing Years 2006-2008



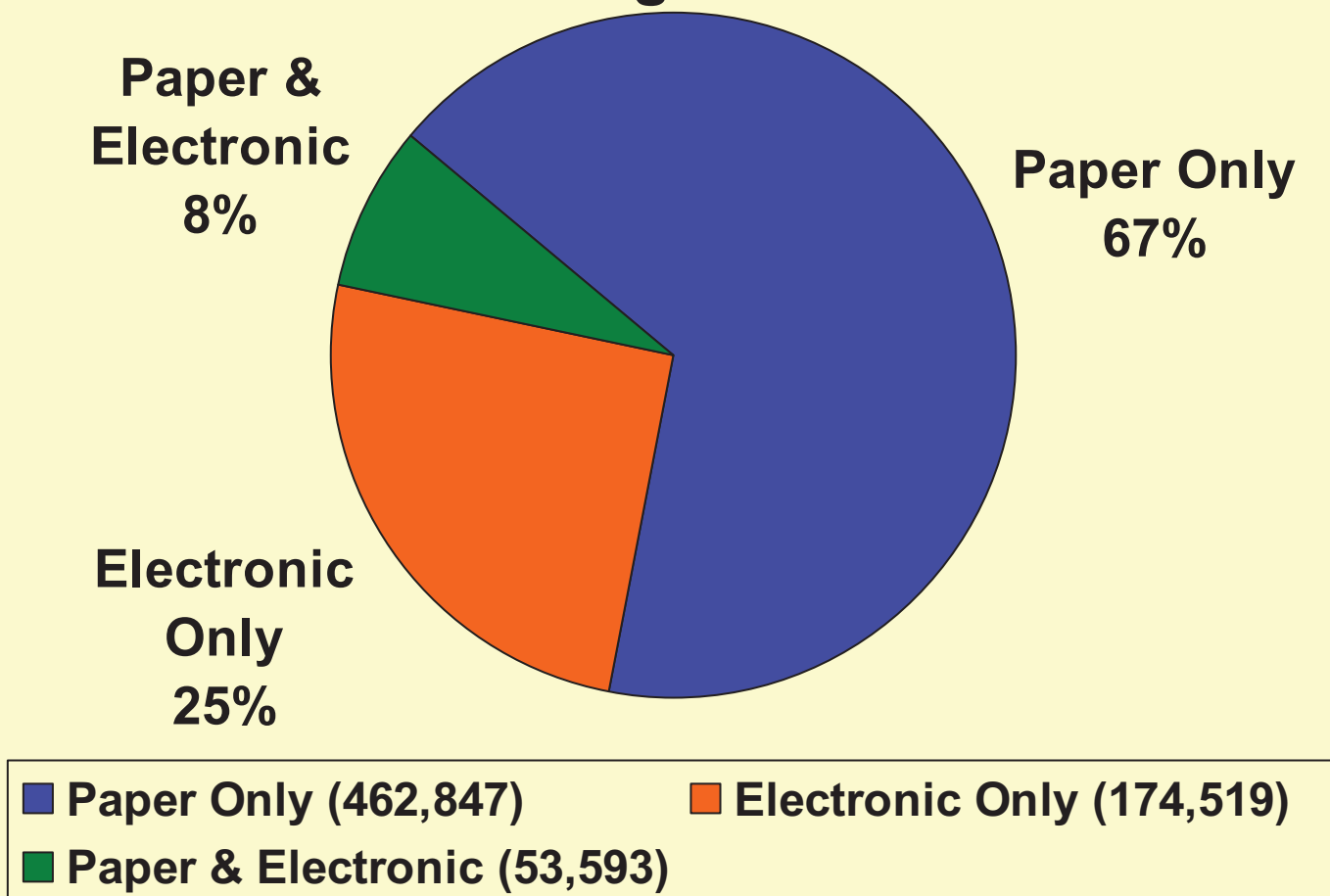
# Form 1120 Taxpayers Enrolled in EFTPS (Electronic Federal Tax Payment System)

Processing Year 2008

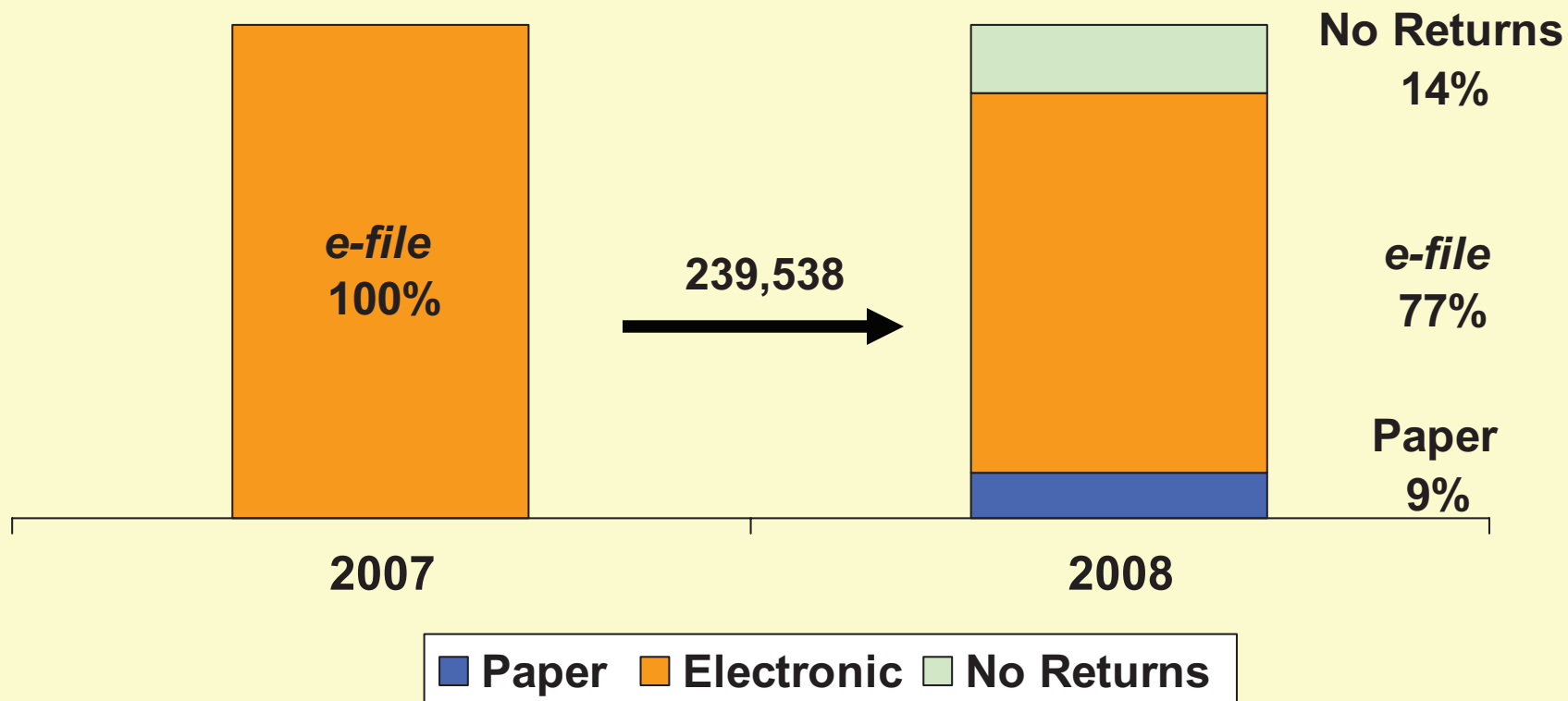


# Payment Method Used by 1120 Series Taxpayers Making Payments\*

Processing Year 2008

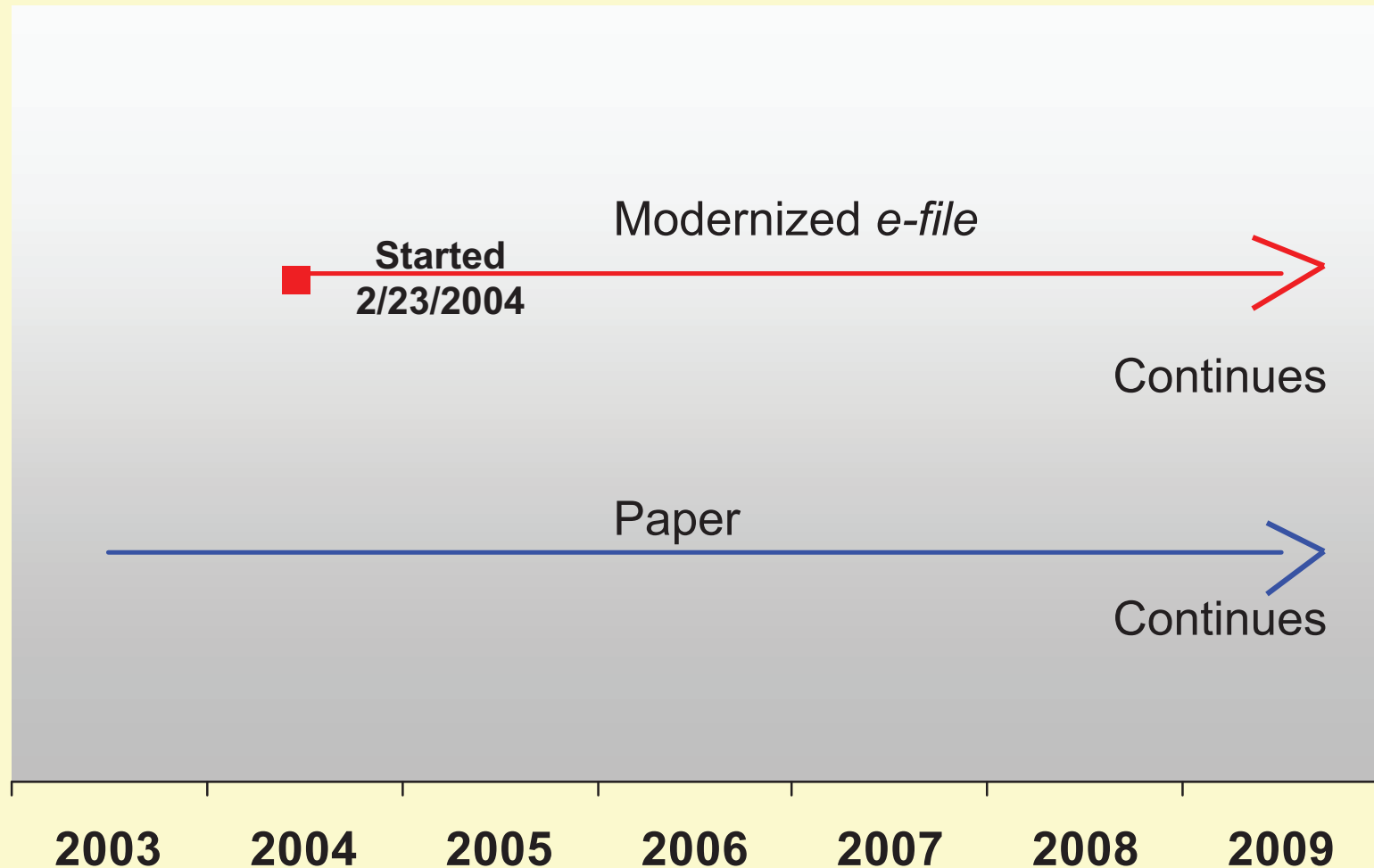


# Form 1120 e-file Loyalty

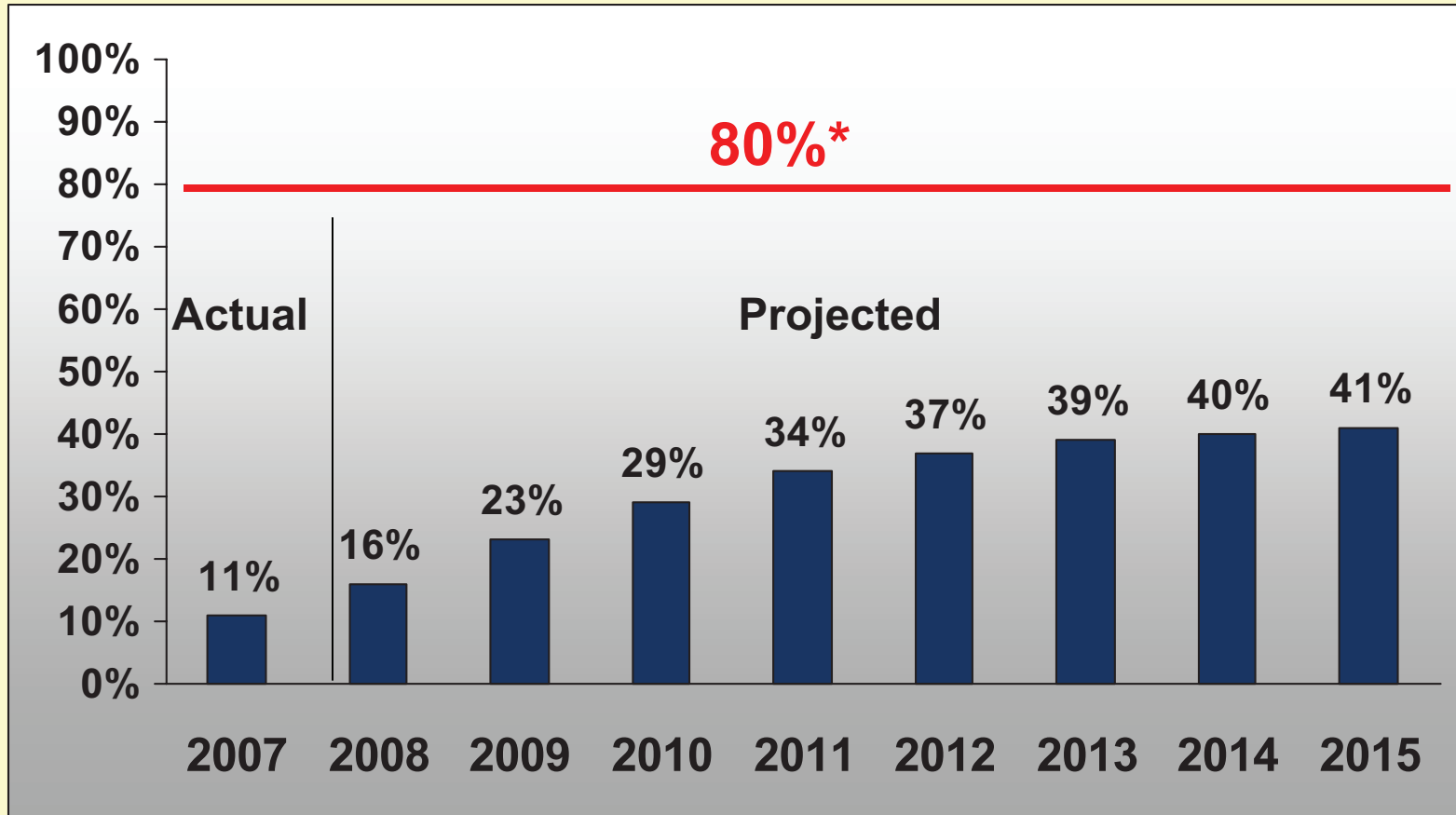


**77% of Form 1120 e-file Users Remained Loyal**

# Form 1120: Implementation Schedule

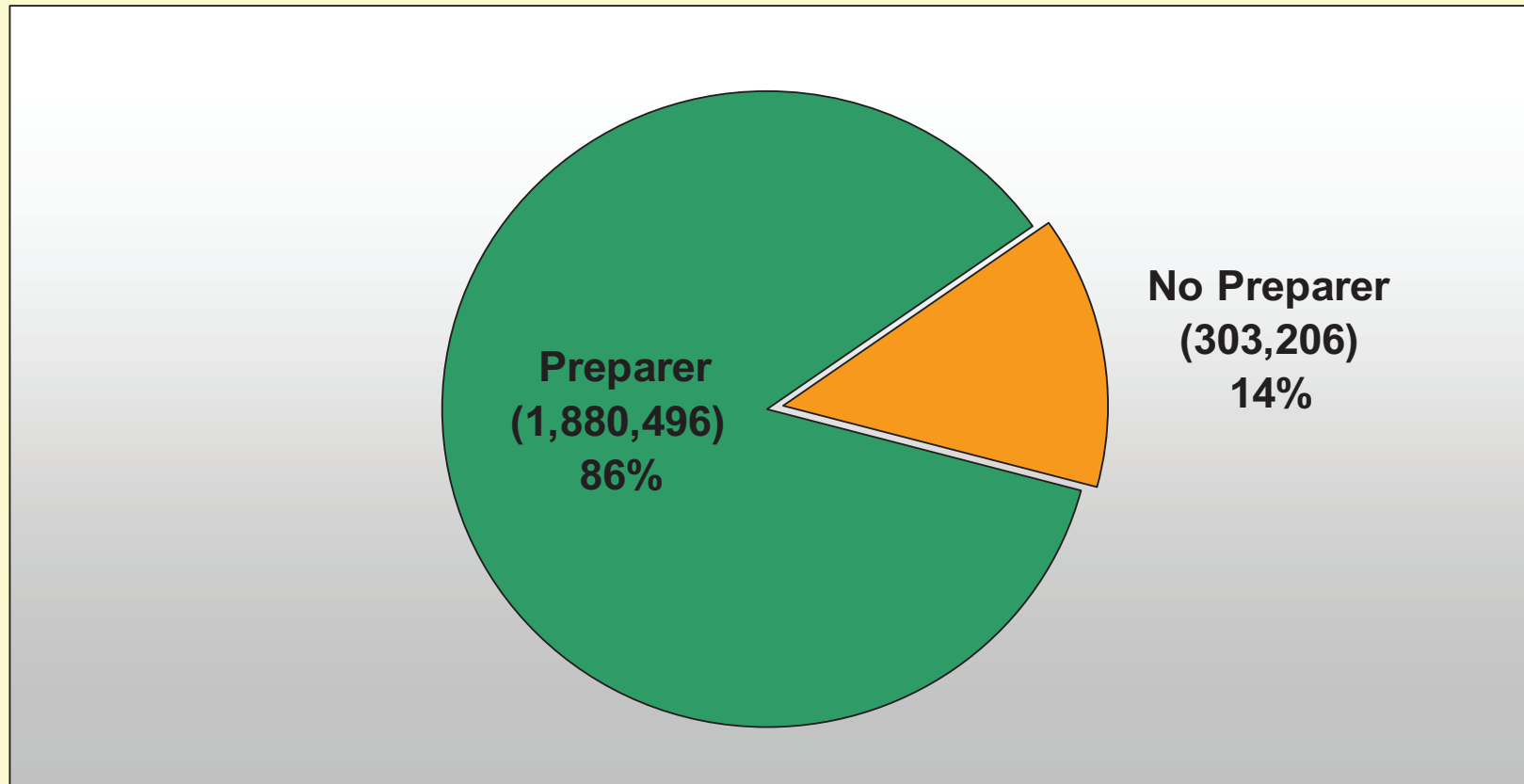


# Form 1120 Projected *e-file* Penetration Rate



# Form 1120 Preparer/No Preparer

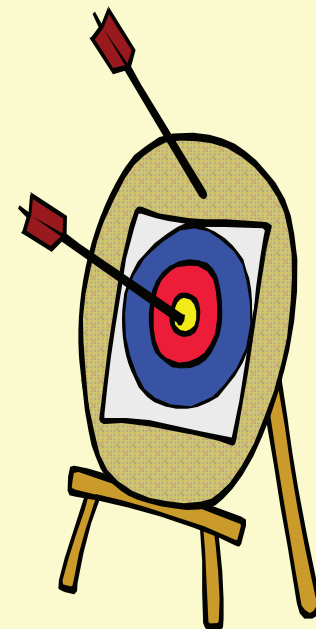
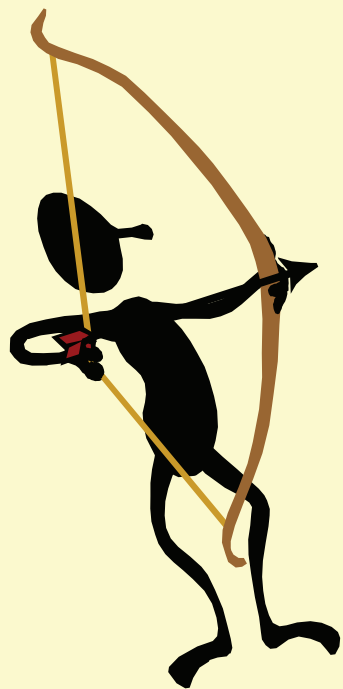
Total: 2,183,702



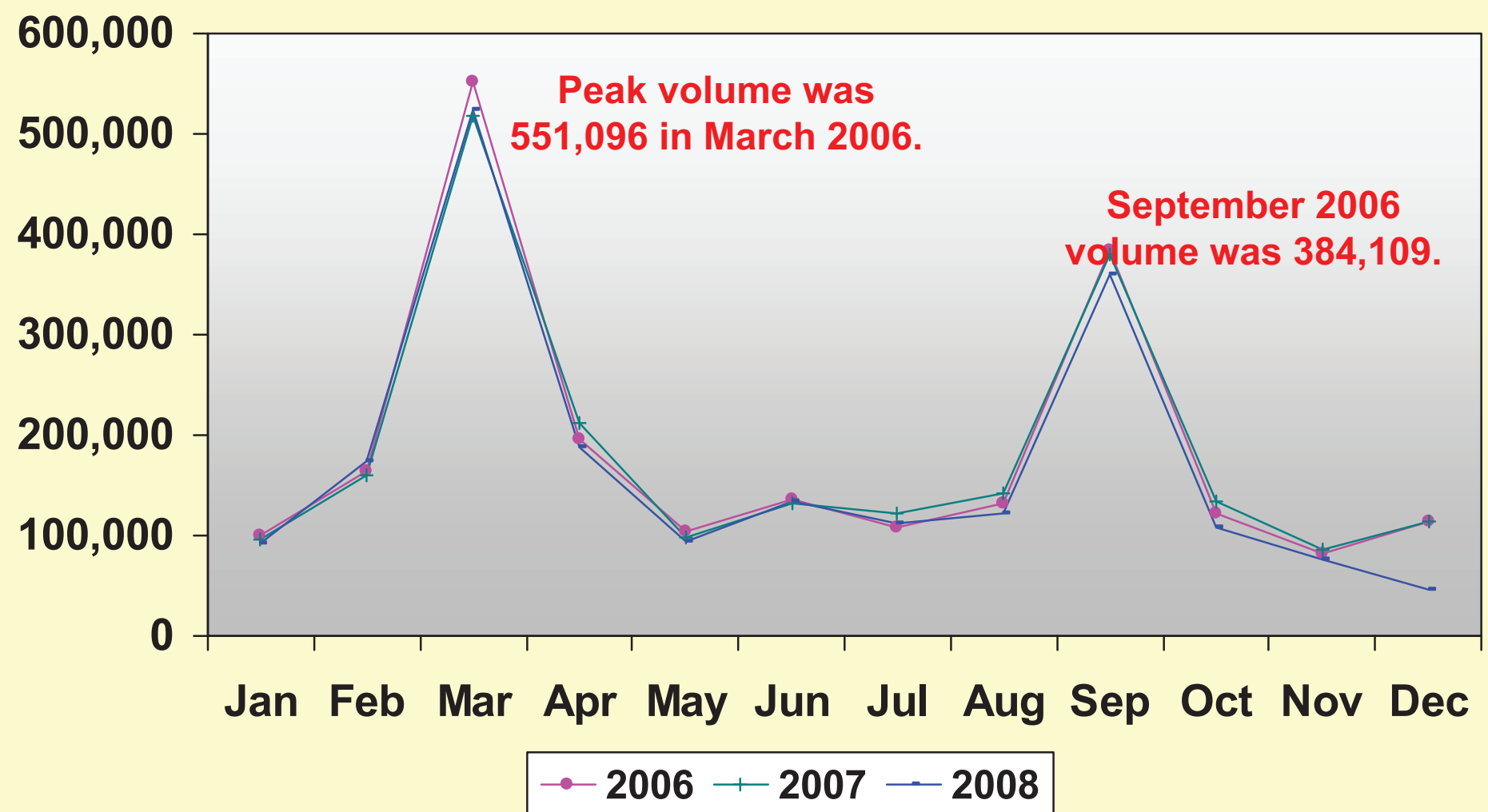
**Processing Year 2008**

# Suggested Target Market

**The 4,860 Electronic Return  
Originators Who Each e-filed  
More Than 50 Individual  
Returns But Also Filed  
404,642 Corporation  
Returns on Paper.**

