



Employment Tax Burden Survey

For Sample Use Only

Your experience matters to us.



Privacy and Paperwork Reduction Act Notice for Employment Tax 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 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 IRS Tax Products Coordinating Committee, 1111 Constitution Avenue, NW, Washington, DC 20224.

Frequently Asked Questions

Want to take the
survey on the web?

See the
back cover for
instructions.

What is this survey about?

- This survey is about the time and money your organization spent on its Tax Year 2013 employment tax returns (e.g., Forms 940 and 941) and wage statement activities (e.g., Forms W-2, W-3, W-4, 1099-MISC, and I-9).
- The survey is part of a larger effort the IRS takes to measure federal tax compliance burden for all tax paying populations, including individuals, businesses, and other entities.
- Please be assured that you will not be asked about the income or other financial details of your organization's tax return.

NOTE: A glossary and Dictionary of Forms are available at the back of this booklet.

Who should complete this survey?

- The person(s) most responsible for performing or supervising the employment tax activities for your organization should complete this survey. You may need to consult with others in your organization or pass the survey (either hard copy or username and password of the web survey) onto others in your organization. We encourage you to do either of these if needed to complete the survey most accurately.

NOTE: If your organization has separate divisions, please review the address label of this mailing to see which division was randomly selected to receive this survey.

Should I send this survey to my external tax provider