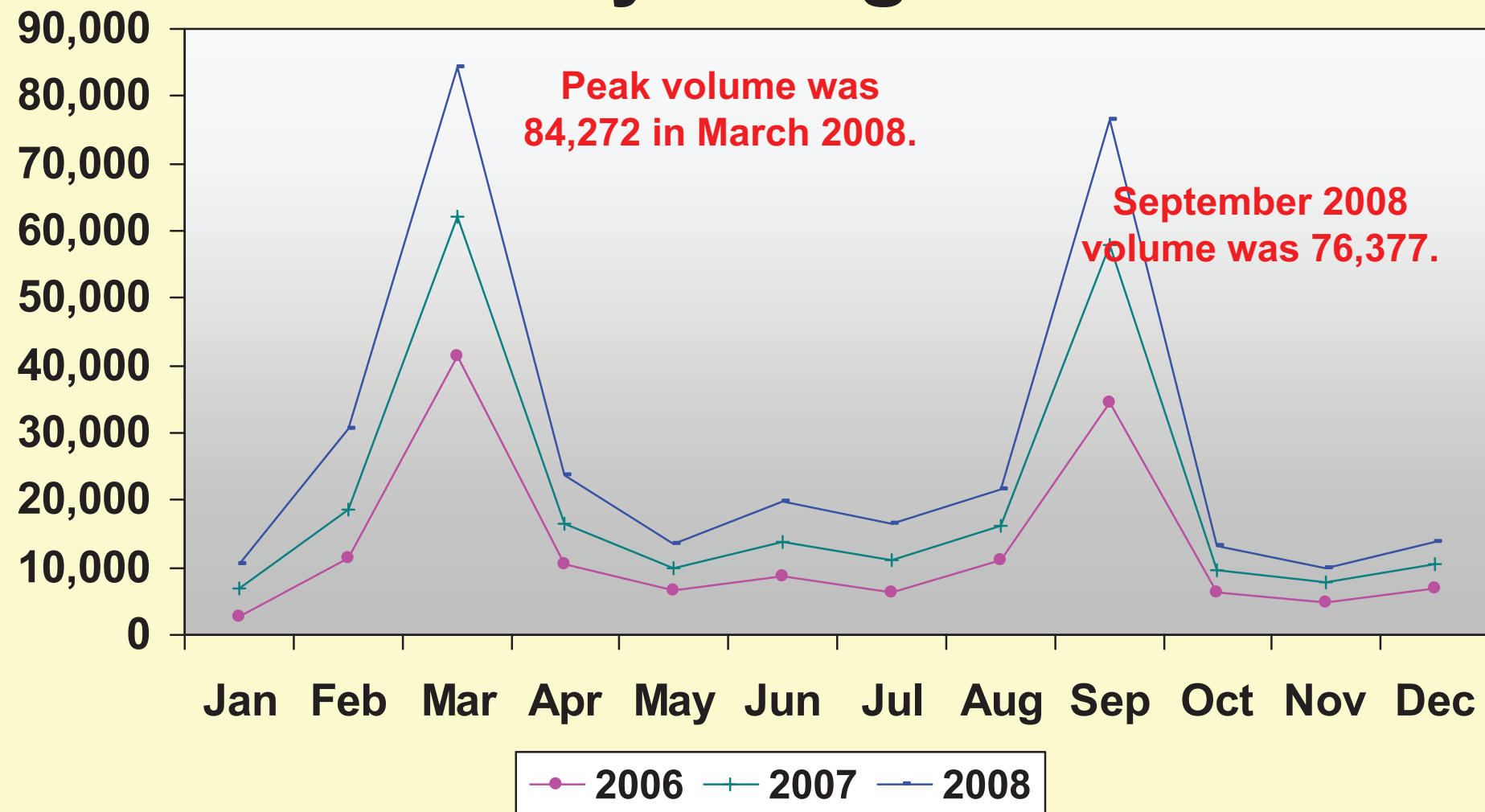


# Form 1120: Monthly Filing Patterns



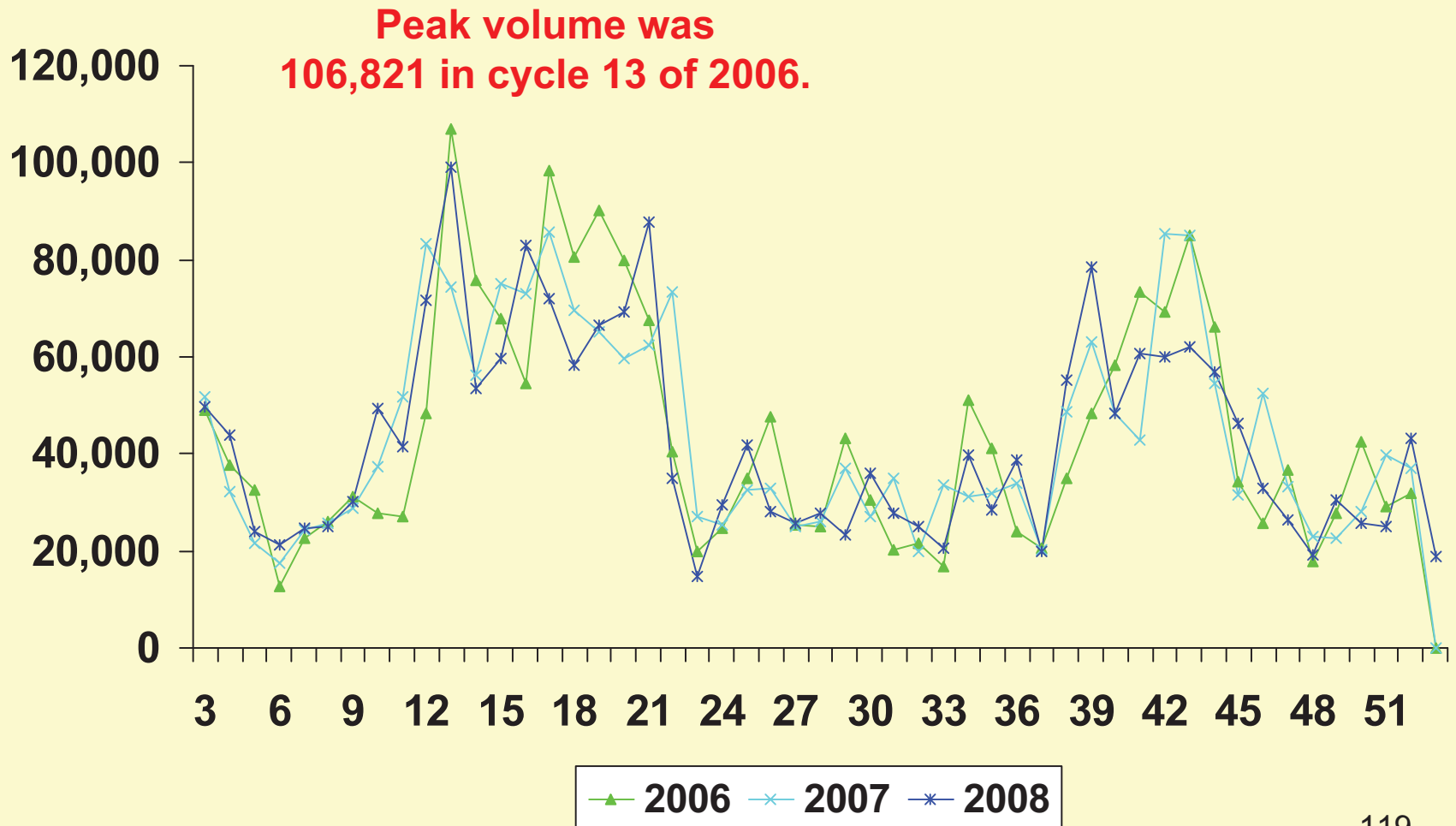
# e-file Form 1120

## Monthly Filing Patterns

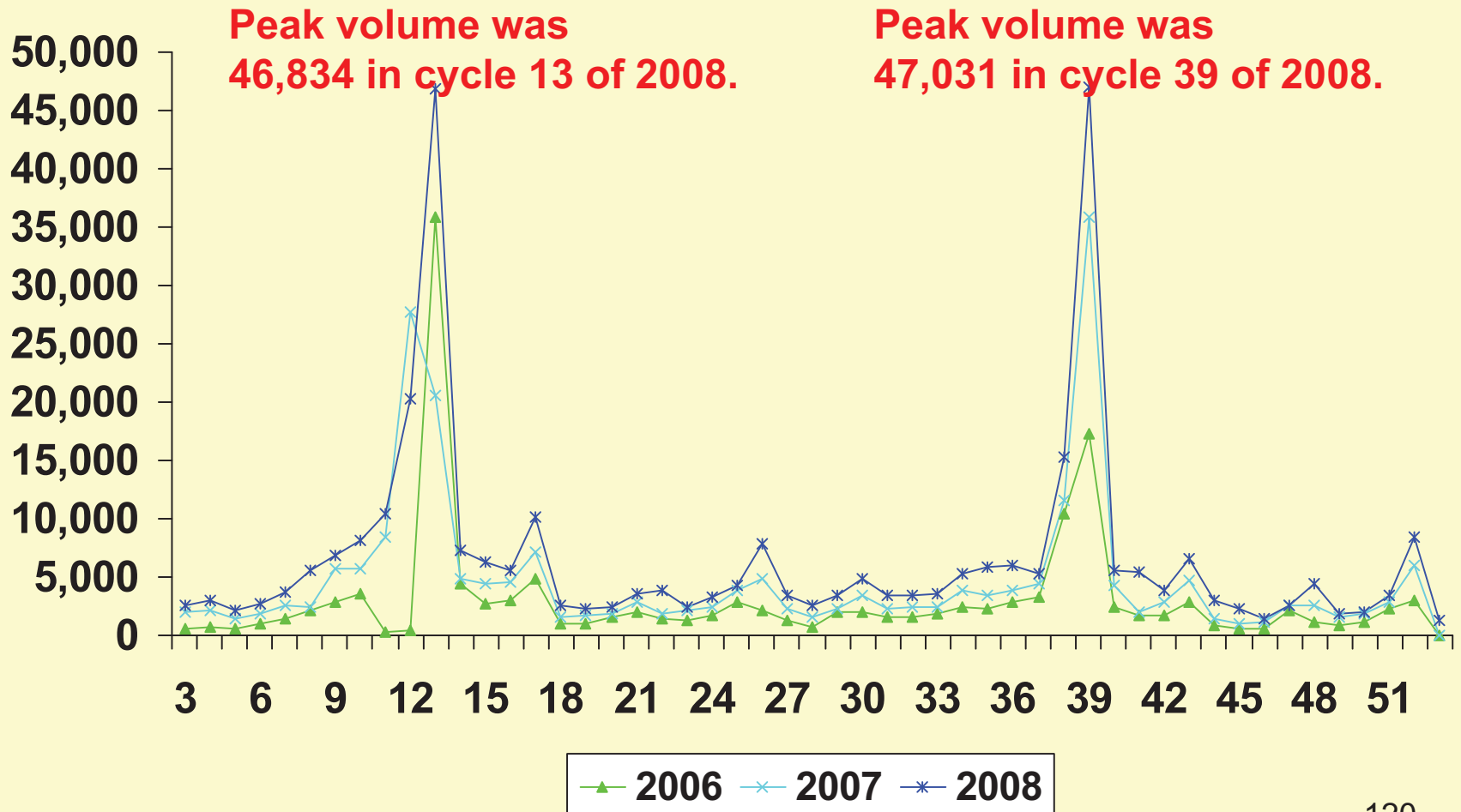


# Form 1120

## Filing Pattern by Cycle Posted

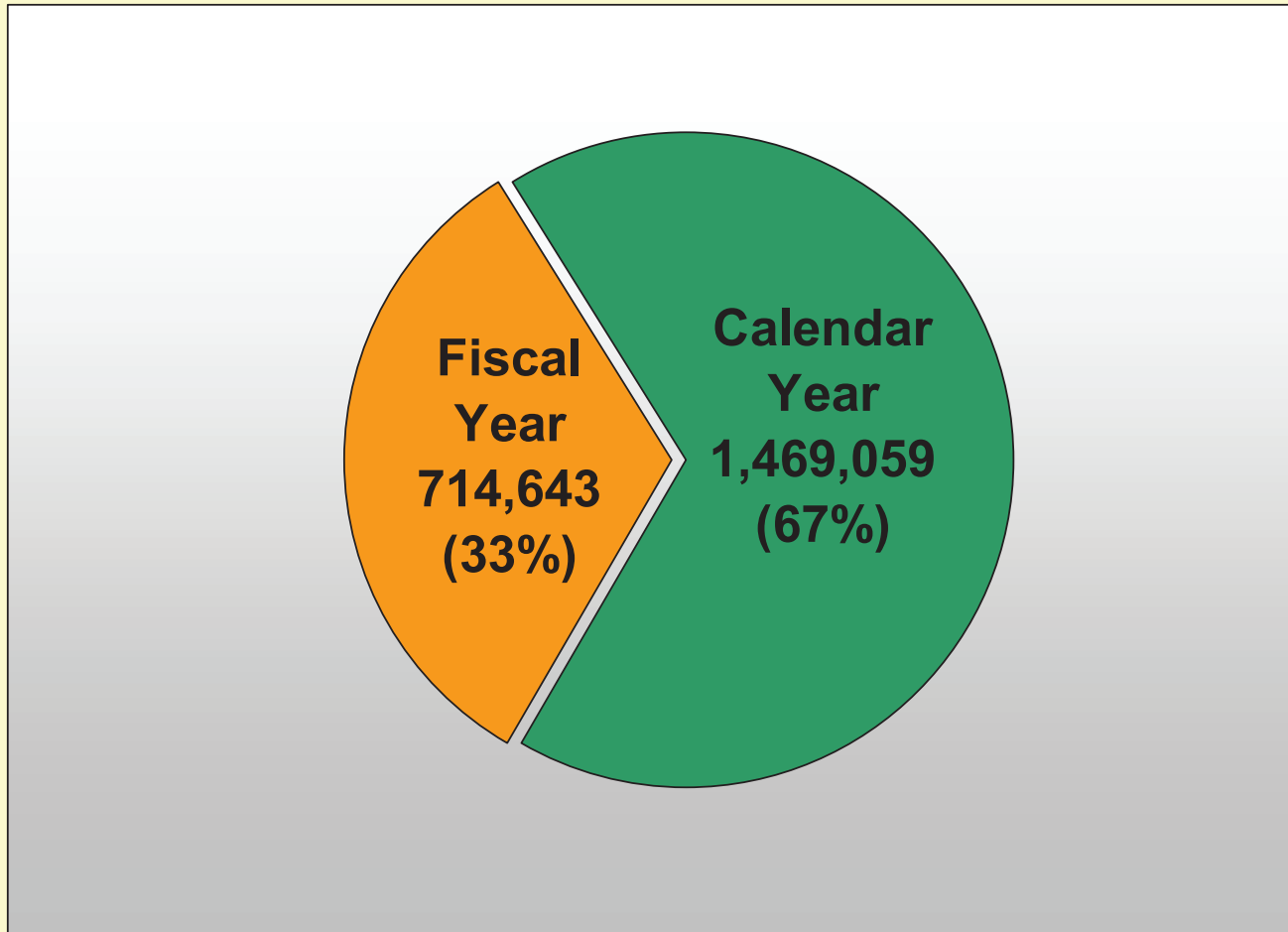


# Form 1120 e-file Filing Pattern by Cycle Posted



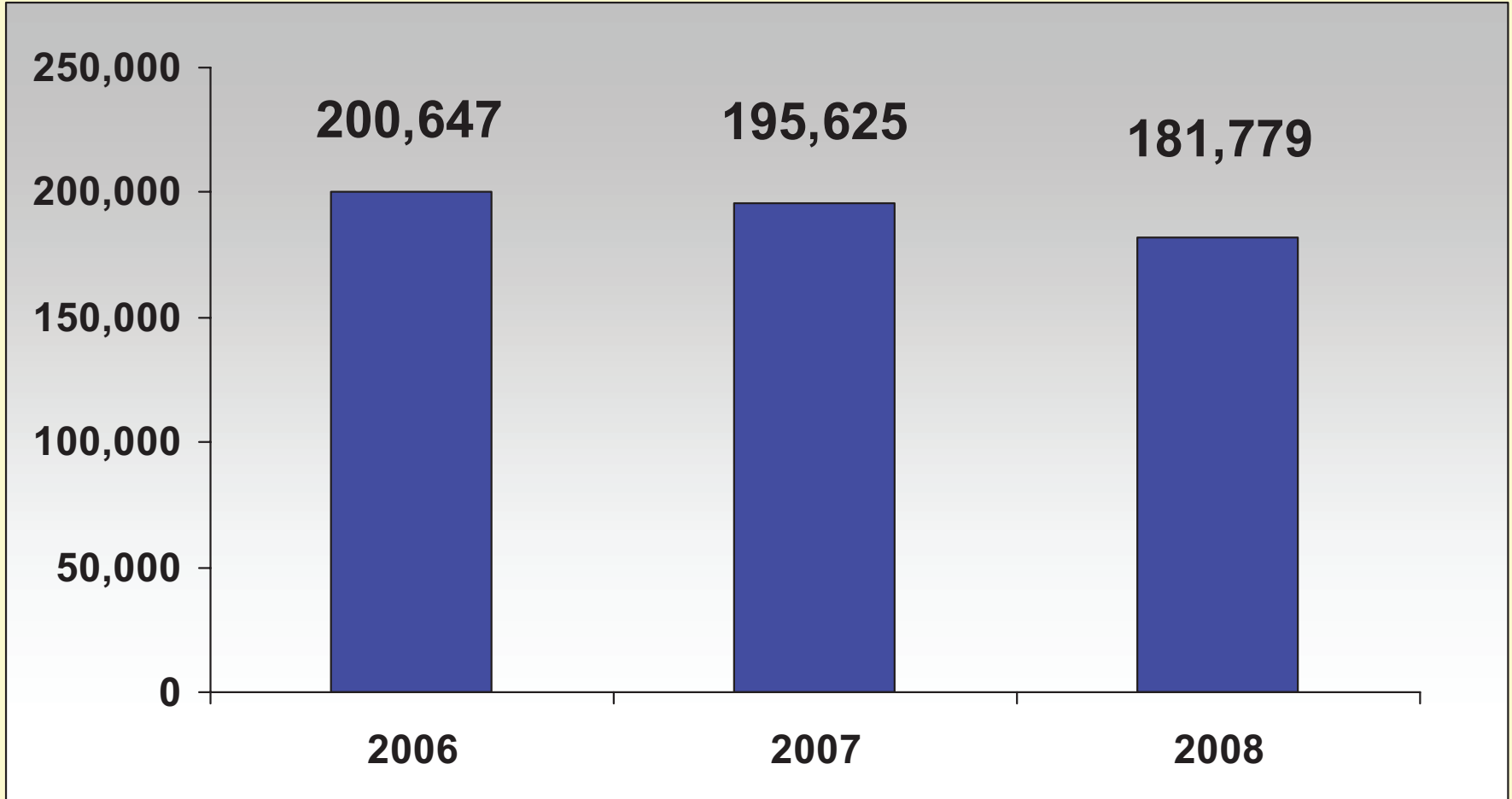
# Form 1120 Fiscal Year Returns vs. Calendar Year Returns

Total: 2,183,702



# Form 1120 Initial Corporation Filings

Processing Years 2006-2008



# Most Form 1120 Returns by NAICS

(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>2008</u></b>	<b><u>% *</u></b>
<b>531390</b>	<b>Other Activities Related to Real Estate</b>	<b>100,057</b>	<b>5%</b>
<b>621111</b>	<b>Offices of Physicians (except mental health specialists)</b>	<b>64,249</b>	<b>3%</b>
<b>541990</b>	<b>All Other Professional, Scientific, &amp; Technical Services</b>	<b>60,129</b>	<b>3%</b>
<b>238900</b>	<b>Other Specialty Trade Contractors</b>	<b>48,000</b>	<b>2%</b>
<b>236110</b>	<b>Residential Building Construction</b>	<b>41,725</b>	<b>2%</b>
<b>722110</b>	<b>Full-Service Restaurants</b>	<b>39,600</b>	<b>2%</b>
<b>531310</b>	<b>Real Estate Property Managers</b>	<b>35,704</b>	<b>2%</b>
<b>531110</b>	<b>Lessors of Residential Buildings &amp; Dwellings</b>	<b>33,285</b>	<b>2%</b>
<b>531120</b>	<b>Lessors of Nonresidential Buildings (except Mini-warehouses)</b>	<b>32,249</b>	<b>1%</b>
<b>812990</b>	<b>All Other Personal Services</b>	<b>31,919</b>	<b>1%</b>

**\* The percentage of all Form 940 returns filed in PY2008**

**Six of the top 10 NAICS codes involve real estate returns.**

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# Most *e-filed* Forms 1120 by NAICS

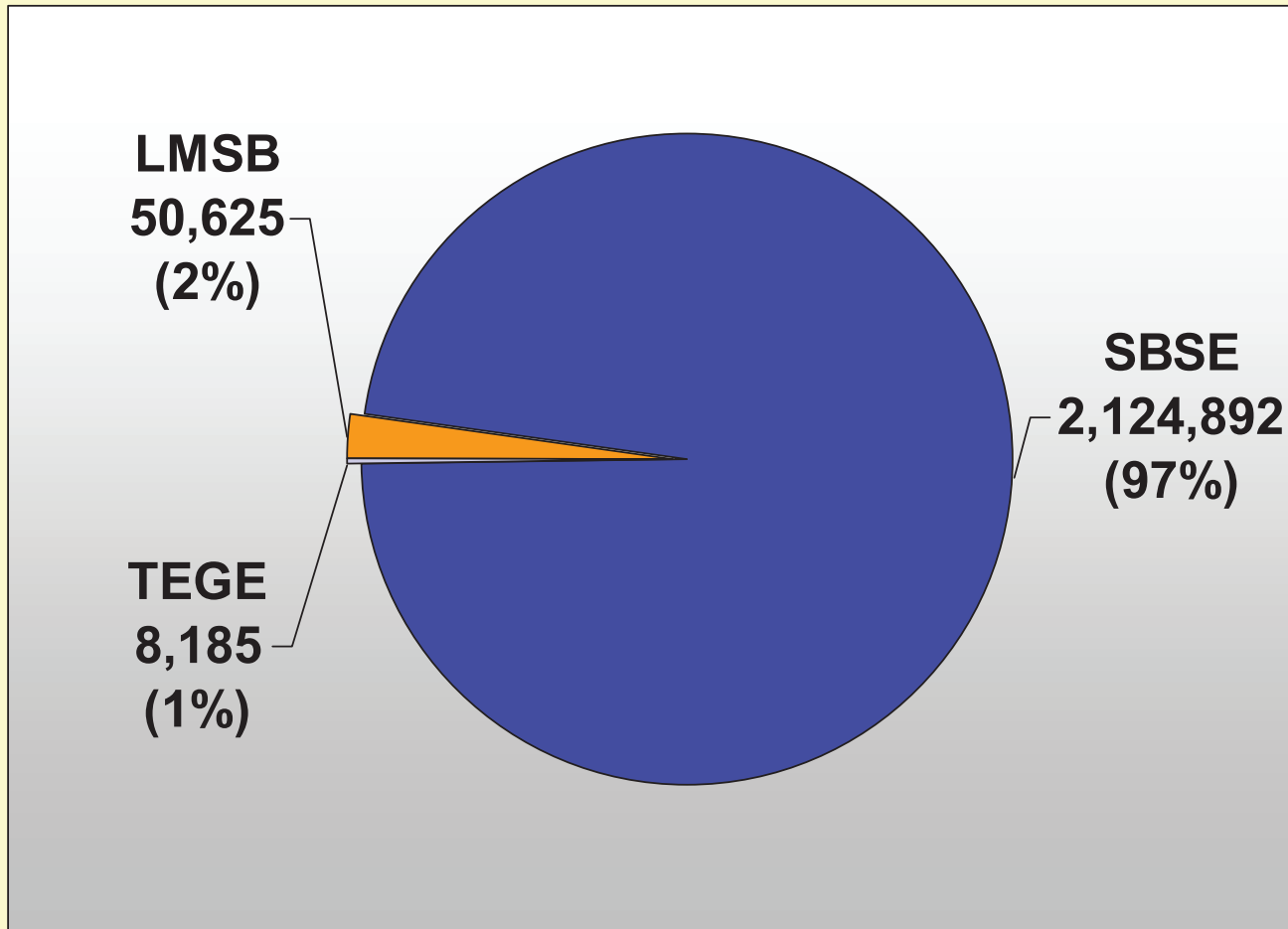
(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>NAICS TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
<b>621111</b>	<b>Offices of Physicians (except mental health specialists)</b>	<b>12,070</b>	<b>4%</b>
<b>531390</b>	<b>Other Activities Related to Real Estate</b>	<b>10,837</b>	<b>3%</b>
<b>541990</b>	<b>All Other Professional, Scientific, &amp; Technical Services</b>	<b>9,483</b>	<b>3%</b>
<b>238900</b>	<b>Other Specialty Trade Contractors</b>	<b>8,203</b>	<b>2%</b>
<b>551112</b>	<b>Offices of Other Holding Companies</b>	<b>6,325</b>	<b>2%</b>
<b>236110</b>	<b>Residential Building Construction</b>	<b>6,322</b>	<b>2%</b>
<b>722110</b>	<b>Full-Service Restaurants</b>	<b>5,409</b>	<b>2%</b>
<b>541110</b>	<b>Offices of Lawyers</b>	<b>4,824</b>	<b>1%</b>
<b>531310</b>	<b>Real Estate Property Managers</b>	<b>4,586</b>	<b>1%</b>
<b>524210</b>	<b>Insurance Agencies and Brokerages</b>	<b>4,538</b>	<b>1%</b>

\* The percentage of all electronic Forms 1120 filed in PY2008

# Form 1120 Returns by Business Operating Division

Total: 2,183,702



# Form 1120 Returns by Assets & Method

	Paper	<i>e-file</i>	Total
Under \$250,000	1,350,378	207,593	1,557,971
\$250,000 Under \$1 Million	304,361	60,696	365,057
\$1 Million Under \$5 Million	150,638	30,277	180,915
\$5 Million Under \$10 Million	25,209	5,209	30,418
\$10 Million Under \$50 Million	14,373	15,400	29,773
\$50 Million or More	2,825	16,743	19,568
Total	1,847,784	335,918	2,183,702

**Processing Year 2008**

# Form 1120 Returns Filed by State

## Processing Year 2008



Alaska (AK)	3,344	Hawaii (HI)	13,964	Maine (ME)	7,934	New Jersey (NJ)	83,574	South Dakota (SD)	4,708
Alabama (AL)	20,229	Iowa (IA)	22,547	Michigan (MI)	69,423	New Mexico (NM)	9,407	Tennessee (TN)	31,907
Arkansas (AR)	16,121	Idaho (ID)	7,481	Minnesota (MN)	28,820	Nevada (NV)	32,960	Texas (TX)	168,740
Arizona (AZ)	34,412	Illinois (IL)	96,074	Missouri (MO)	35,849	New York (NY)	225,979	Utah (UT)	15,062
California (CA)	317,059	Indiana (IN)	22,012	Mississippi (MS)	14,700	Ohio (OH)	62,735	Virginia (VA)	49,516
Colorado (CO)	33,868	Kansas (KS)	18,939	Montana (MT)	9,131	Oklahoma (OK)	21,098	Vermont (VT)	4,520
Connecticut (CT)	24,365	Kentucky (KY)	16,799	North Carolina (NC)	53,263	Oregon (OR)	22,890	Washington (WA)	38,052
Delaware (DE)	8,955	Louisiana (LA)	30,627	North Dakota (ND)	4,241	Pennsylvania (PA)	62,535	Washington, DC	5,909
Florida (FL)	175,560	Massachusetts (MA)	47,395	Nebraska (NE)	13,516	Rhode Island (RI)	6,499	Wisconsin (WI)	34,747
Georgia (GA)	56,656	Maryland (MD)	42,081	New Hampshire (NH)	10,376	South Carolina (SC)	23,349	West Virginia (WV)	9,167
								Wyoming (WY)	4,736

# Form 1120 e-file Penetration by State

## Processing Year 2008



Alaska (AK)	21%	Hawaii (HI)	7%	Maine (ME)	11%	New Jersey (NJ)	11%	South Dakota (SD)	31%
Alabama (AL)	10%	Iowa (IA)	18%	Michigan (MI)	42%	New Mexico (NM)	16%	Tennessee (TN)	13%
Arkansas (AR)	12%	Idaho (ID)	14%	Minnesota (MN)	22%	Nevada (NV)	16%	Texas (TX)	13%
Arizona (AZ)	10%	Illinois (IL)	10%	Missouri (MO)	14%	New York (NY)	7%	Utah (UT)	18%
California (CA)	18%	Indiana (IN)	15%	Mississippi (MS)	12%	Ohio (OH)	17%	Virginia (VA)	12%
Colorado (CO)	12%	Kansas (KS)	25%	Montana (MT)	19%	Oklahoma (OK)	13%	Vermont (VT)	17%
Connecticut (CT)	13%	Kentucky (KY)	11%	North Carolina (NC)	10%	Oregon (OR)	18%	Washington (WA)	17%
Delaware (DE)	13%	Louisiana (LA)	10%	North Dakota (ND)	27%	Pennsylvania (PA)	12%	Washington, DC	8%
Florida (FL)	11%	Massachusetts (MA)	59%	Nebraska (NE)	22%	Rhode Island (RI)	20%	Wisconsin (WI)	31%
Georgia (GA)	12%	Maryland (MD)	10%	New Hampshire (NH)	19%	South Carolina (SC)	13%	West Virginia (WV)	8%
								Wyoming (WY)	20%

# **Form 1120S Filers**

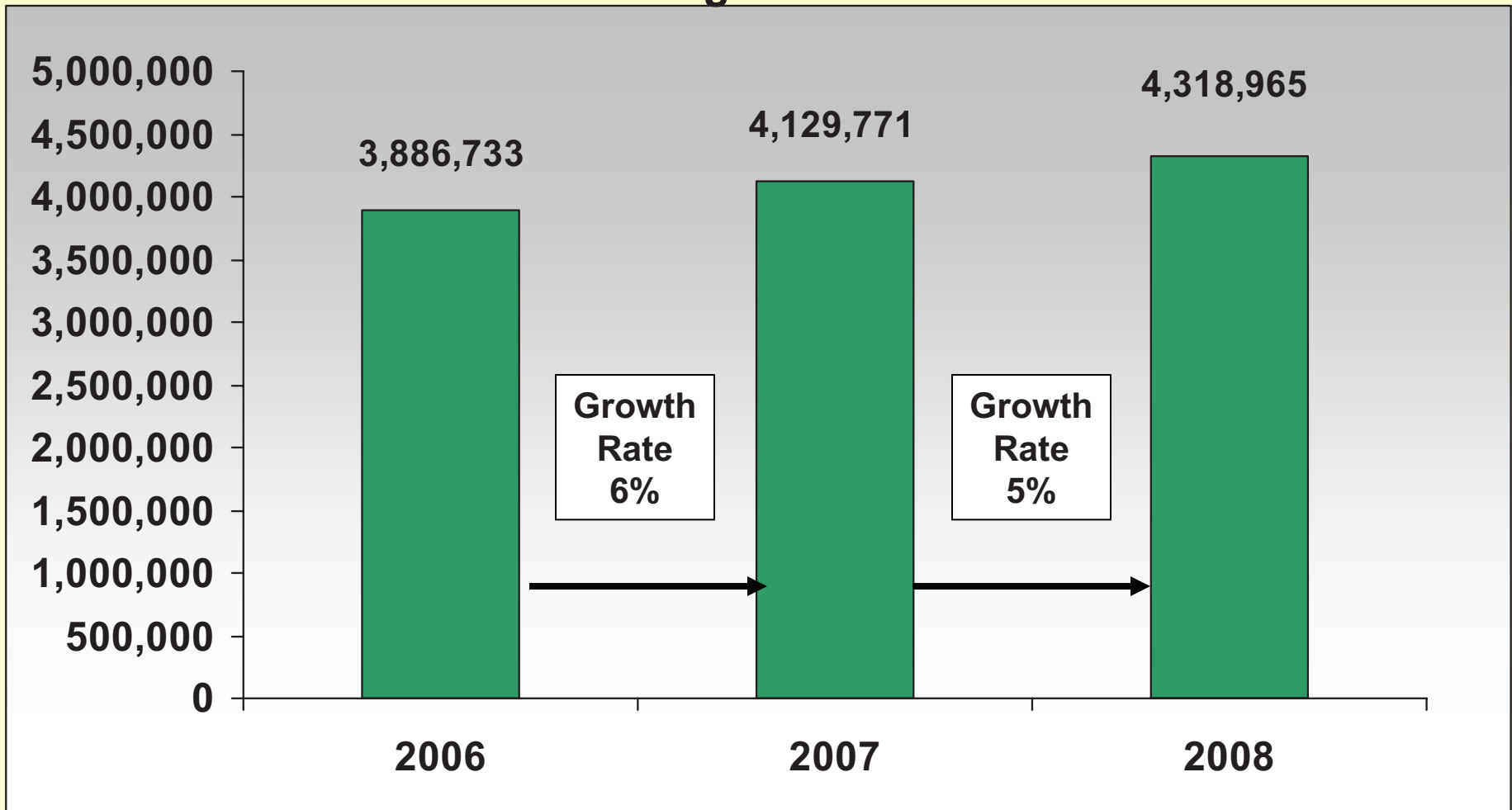
**Small Business Corporation  
Income Tax Return**

**Processing Year 2008**

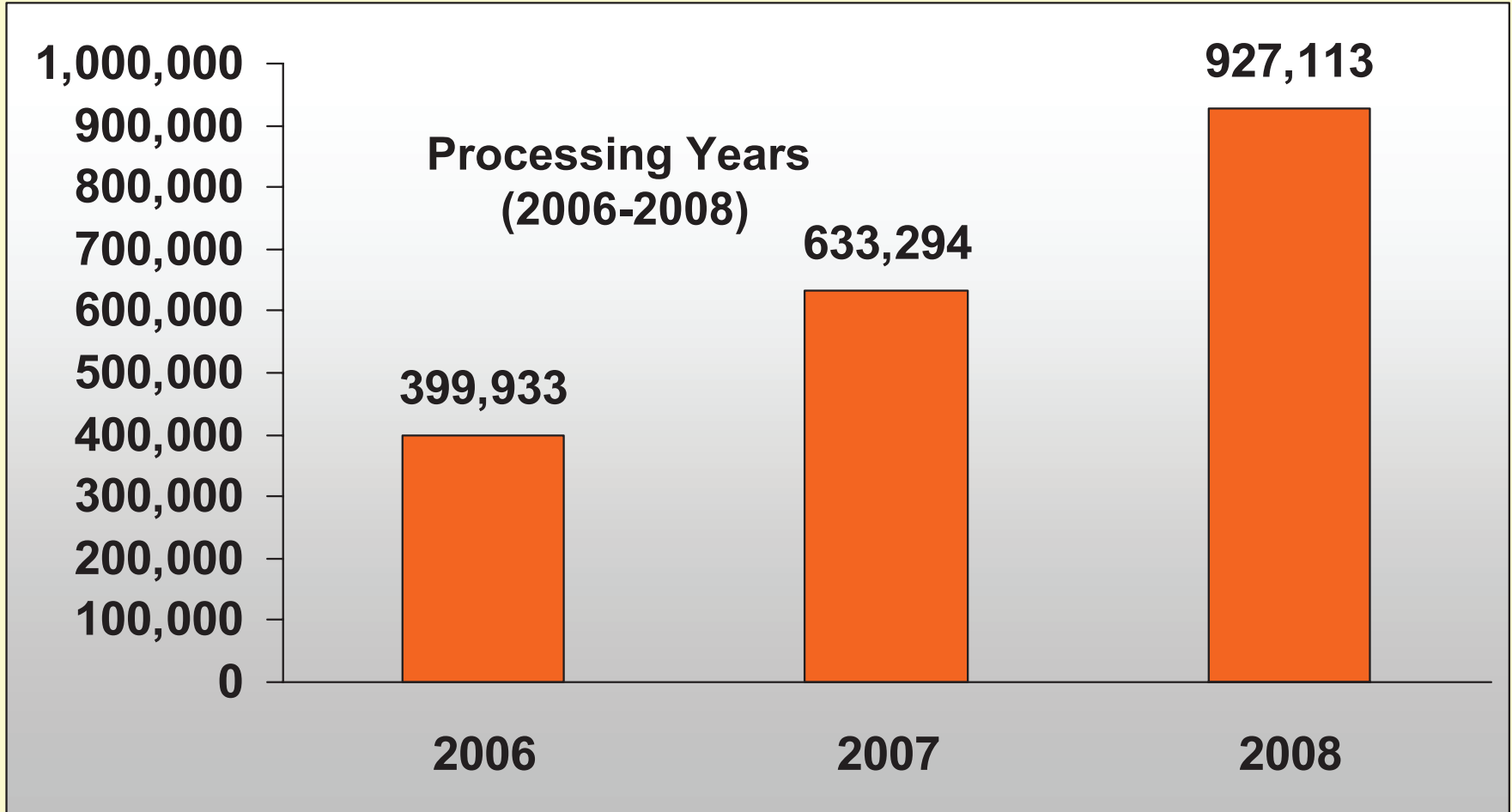


# Form 1120S Annual Filing Volume

Processing Years 2006-2008

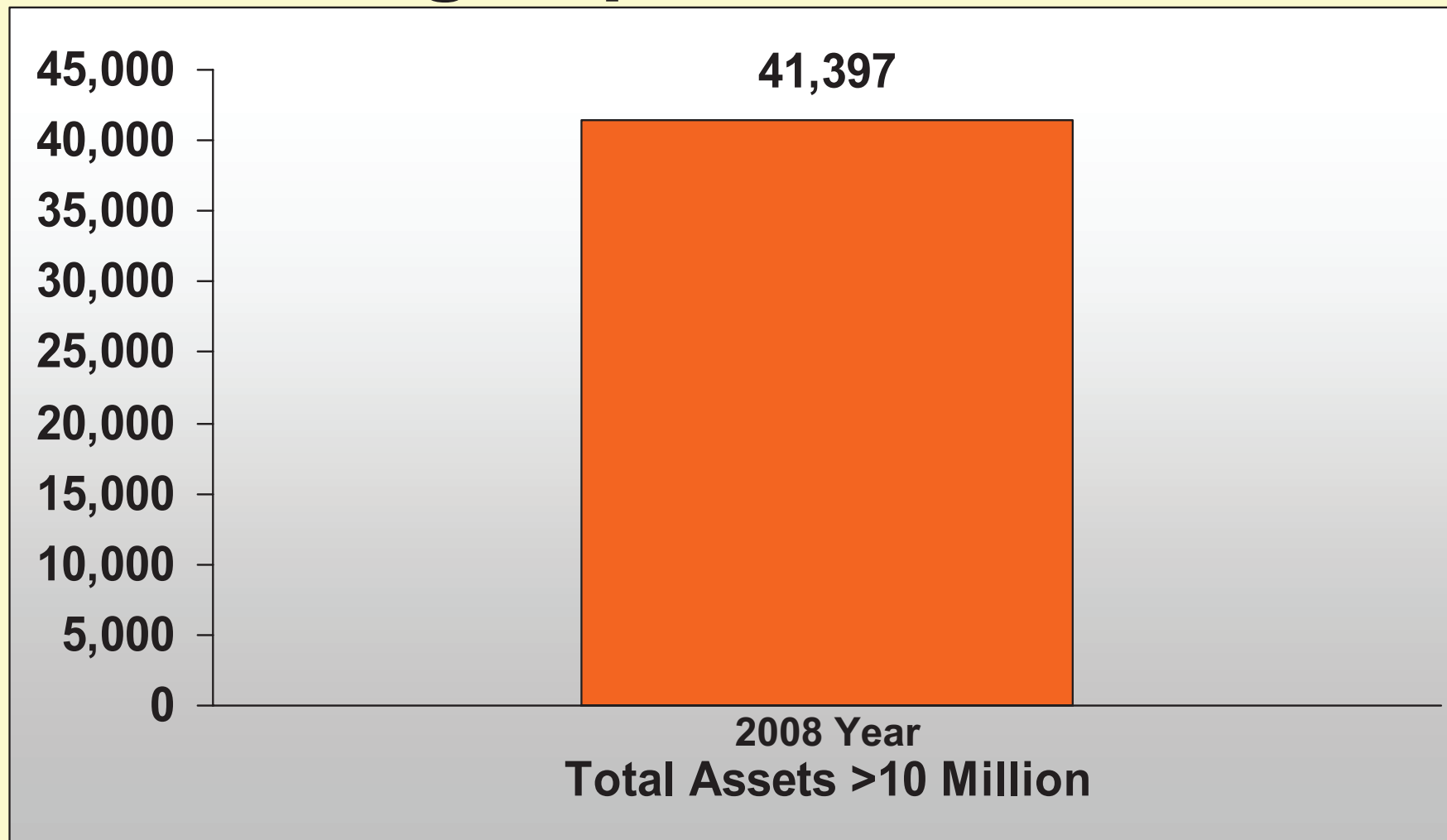


# Annual e-file Volume for Form 1120S



**In Processing Year 2008,  
21% of all Form 1120S  
returns were filed  
electronically.**

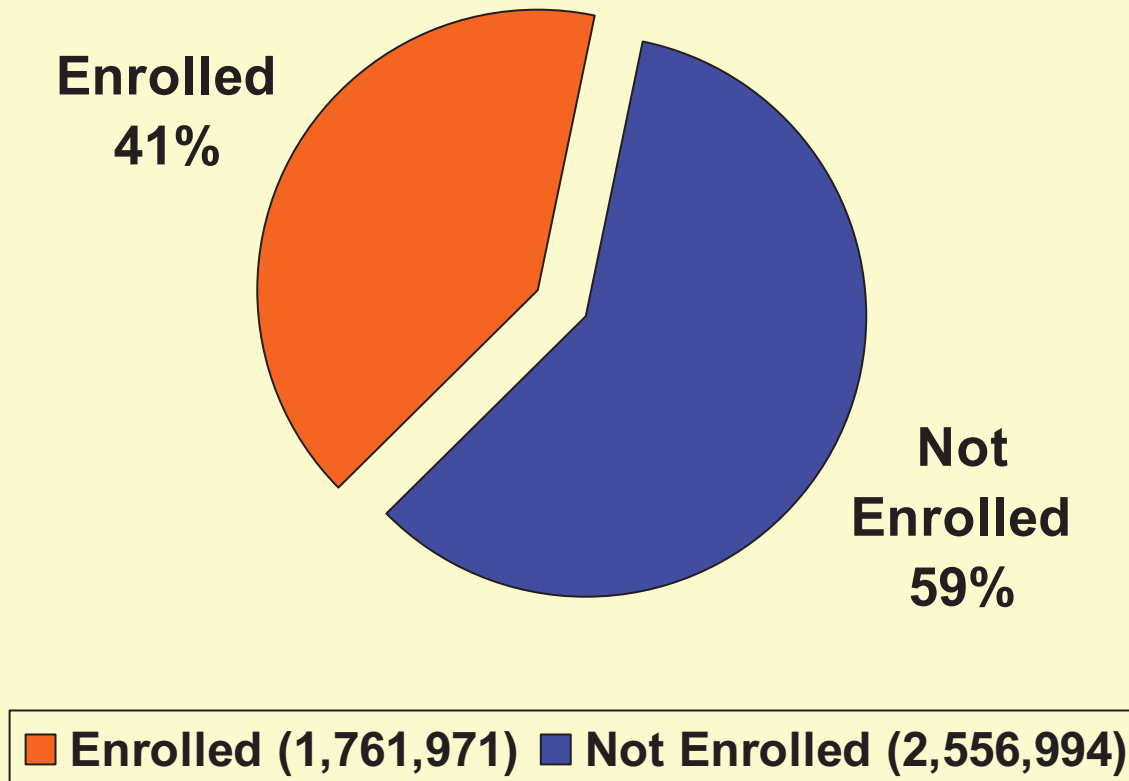
# Mandating Impact on Form 1120S



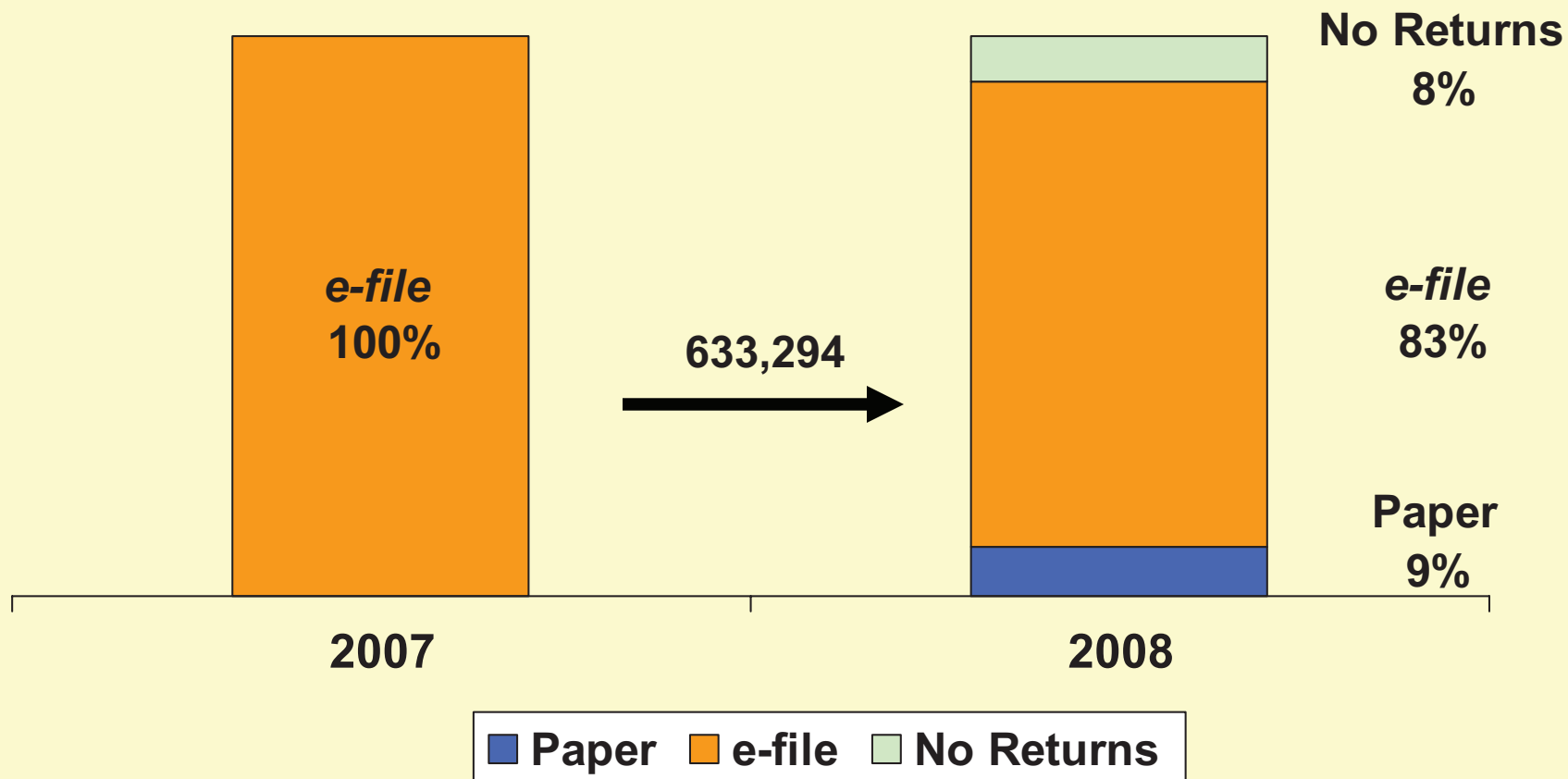
The electronic filing requirements apply only to entities that file at least 250 returns including income tax, excise tax, information and employment tax returns, during a calendar year.

# Form 1120S Taxpayers Enrolled in EFTPS (Electronic Federal Tax Payment System)

Processing Year 2008

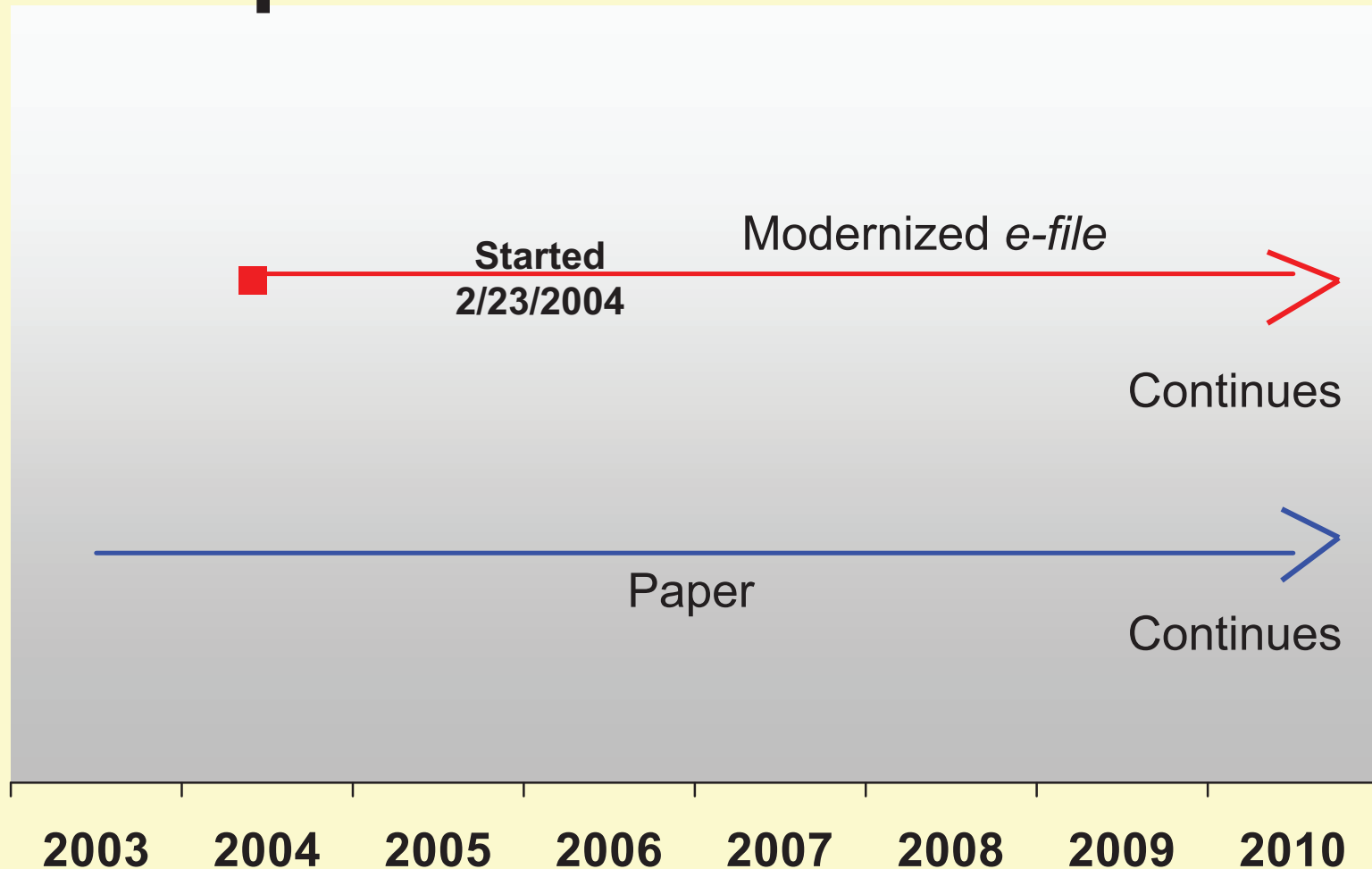


# Form 1120S *e-file* Loyalty

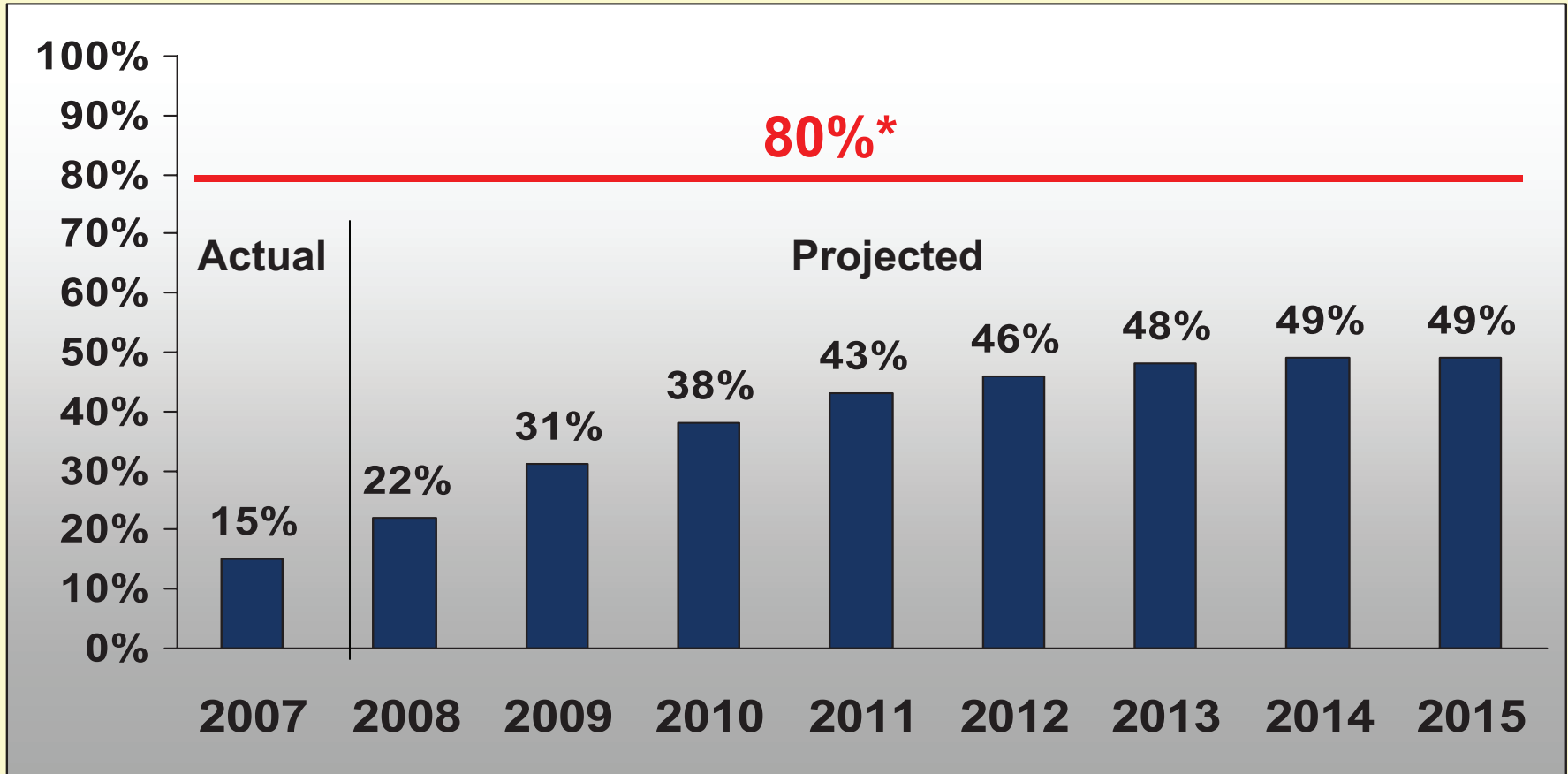


**83% of Form 1120S *e-file* Users Remained Loyal**

# Form 1120S: Implementation Schedule

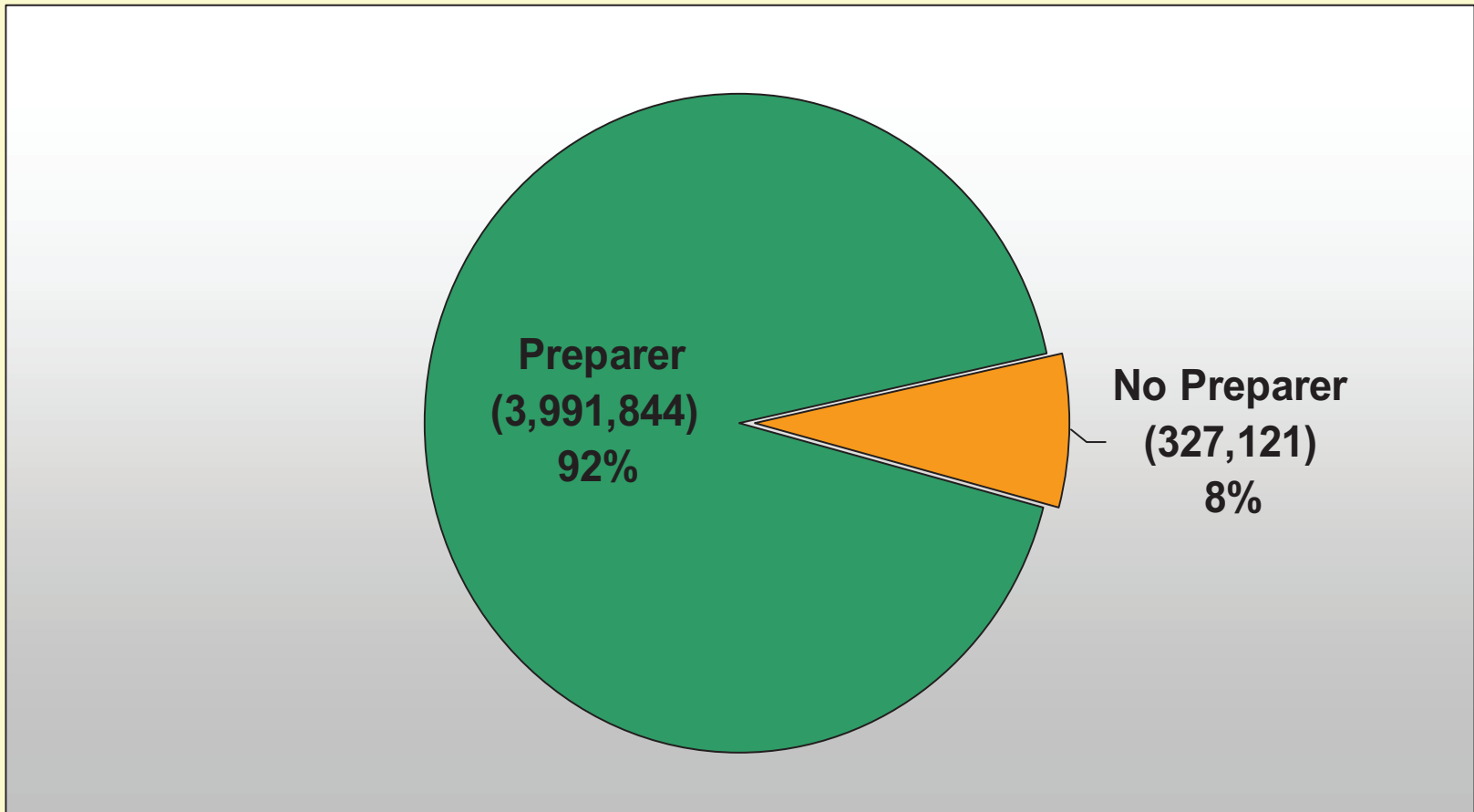


# Form 1120S Projected *e-file* Penetration Rate



# Form 1120S Preparer/No Preparer

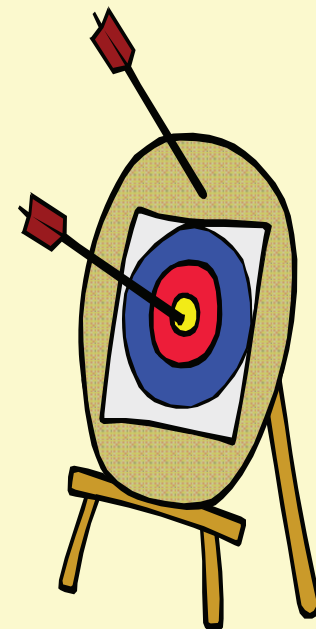
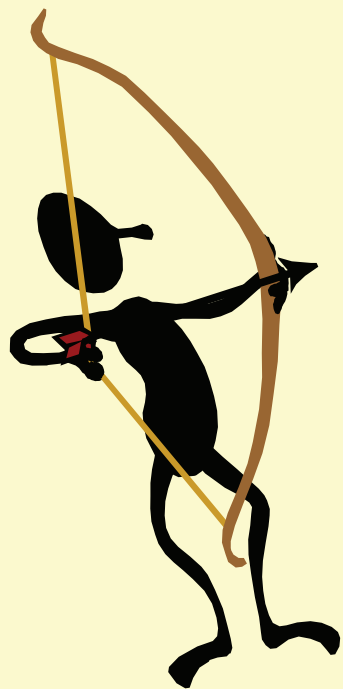
Total: 4,318,965



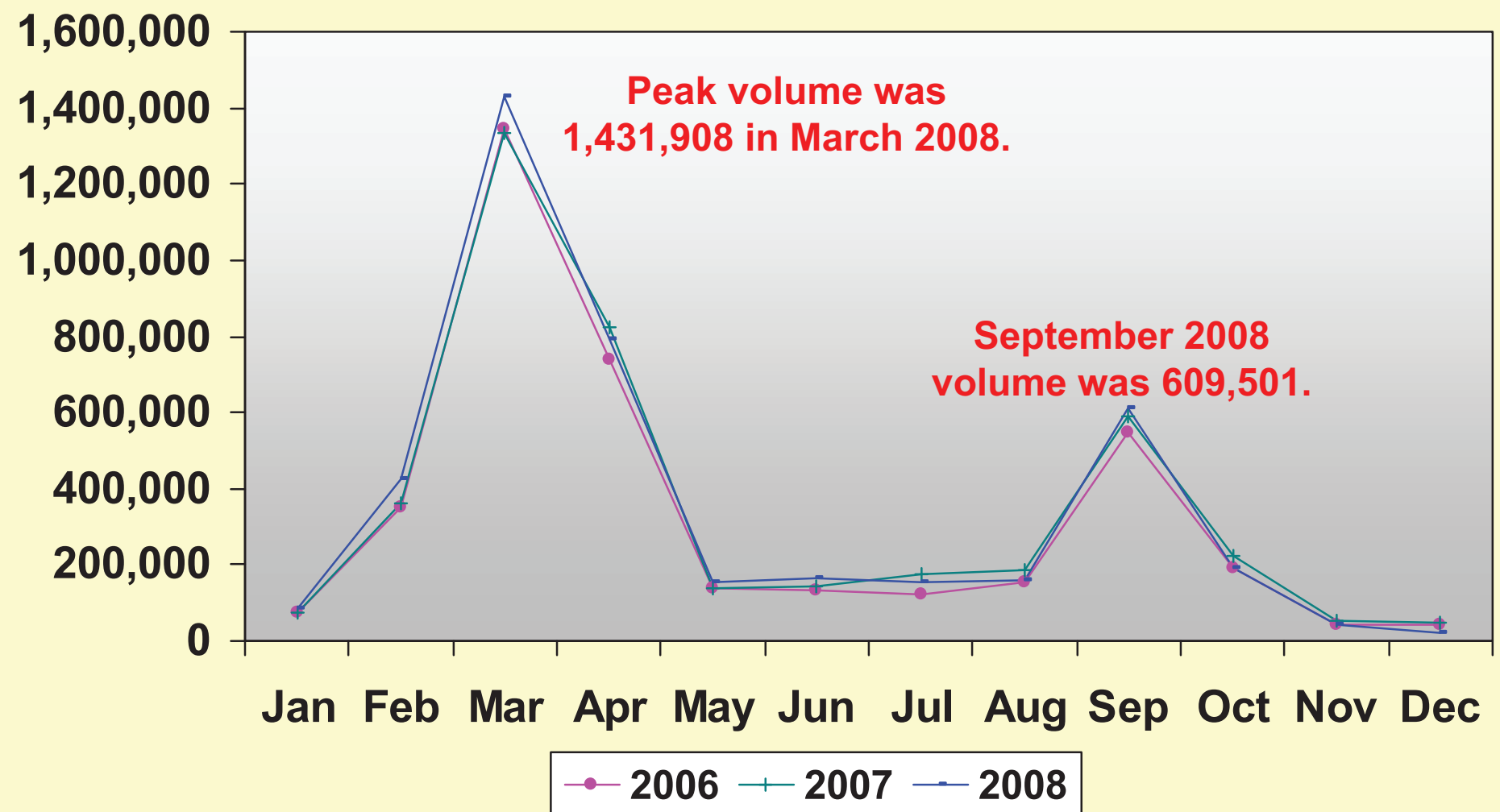
**Processing Year 2008**

# Suggested Target Market

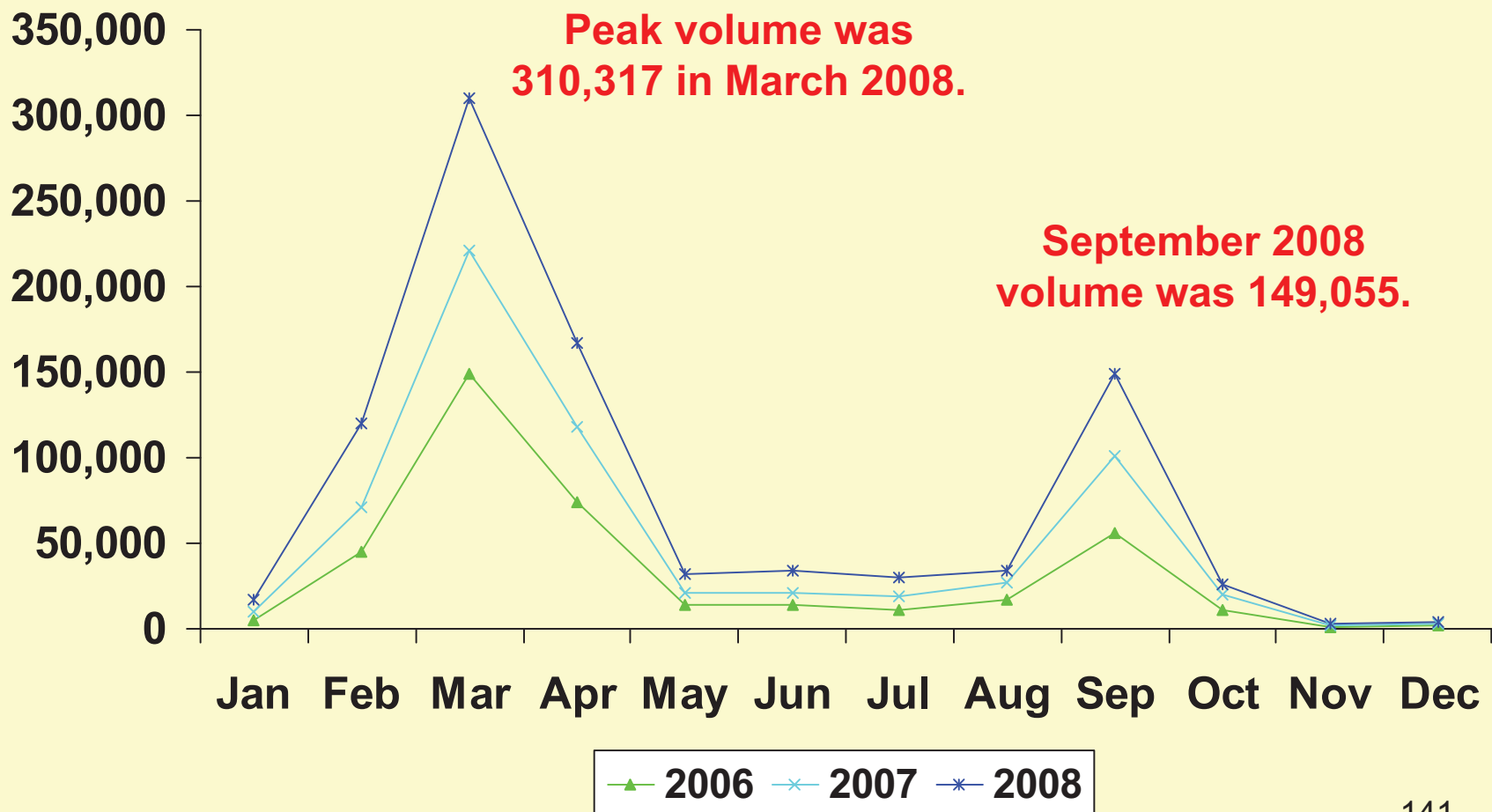
**The 15,733 Electronic Return  
Originators Who Each e-filed  
More Than 50 Individual  
Returns But Also Filed  
1,342,130 Corporation  
Returns on Paper.**



# Form 1120S: Monthly Filing Patterns

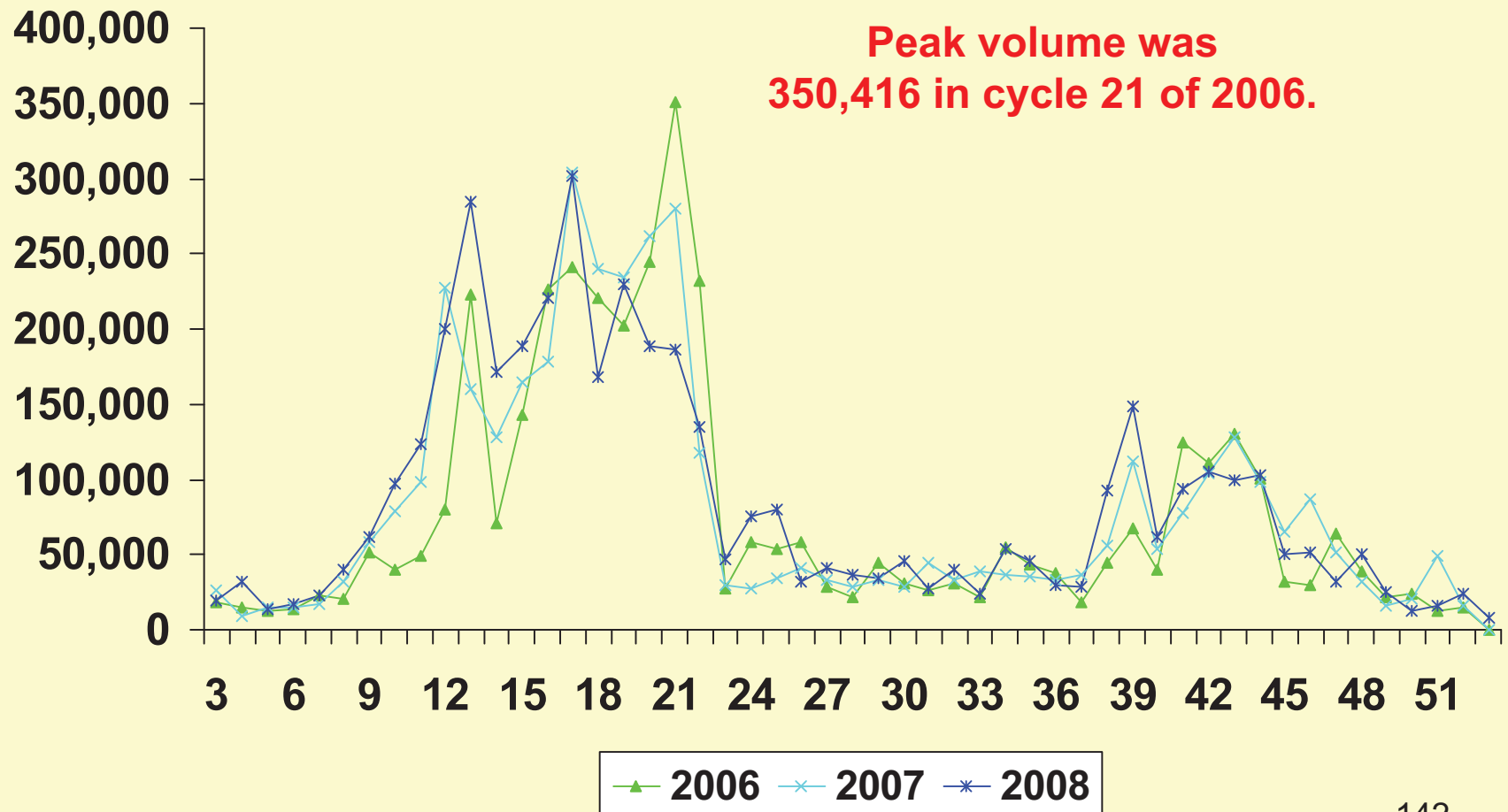


# *e-file* Form 1120S Monthly Filing Patterns

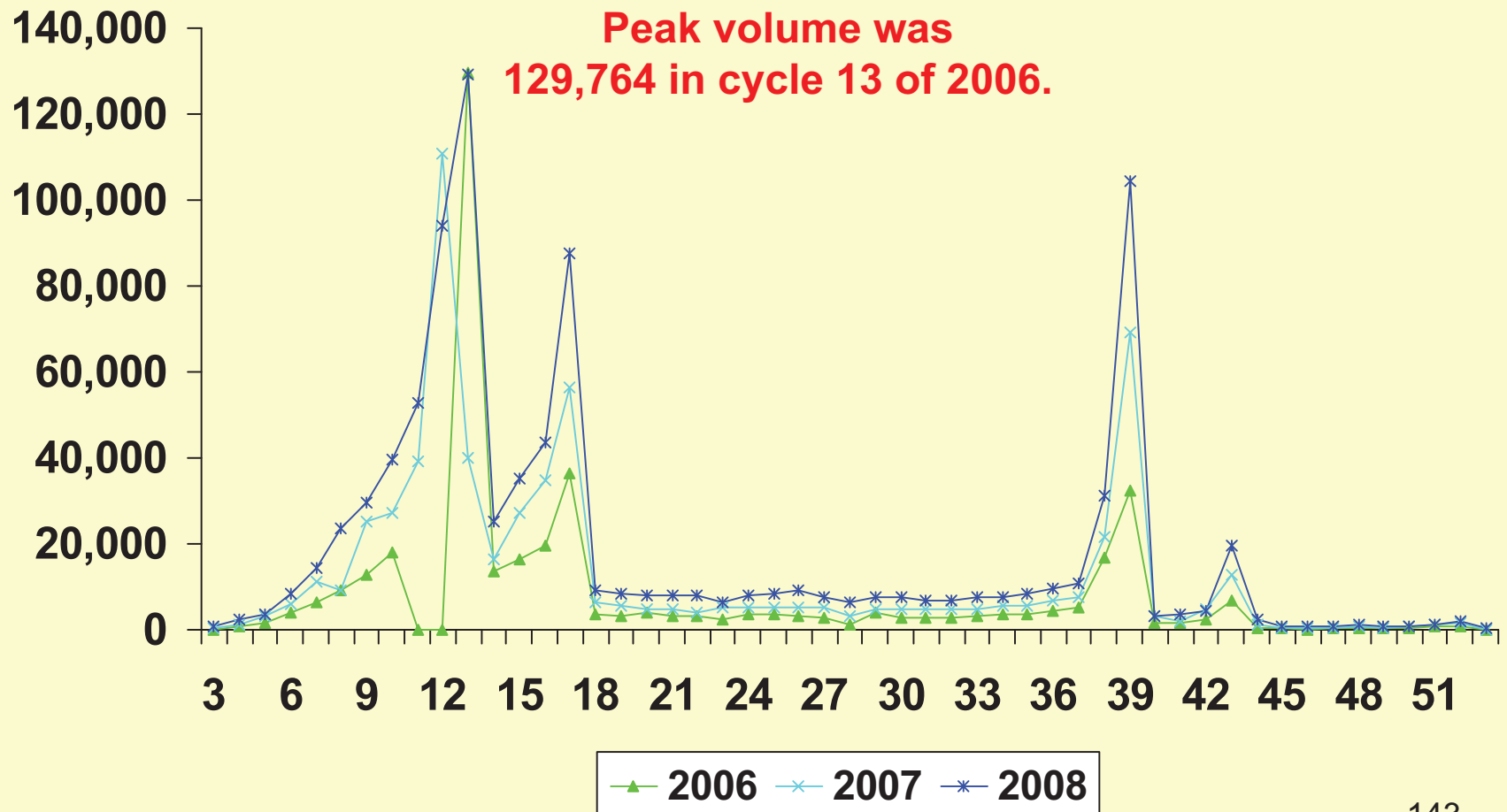


# Form 1120S

## Filing Pattern by Cycle Posted

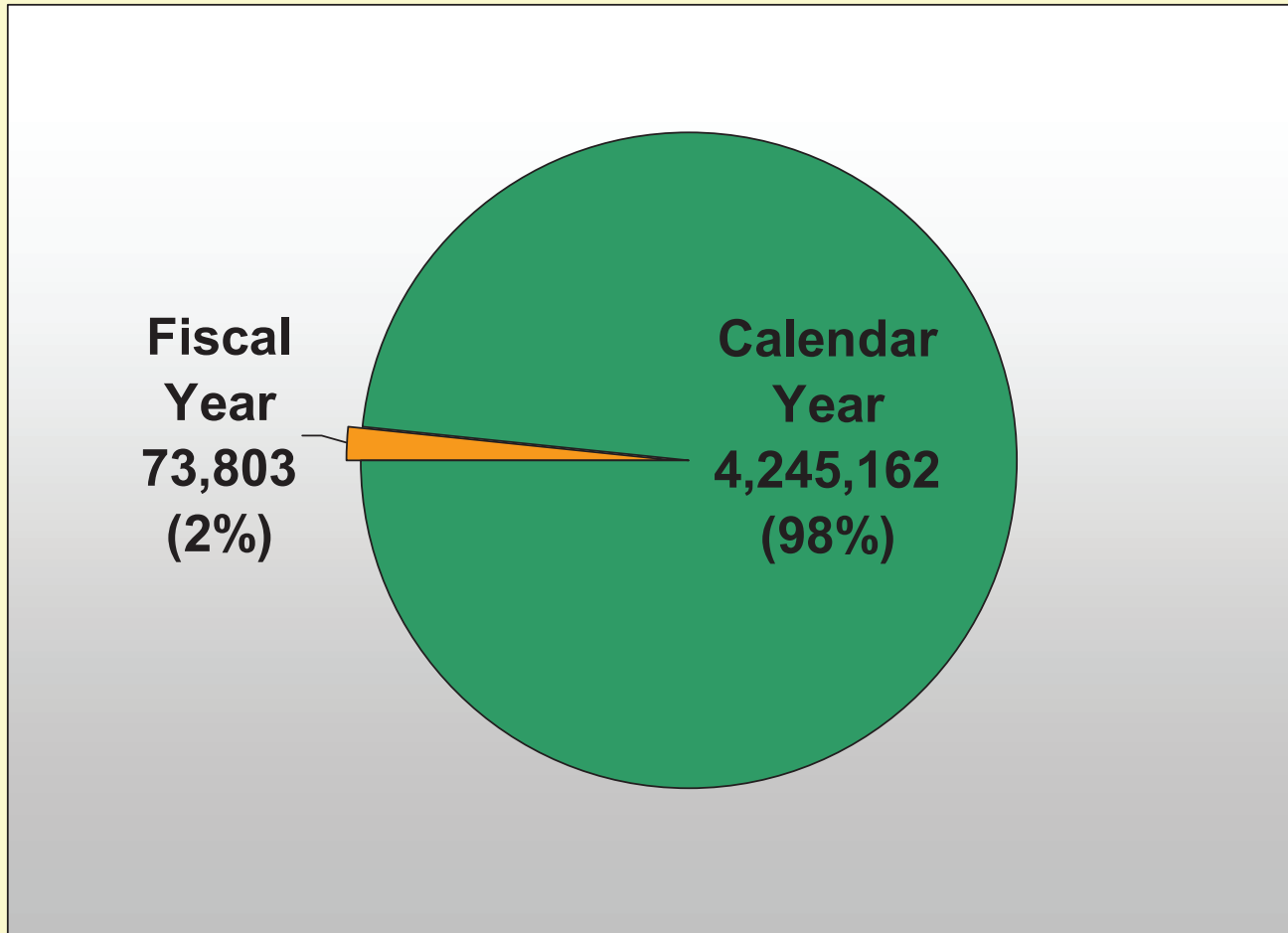


# Form 1120S e-file Filing Pattern by Cycle Posted



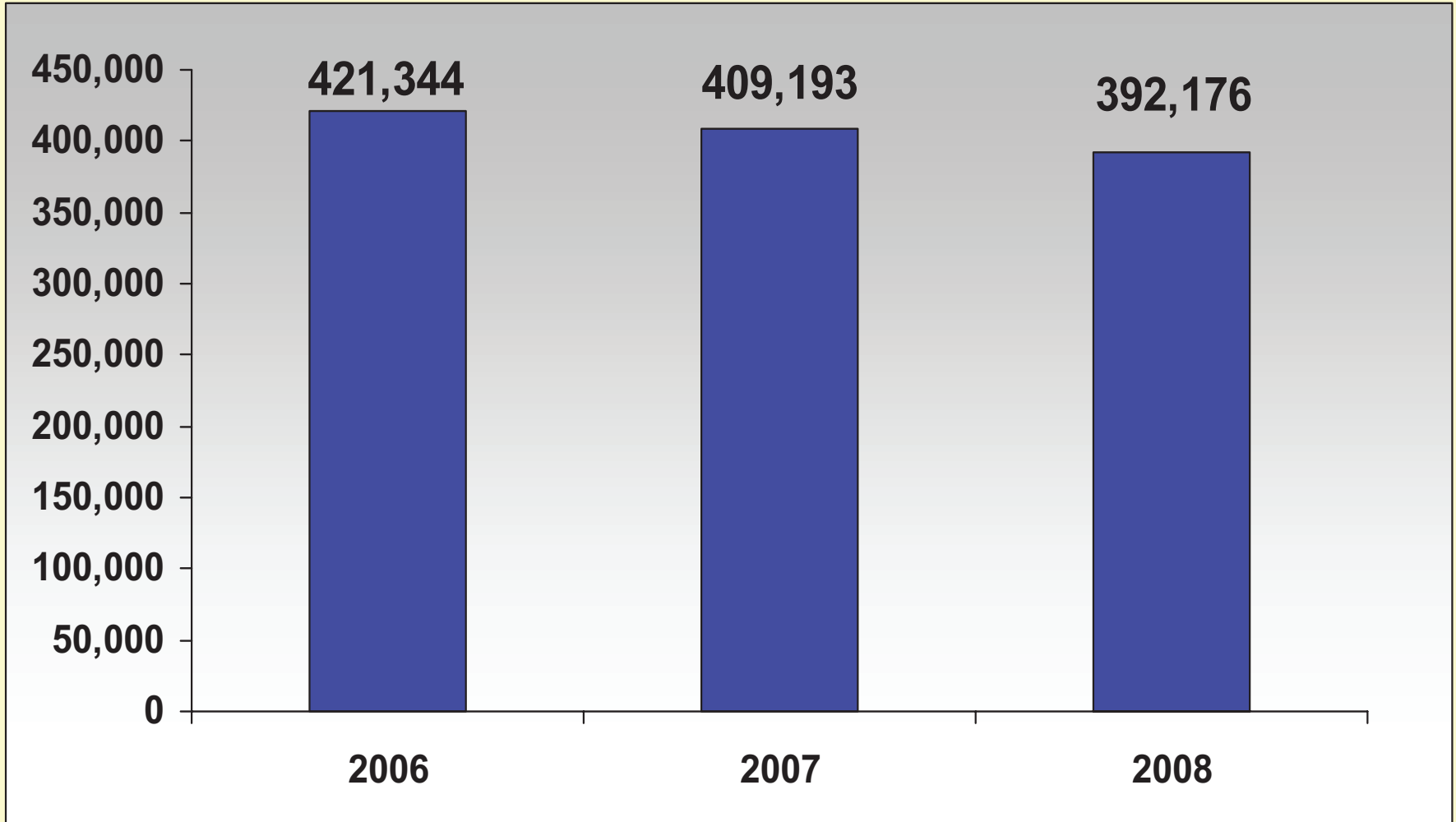
# Form 1120S Fiscal Year Returns vs. Calendar Year Returns

Total: 4,318,965



# Form 1120S Initial Corporation Filings

Processing Years 2006-2008



# Most Form 1120S Returns by NAICS

(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>NAICS TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
541990	All Other Professional, Scientific, & Technical Services	144,999	3%
531390	Other Activities Related to Real Estate	142,866	3%
236110	Residential Building Construction	128,543	3%
238900	Other Specialty Trade Contractors	121,809	3%
531210	Offices of Real Estate Agents & Brokers	100,867	2%
812990	All Other Personal Services	92,570	2%
531120	Lessors of Nonresidential Buildings (except Mini-warehouses)	91,765	2%
722110	Full-Service Restaurants	86,612	2%
621111	Offices of Physicians (except mental health specialists)	84,093	2%
541600	Management, Scientific, & Technical Consulting Services	75,688	2%

\* The percentage of all Form 1120S returns filed in PY2008

**Five of the top 10 NAICS codes represent real estate businesses.**

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# Most *e-filed* Forms 1120S by NAICS

(The North American Industry Classification System - NAICS)

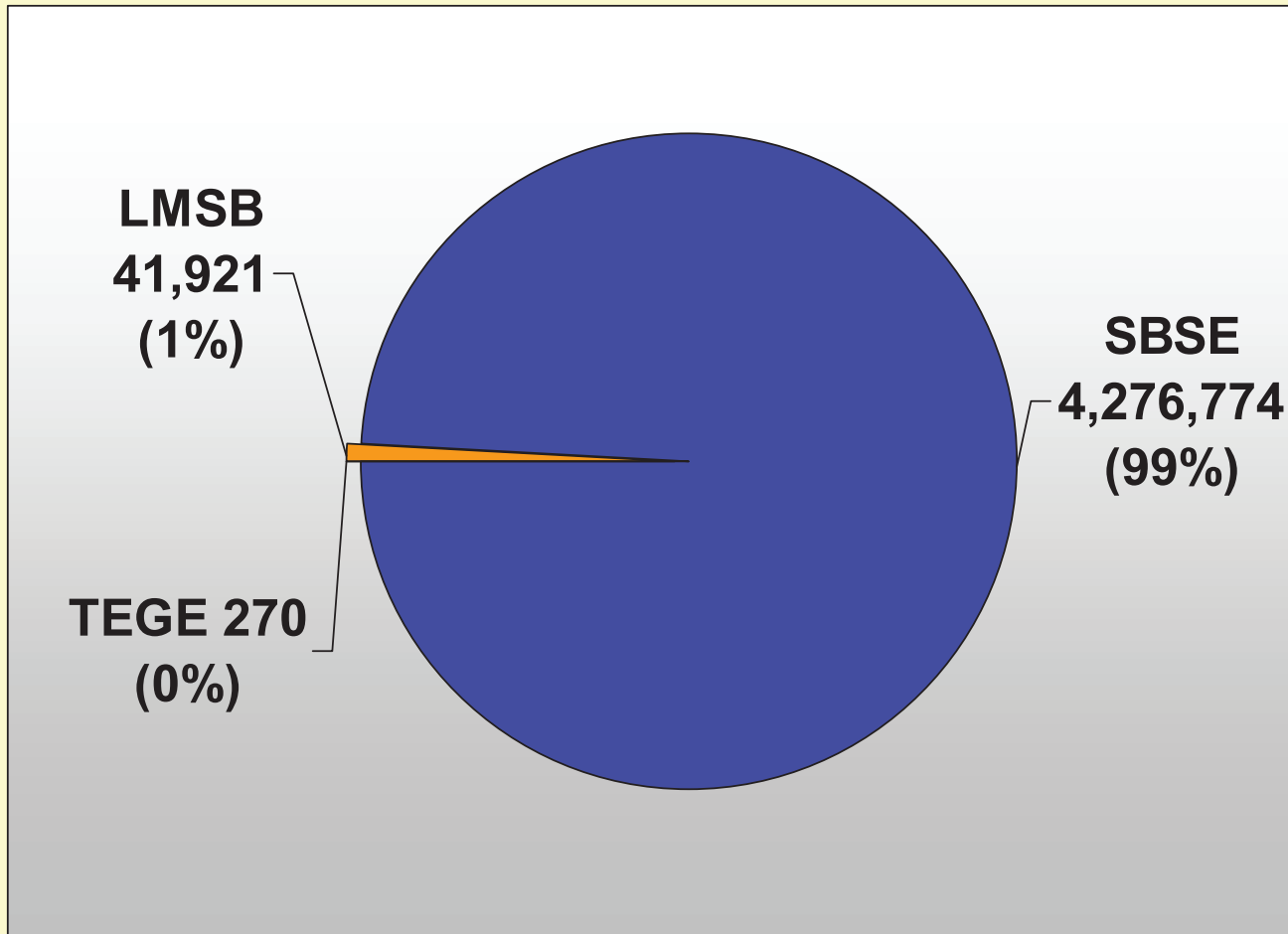
<b><u>CODE</u></b>	<b><u>NAICS TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
<b>541990</b>	<b>All Other Professional, Scientific, &amp; Technical Services</b>	<b>30,580</b>	<b>3%</b>
<b>531390</b>	<b>Other Activities Related to Real Estate</b>	<b>29,291</b>	<b>3%</b>
<b>236110</b>	<b>Residential Building Construction</b>	<b>29,260</b>	<b>3%</b>
<b>238900</b>	<b>Other Specialty Trade Contractors</b>	<b>28,030</b>	<b>3%</b>
<b>531210</b>	<b>Offices of Real Estate Agents &amp; Brokers</b>	<b>21,800</b>	<b>2%</b>
<b>722110</b>	<b>Full-Service Restaurants</b>	<b>19,622</b>	<b>2%</b>
<b>621111</b>	<b>Offices of Physicians (except mental health specialists)</b>	<b>18,734</b>	<b>2%</b>
<b>531120</b>	<b>Lessors of Nonresidential Buildings (except Mini-warehouses)</b>	<b>18,714</b>	<b>2%</b>
<b>812990</b>	<b>All Other Personal Services</b>	<b>18,621</b>	<b>2%</b>
<b>541600</b>	<b>Management, Scientific, &amp; Technical Consulting Services</b>	<b>14,633</b>	<b>2%</b>

\* The percentage of all electronic Form 1120S returns filed in PY2008

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# Form 1120S Returns by Business Operating Division

Total: 4,318,965



# Form 1120S Returns by Assets & Filing Method

	Paper	<i>e-file</i>	Total
Under \$200,000	2,571,905	664,082	3,235,987
\$200,000 to under \$10 Million	802,645	238,934	1,041,579
\$10 Million or More	<u>17,302</u>	<u>24,097</u>	<u>41,339</u>
Total	3,391,852	927,113	4,318,965

**Processing Year 2008**

# Form 1120S Returns Filed by State Processing Year 2008



Alaska (AK)	7,900	Hawaii (HI)	13,393	Maine (ME)	22,760	New Jersey (NJ)	128,662	South Dakota (SD)	7,900
Alabama (AL)	49,915	Iowa (IA)	36,844	Michigan (MI)	130,006	New Mexico (NM)	20,032	Tennessee (TN)	34,985
Arkansas (AR)	39,331	Idaho (ID)	26,488	Minnesota (MN)	94,440	Nevada (NV)	43,867	Texas (TX)	218,190
Arizona (AZ)	79,610	Illinois (IL)	218,220	Missouri (MO)	65,620	New York (NY)	368,511	Utah (UT)	53,036
California (CA)	375,821	Indiana (IN)	92,709	Mississippi (MS)	27,813	Ohio (OH)	120,603	Virginia (VA)	104,065
Colorado (CO)	111,056	Kansas (KS)	32,223	Montana (MT)	22,562	Oklahoma (OK)	49,293	Vermont (VT)	11,451
Connecticut (CT)	27,467	Kentucky (KY)	51,071	North Carolina (NC)	131,651	Oregon (OR)	54,699	Washington (WA)	90,478
Delaware (DE)	14,939	Louisiana (LA)	50,649	North Dakota (ND)	8,874	Pennsylvania (PA)	151,900	Washington, DC	5,040
Florida (FL)	590,953	Massachusetts (MA)	87,767	Nebraska (NE)	28,724	Rhode Island (RI)	18,792	Wisconsin (WI)	57,378
Georgia (GA)	165,889	Maryland (MD)	75,418	New Hampshire (NH)	12,177	South Carolina (SC)	58,697	West Virginia (WV)	11,790
								Wyoming (WY)	11,383

# Form 1120S e-file Penetration by State

## Processing Year 2008



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Alaska (AK)	36%	Hawaii (HI)	11%	Maine (ME)	18%	New Jersey (NJ)	17%	South Dakota (SD)	41%
Alabama (AL)	14%	Iowa (IA)	23%	Michigan (MI)	49%	New Mexico (NM)	23%	Tennessee (TN)	19%
Arkansas (AR)	17%	Idaho (ID)	24%	Minnesota (MN)	31%	Nevada (NV)	28%	Texas (TX)	18%
Arizona (AZ)	15%	Illinois (IL)	14%	Missouri (MO)	20%	New York (NY)	12%	Utah (UT)	28%
California (CA)	27%	Indiana (IN)	19%	Mississippi (MS)	19%	Ohio (OH)	20%	Virginia (VA)	19%
Colorado (CO)	20%	Kansas (KS)	31%	Montana (MT)	28%	Oklahoma (OK)	18%	Vermont (VT)	22%
Connecticut (CT)	17%	Kentucky (KY)	15%	North Carolina (NC)	13%	Oregon (OR)	25%	Washington (WA)	25%
Delaware (DE)	17%	Louisiana (LA)	15%	North Dakota (ND)	33%	Pennsylvania (PA)	15%	Washington, DC	13%
Florida (FL)	18%	Massachusetts (MA)	75%	Nebraska (NE)	30%	Rhode Island (RI)	29%	Wisconsin (WI)	41%
Georgia (GA)	17%	Maryland (MD)	16%	New Hampshire (NH)	28%	South Carolina (SC)	18%	West Virginia (WV)	13%
								Wyoming (WY)	35%

# **Form 1120/1120S Summary (PY2008)**

- **41% of Form 1120 & 49% of Form 1120S returns are projected to be *e-filed* in CY2015.**
- **15% of Form 1120 & 21% of Form 1120S returns are currently *e-filed*.**
- **42% of Form 1120 & 41% of Form 1120S taxpayers are enrolled in EFTPS.**
- **33% of Form 1120 Series filers make payments electronically.**
- **Forms 1120 & 1120S have two peak volume filing months: March and September.**
- **SB/SE accounts for 97% of Forms 1120 and 99% of Forms 1120S filed.**
- **86% of Form 1120 & 92% of Form 1120S filers use a preparer.**

# **FY 09 NATIONWIDE ANALYSIS Form 2290**

**Electronic Tax Administration  
Business ETA Marketing Database**

**SB/SE Research**

**June 2009**

**Project BKN0126**

# Acknowledgements

This report was prepared at the SB/SE Research site in Brooklyn/Hartford under the direction of Research Chief Wendy S. Handin. Kenneth Bulcroft was the primary author with valuable support provided by Kevin Mullen. Special thanks to Lisa Burch of ETA for posting this report to [www.irs.gov](http://www.irs.gov) so that it can be used by taxpayers and preparers to learn about e-file progress. For further information, please contact Wendy S. Handin at (718) 488-3260.

# Primary Data Sources

- All business tax returns filed for Processing Year 2008
- Returns processed through December 31, 2008 (cycle 200853)
- The Business Marketing Database contains variables from the TRDB (Tax Return Data Base), MTRDB (Modernized TRDB) and Business Masterfile databases as well as the BRTF (Business Returns Transaction File)
- Over 34 million entities



# **Form 2290 Filers**

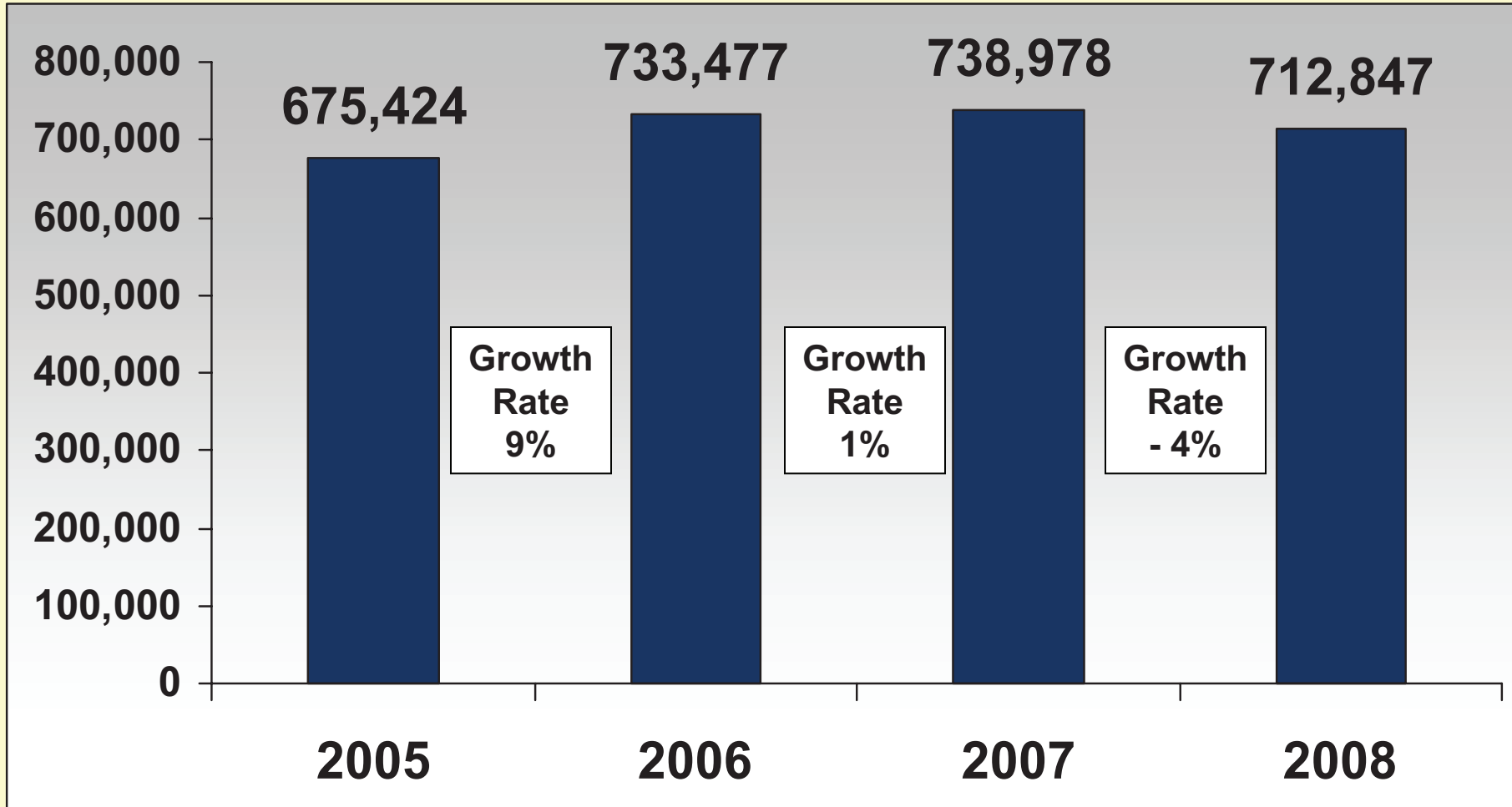
## **Heavy Highway Vehicle Use Tax**

**Processing Year 2008**



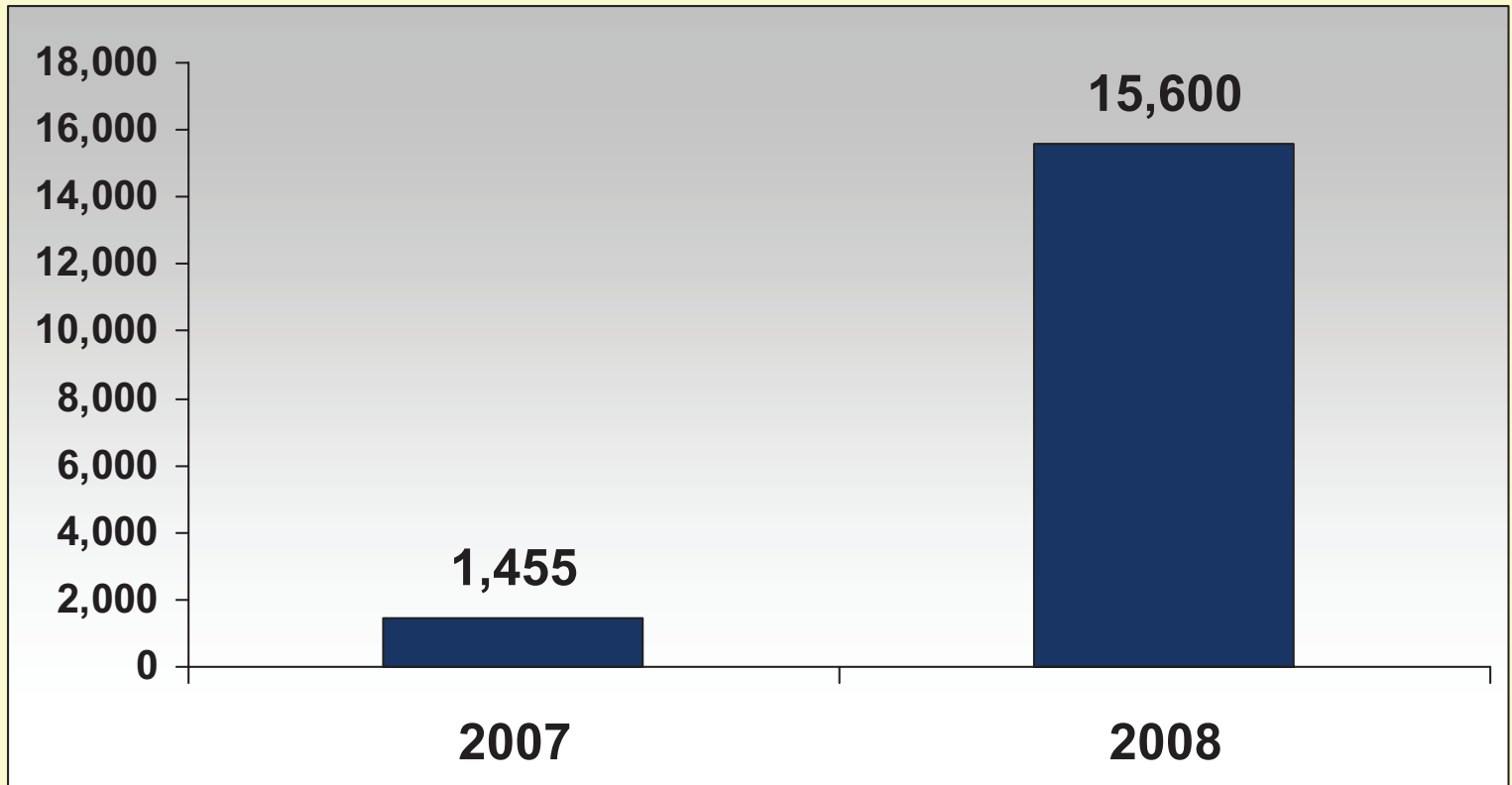
# Annual Filing Volume: Form 2290

Processing Years 2005-2008

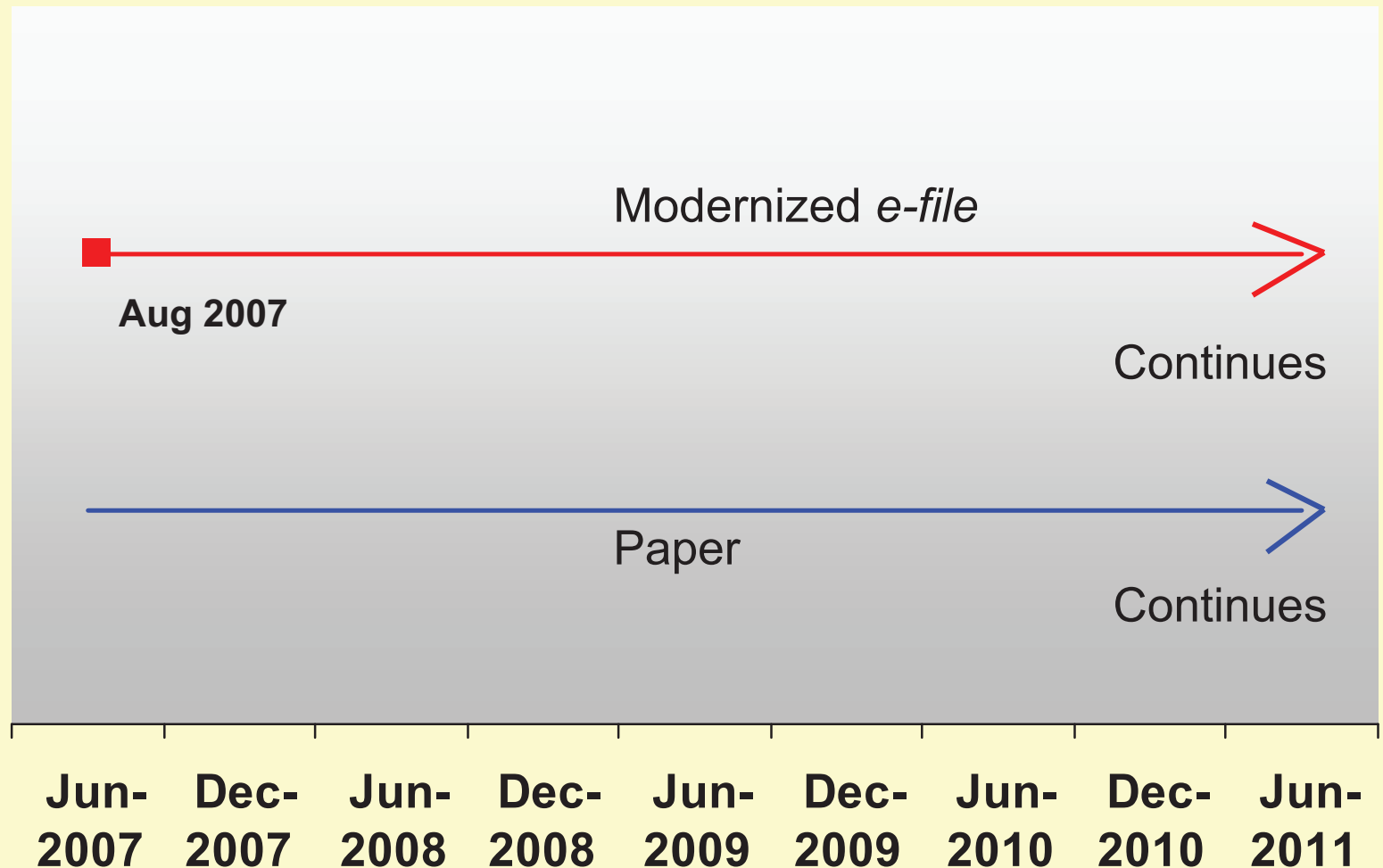


# Annual Filing Volume: Form 2290 *e-file*

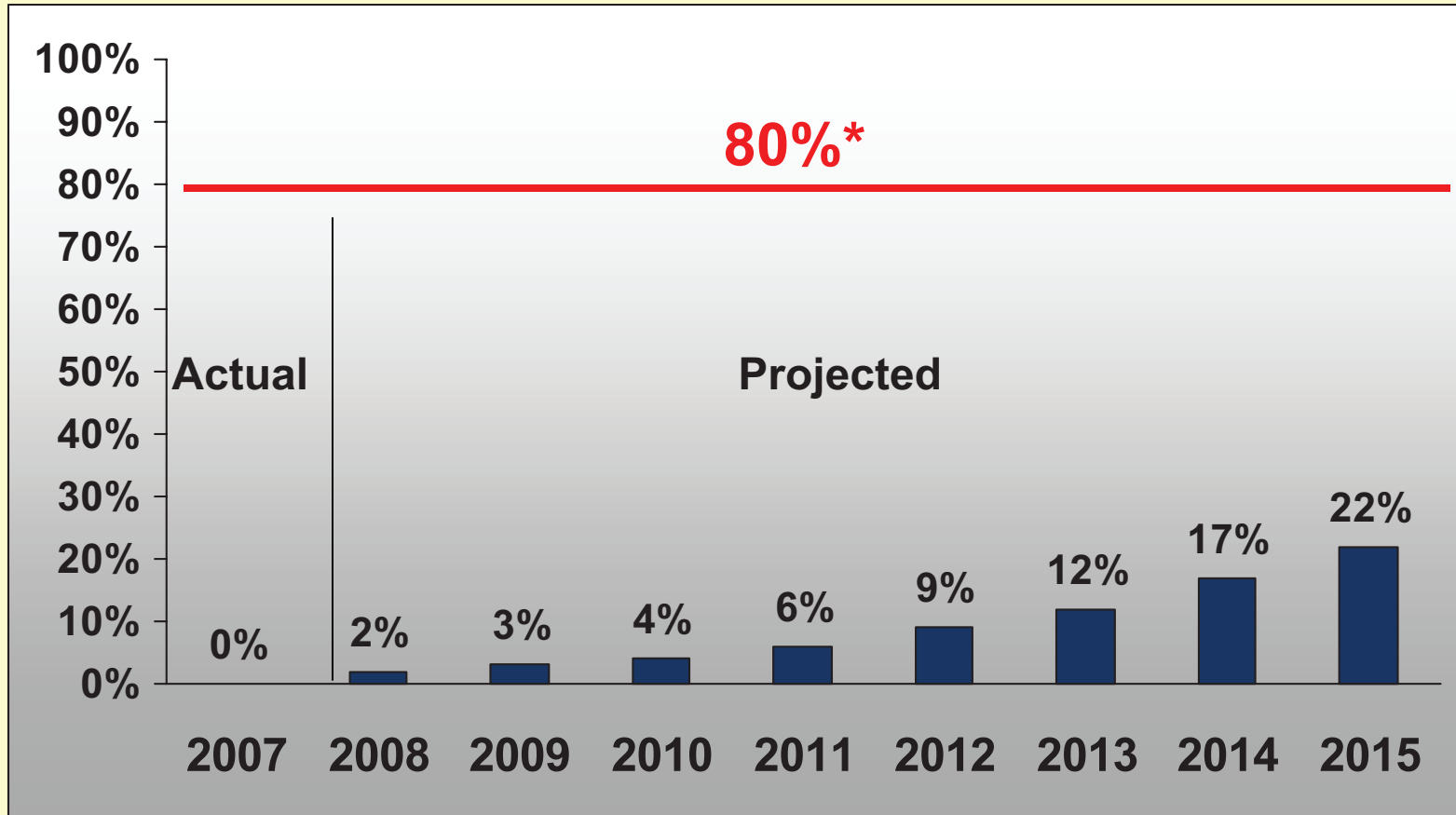
Processing Years 2007-2008



# Form 2290: Implementation Schedule

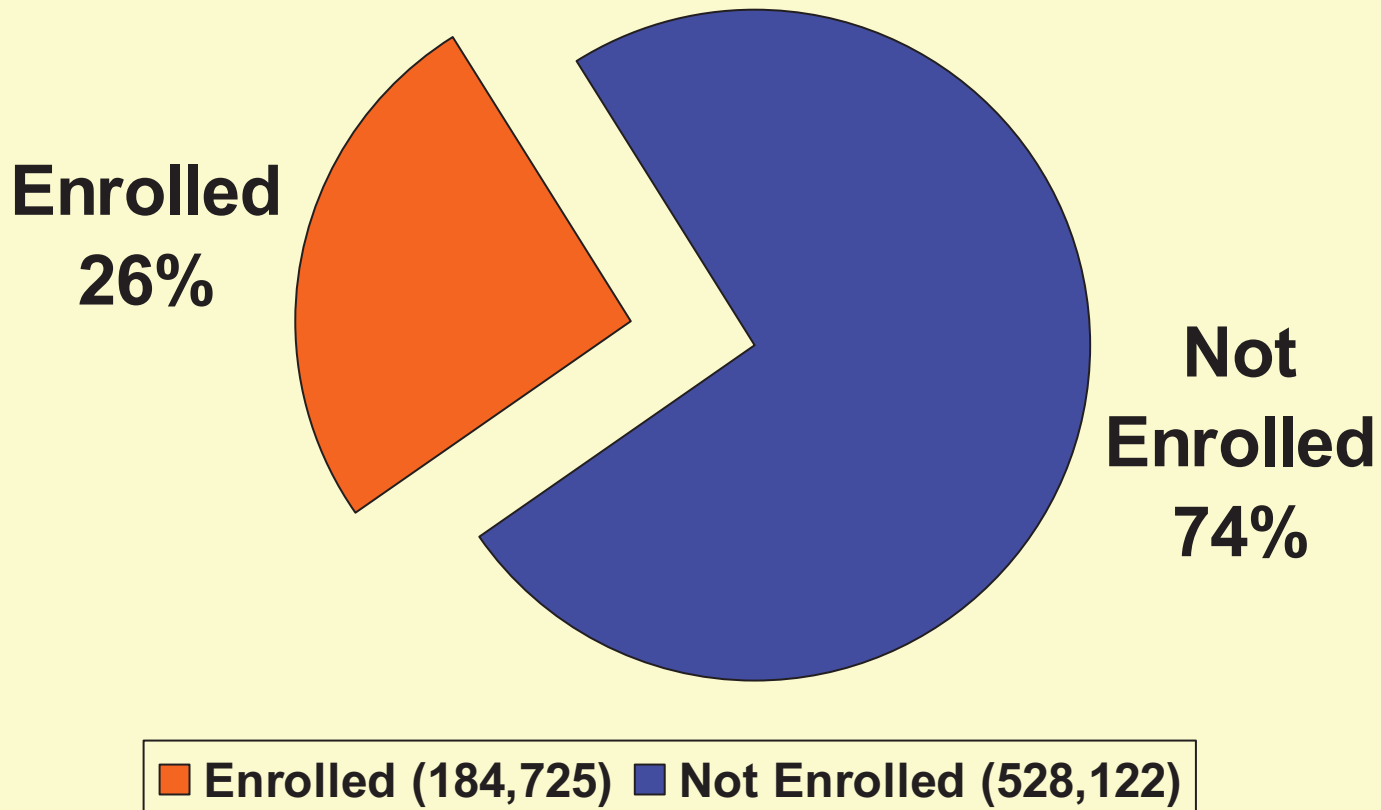


# Form 2290 Projected *e-file* Penetration Rate



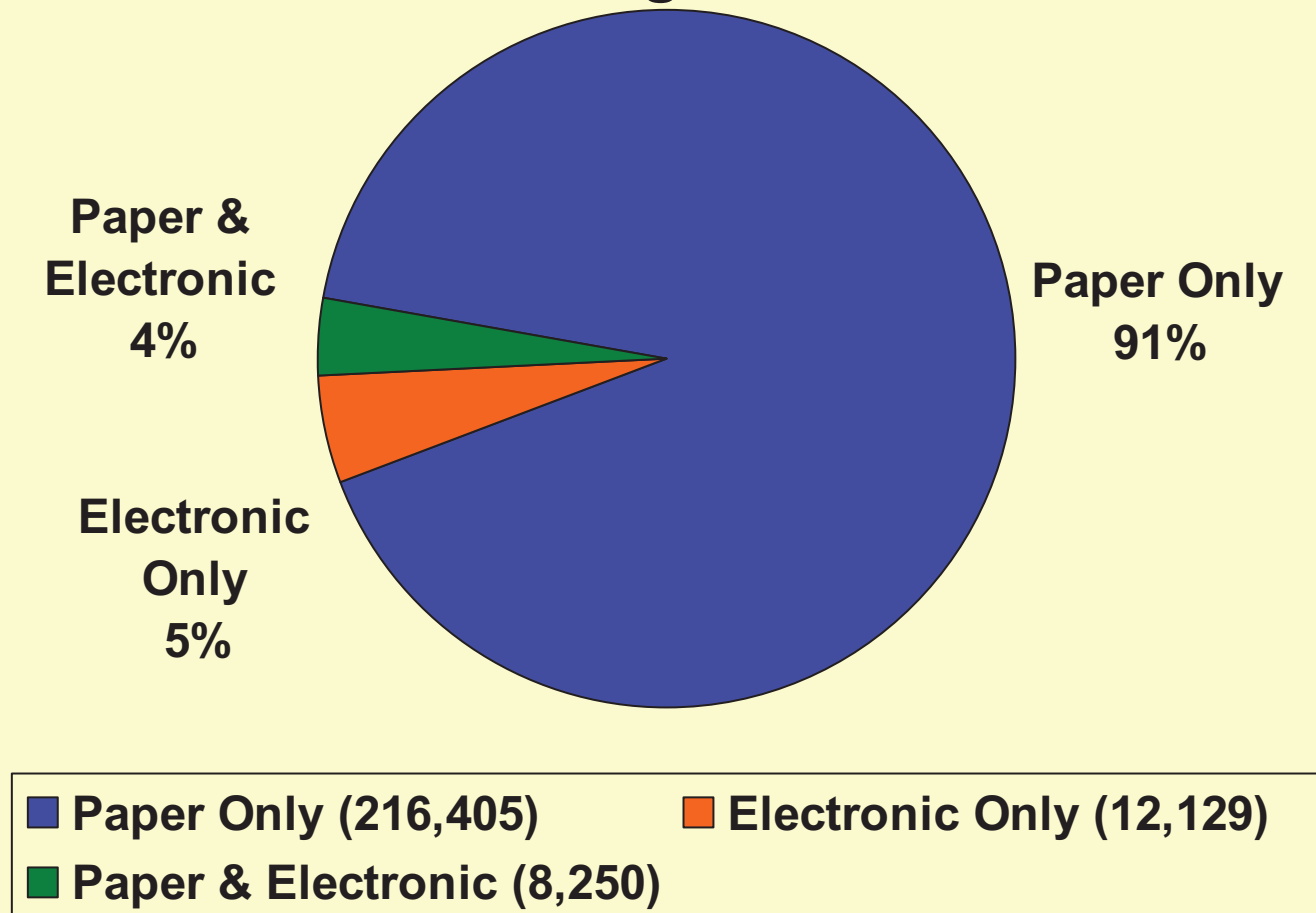
# Form 2290 Taxpayers Enrolled in EFTPS (Electronic Federal Tax Payment System)

Processing Year 2008



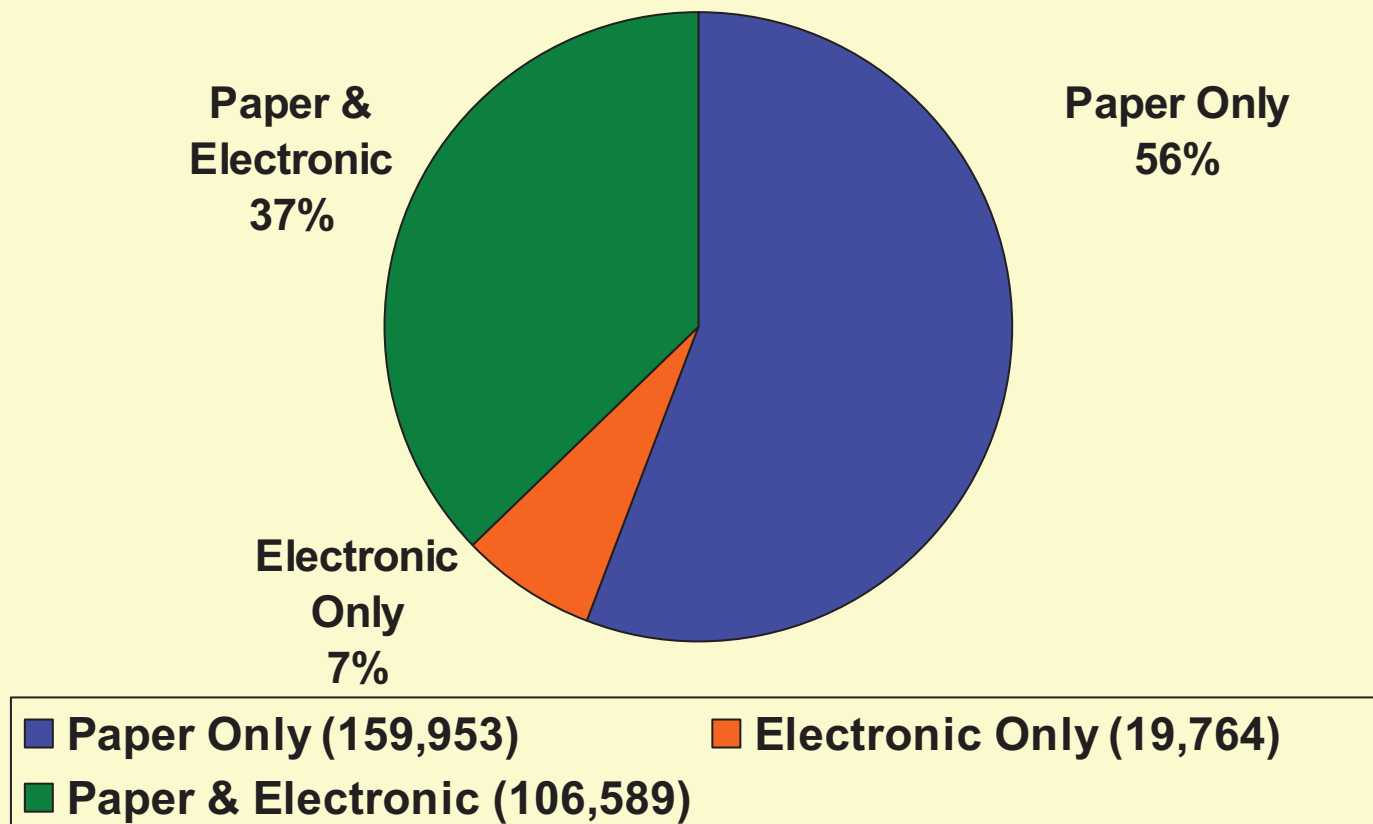
# Payment Method Used by Form 2290 Taxpayers Making 2290 Payments\*

## Processing Year 2008



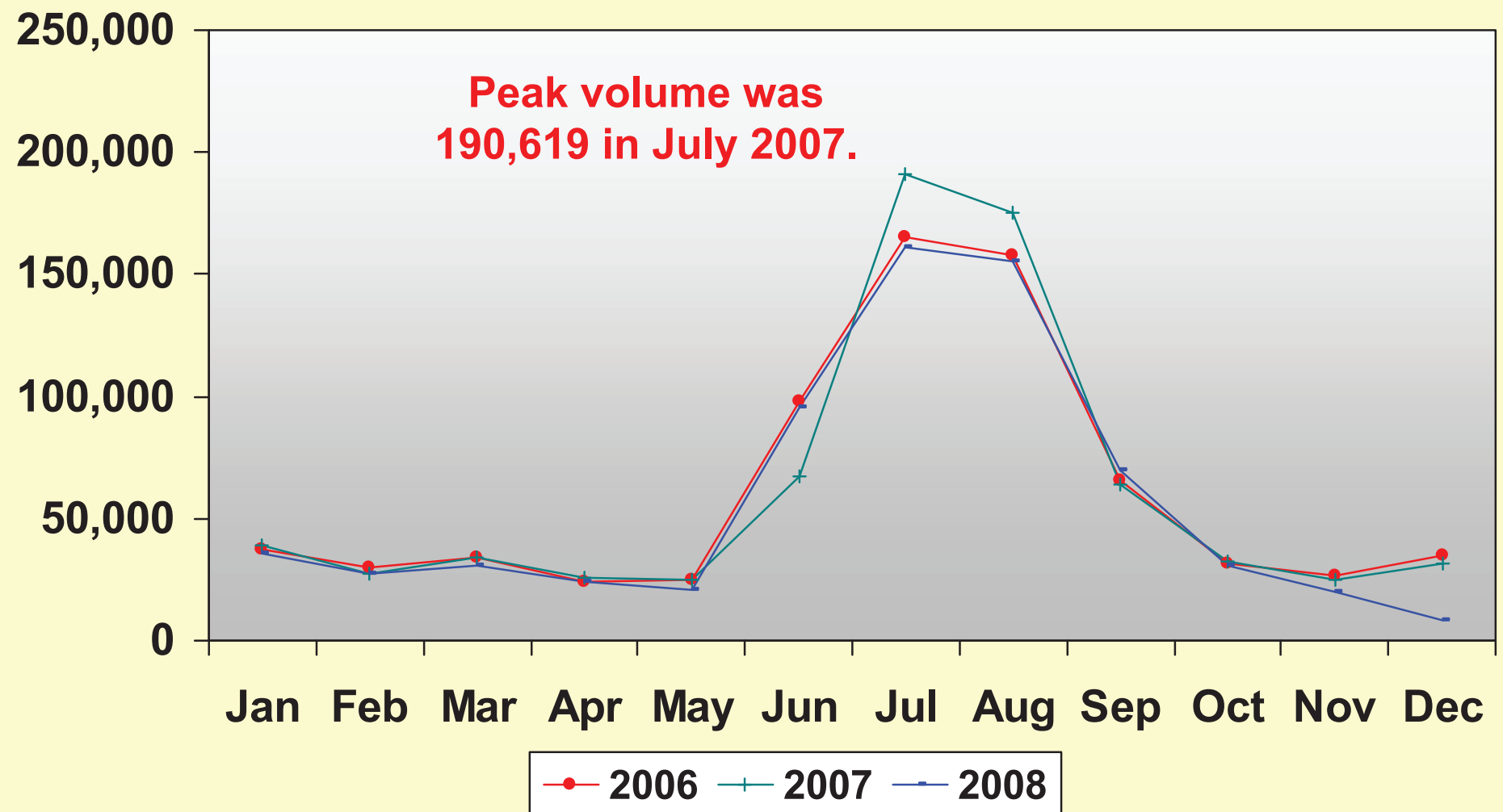
# Payment Method Used by Form 2290 Taxpayers Making Any Payments\*

Processing Year 2008



# Form 2290: Monthly Filing Patterns

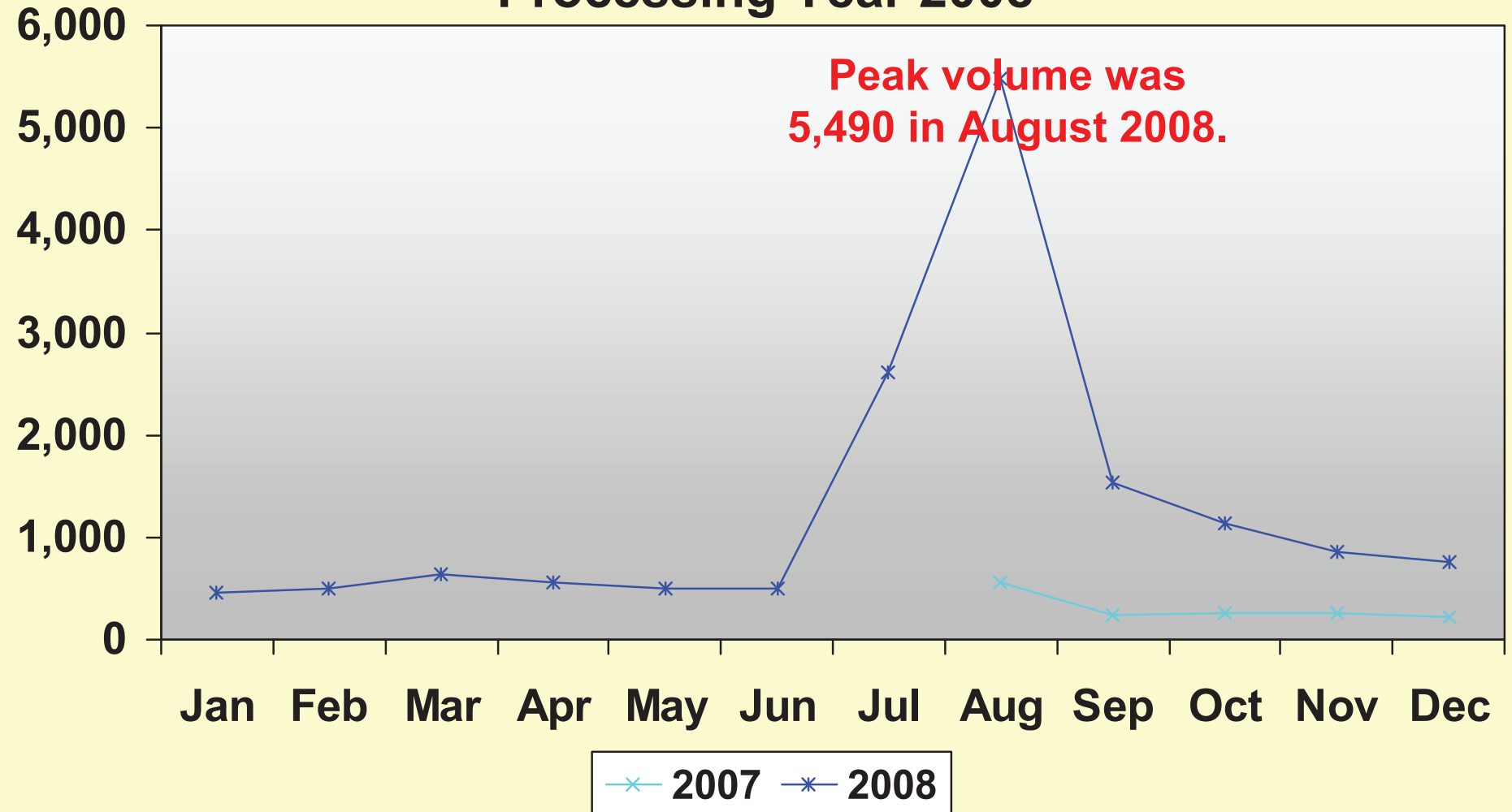
Processing Year 2008



# Form 2290

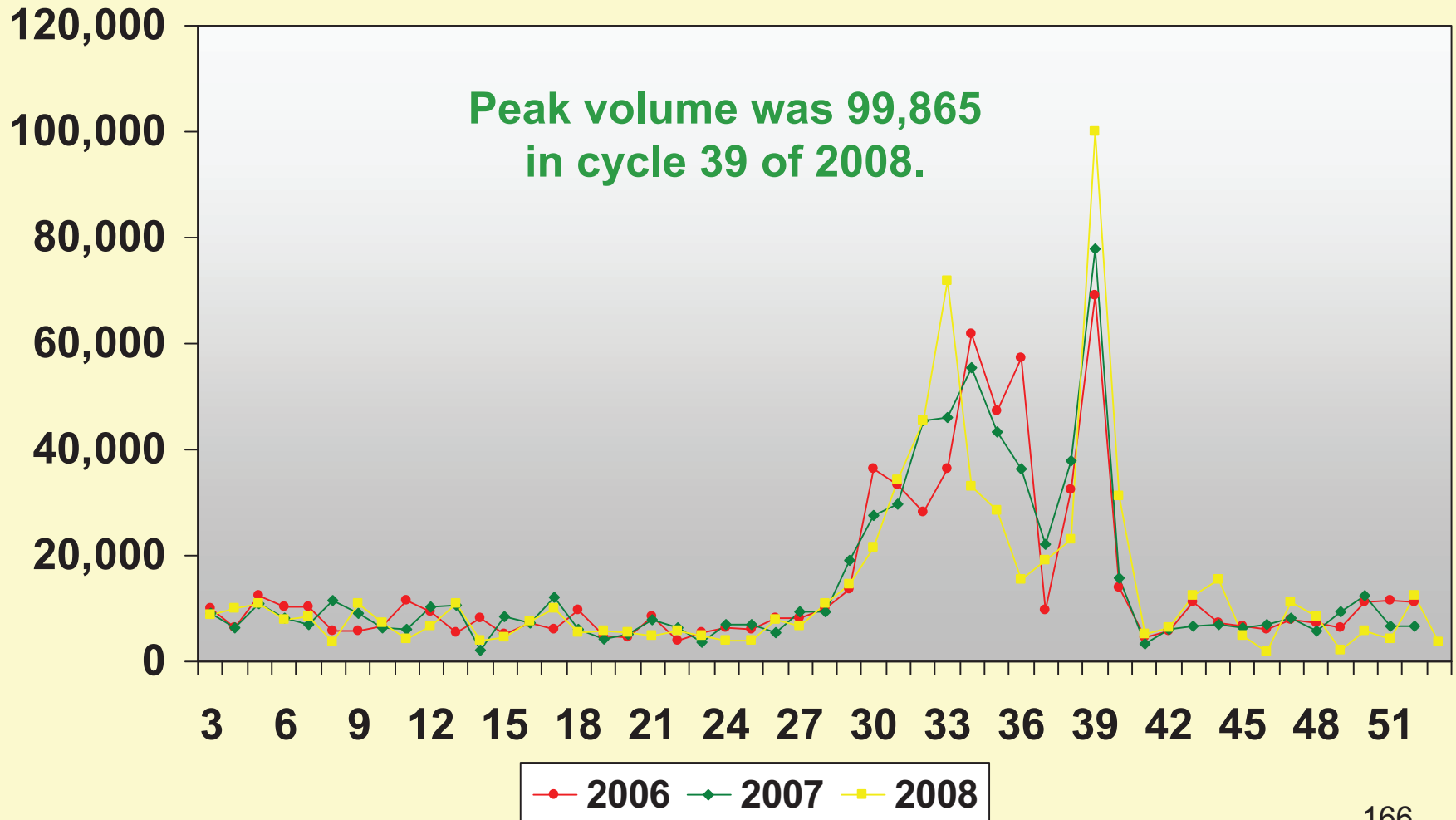
## Monthly e-file Patterns

Processing Year 2008



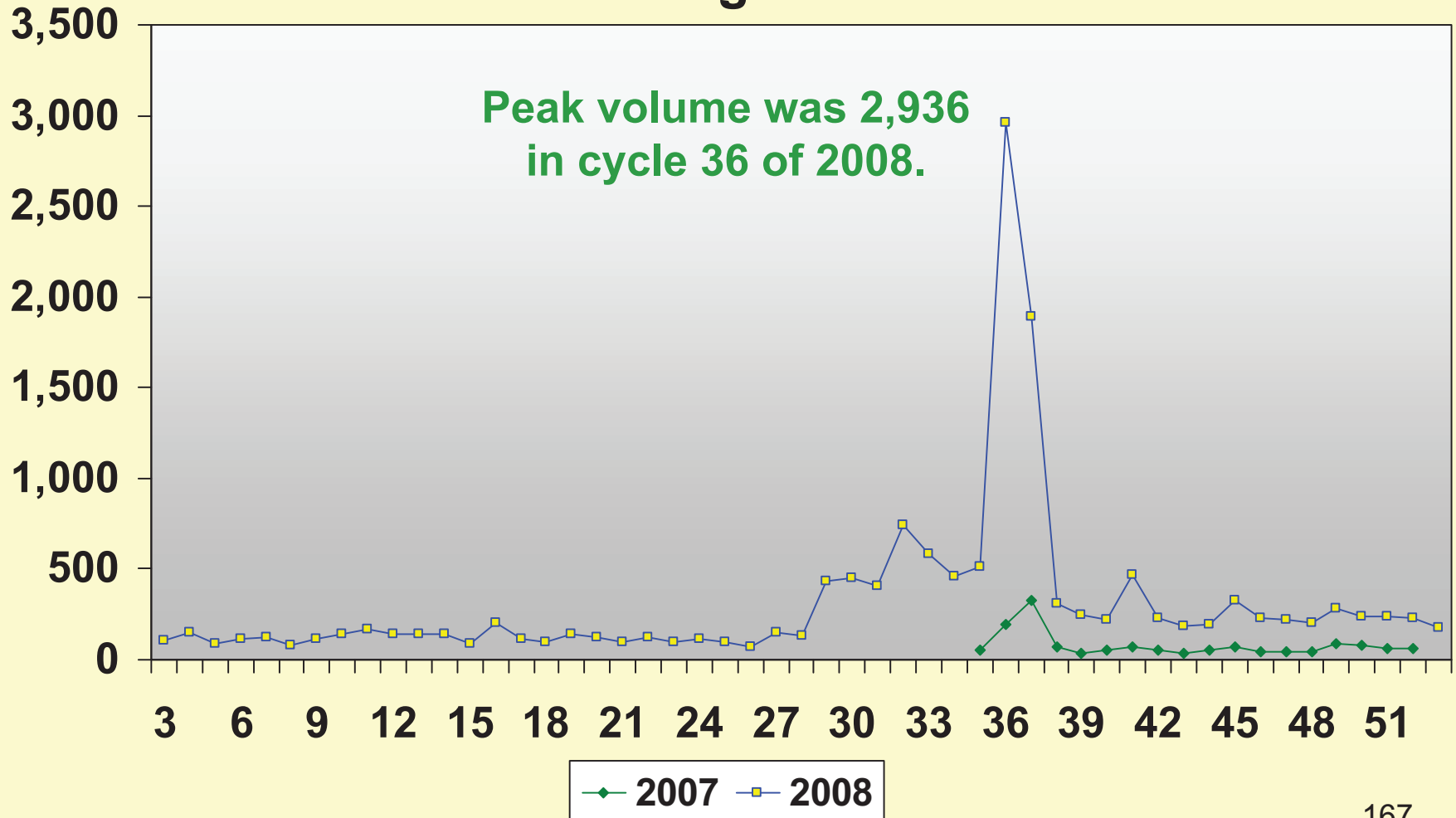
# Form 2290 Filing Patterns by Cycle Posted

## Processing Year 2008



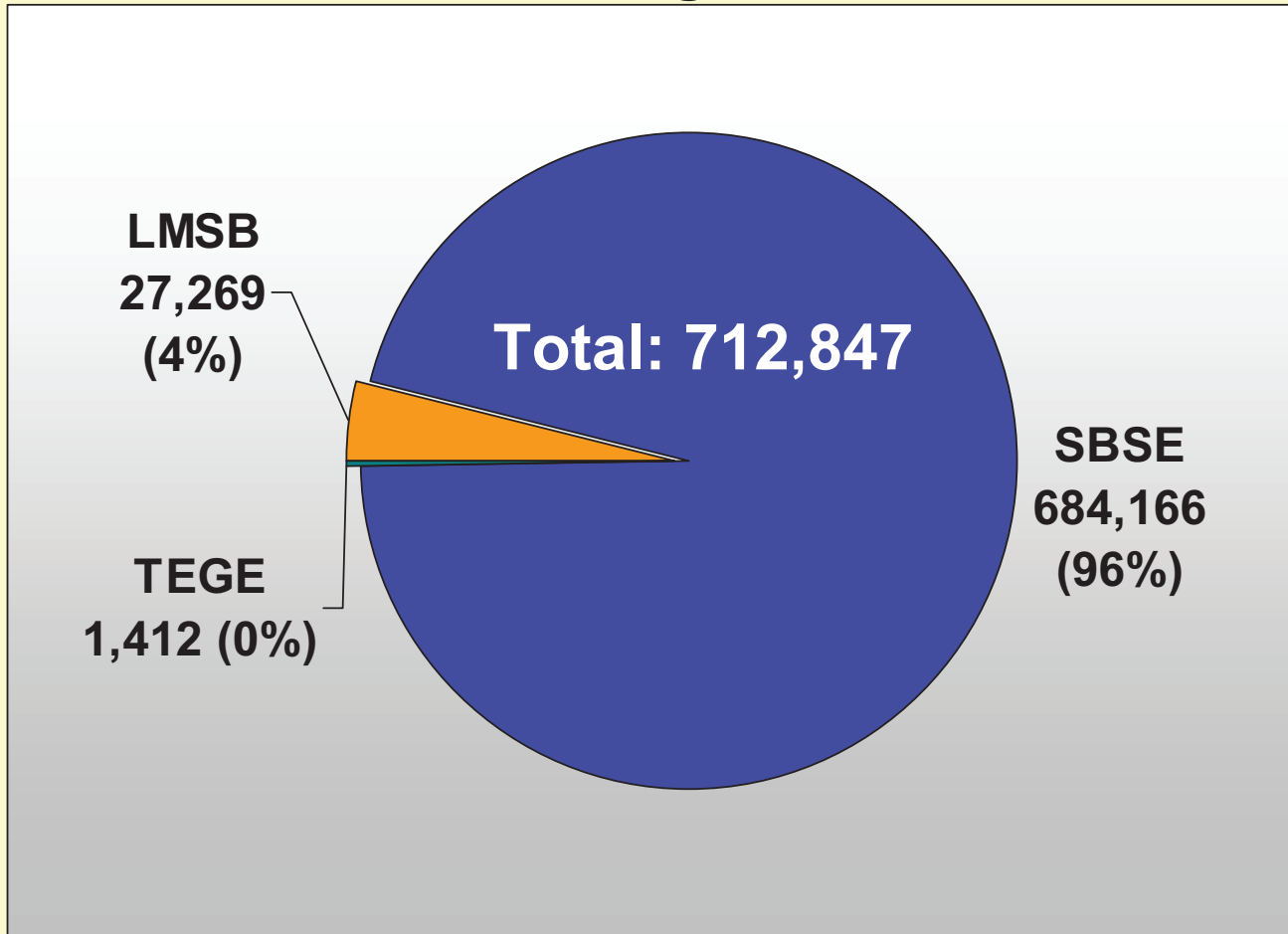
# Form 2290 e-filing Patterns by Cycle Posted

Processing Year 2008



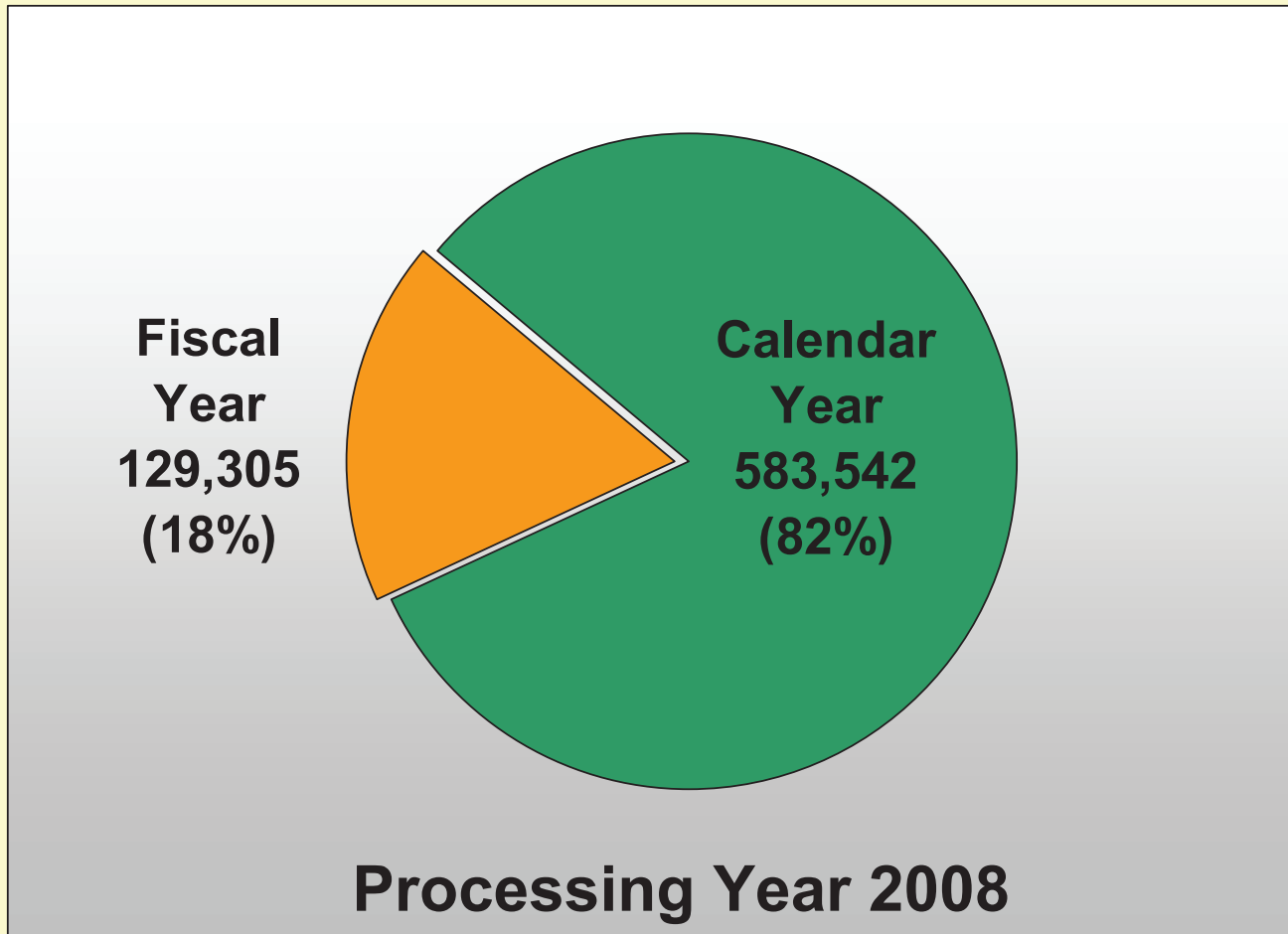
# Form 2290 Returns Filed by Business Operating Division

## Processing Year 2008



# Form 2290 Fiscal Year Returns vs. Calendar Year Returns

Total: 712,847



# Most Form 2290 Returns by NAICS

(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
<b>484000</b>	<b>Truck transportation</b>	<b>136,957</b>	<b>19%</b>
<b>484120</b>	<b>General Freight Trucking, Long-distance</b>	<b>46,645</b>	<b>7%</b>
<b>484110</b>	<b>General Freight Trucking, Local</b>	<b>32,568</b>	<b>5%</b>
<b>480000</b>	<b>Transportation</b>	<b>27,073</b>	<b>4%</b>
<b>238900</b>	<b>Other Specialty Trade Contractors</b>	<b>18,610</b>	<b>3%</b>
<b>484200</b>	<b>Specialized Freight Trucking</b>	<b>16,006</b>	<b>2%</b>
<b>111100</b>	<b>Oilseed &amp; Grain Farming</b>	<b>10,574</b>	<b>1%</b>
<b>110000</b>	<b>Agriculture, Forestry, Fishing and Hunting</b>	<b>9,918</b>	<b>1%</b>
<b>237990</b>	<b>Other Heavy and Civil Engineering Construction</b>	<b>7,162</b>	<b>1%</b>
<b>113310</b>	<b>Logging</b>	<b>5,302</b>	<b>1%</b>

\* The percentage of Form 2290 returns filed in PY 2008.

# Most e-filed Forms 2290 by NAICS

(The North American Industry Classification System - NAICS)

<b><u>CODE</u></b>	<b><u>TITLE</u></b>	<b><u>2008</u></b>	<b><u>%*</u></b>
<b>484120</b>	<b>General Freight Trucking, Long-distance</b>	<b>2,570</b>	<b>16%</b>
<b>484000</b>	<b>Truck transportation</b>	<b>2,052</b>	<b>13%</b>
<b>484110</b>	<b>General Freight Trucking, Local</b>	<b>964</b>	<b>6%</b>
<b>484200</b>	<b>Specialized Freight Trucking</b>	<b>923</b>	<b>6%</b>
<b>480000</b>	<b>Transportation</b>	<b>462</b>	<b>3%</b>
<b>238900</b>	<b>Other Specialty Trade Contractors</b>	<b>441</b>	<b>3%</b>
<b>327300</b>	<b>Cement &amp; Concrete Product Manufacturing</b>	<b>347</b>	<b>2%</b>
<b>532400</b>	<b>Commercial &amp; Industrial Machinery &amp; Equipment Rental &amp; Leasing</b>	<b>240</b>	<b>2%</b>
<b>237310</b>	<b>Highway street and Bridge Construction</b>	<b>228</b>	<b>1%</b>
<b>237990</b>	<b>Other Heavy and Civil Engineering Construction</b>	<b>213</b>	<b>1%</b>

\* The percentage of all electronic Form 1065 returns filed in PY 2008<sub>171</sub>

# Form 2290 Returns Filed by State

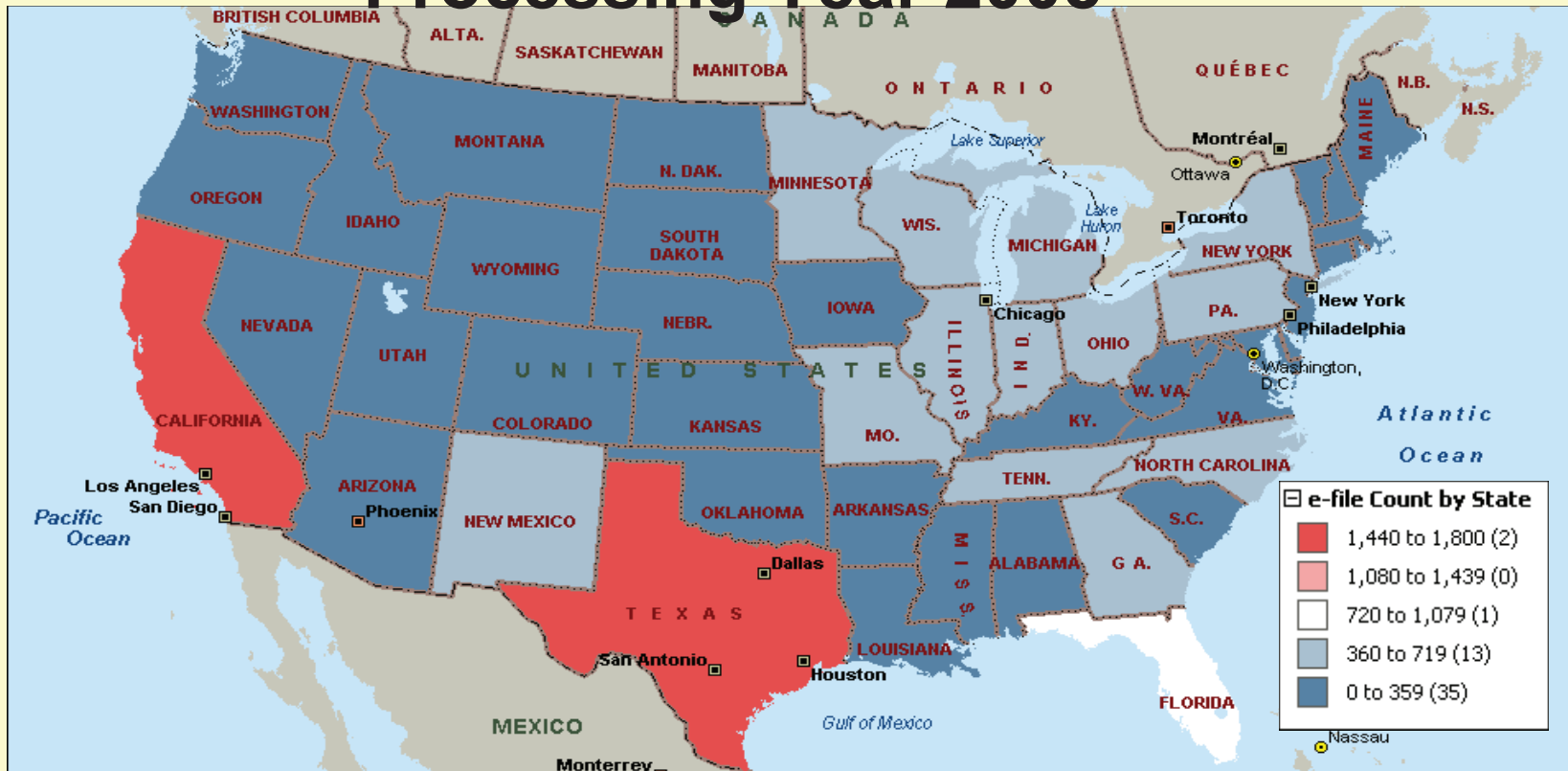
## Processing Year 2008



Alaska (AK)	793	Hawaii (HI)	790	Maine (ME)	4,234	New Jersey (NJ)	15,285	South Dakota (SD)	10,232
Alabama (AL)	13,416	Iowa (IA)	18,817	Michigan (MI)	18,130	New Mexico (NM)	4,866	Tennessee (TN)	14,564
Arkansas (AR)	11,735	Idaho (ID)	6,843	Minnesota (MN)	22,513	Nevada (NV)	3,615	Texas (TX)	57,408
Arizona (AZ)	6,373	Illinois (IL)	35,510	Missouri (MO)	18,750	New York (NY)	17,428	Utah (UT)	5,634
California (CA)	69,227	Indiana (IN)	20,162	Mississippi (MS)	9,648	Ohio (OH)	27,115	Virginia (VA)	13,354
Colorado (CO)	8,693	Kansas (KS)	12,273	Montana (MT)	6,100	Oklahoma (OK)	9,873	Vermont (VT)	1,786
Connecticut (CT)	4,257	Kentucky (KY)	12,875	North Carolina (NC)	23,346	Oregon (OR)	9,912	Washington (WA)	13,532
Delaware (DE)	1,696	Louisiana (LA)	11,202	North Dakota (ND)	10,599	Pennsylvania (PA)	26,003	Washington, DC	96
Florida (FL)	36,674	Massachusetts (MA)	7,472	Nebraska (NE)	14,652	Rhode Island (RI)	1,417	Wisconsin (WI)	16,868
Georgia (GA)	22,466	Maryland (MD)	7,806	New Hampshire (NH)	3,041	South Carolina (SC)	10,835	West Virginia (WV)	4,461
								Wyoming (WY)	2,983

# Form 2290 e-file Counts by State

## Processing Year 2008



Alaska (AK)	19	Hawaii (HI)	29	Maine (ME)	47	New Jersey (NJ)	249	South Dakota (SD)	56
Alabama (AL)	330	Iowa (IA)	344	Michigan (MI)	426	New Mexico (NM)	520	Tennessee (TN)	375
Arkansas (AR)	193	Idaho (ID)	125	Minnesota (MN)	421	Nevada (NV)	90	Texas (TX)	1,721
Arizona (AZ)	214	Illinois (IL)	610	Missouri (MO)	363	New York (NY)	394	Utah (UT)	165
California (CA)	1,730	Indiana (IN)	377	Mississippi (MS)	134	Ohio (OH)	612	Virginia (VA)	237
Colorado (CO)	306	Kansas (KS)	210	Montana (MT)	90	Oklahoma (OK)	290	Vermont (VT)	20
Connecticut (CT)	73	Kentucky (KY)	204	North Carolina (NC)	363	Oregon (OR)	213	Washington (WA)	286
Delaware (DE)	21	Louisiana (LA)	236	North Dakota (ND)	93	Pennsylvania (PA)	596	Washington (DC)	<11
Florida (FL)	805	Massachusetts (MA)	121	Nebraska (NE)	257	Rhode Island (RI)	17	Wisconsin (WI)	381
Georgia (GA)	573	Maryland (MD)	131	New Hampshire (NH)	59	South Carolina (SC)	137	West Virginia (WV)	53
								Wyoming (WY)	57

# **Form 2290 Summary (PY2008)**

- **Form 2290 *e-file* penetration rate is 2% projected to be 22% by CY2015.**
- **26% of all Form 2290 taxpayers are enrolled in EFTPS but only 9% are making any electronic payments.**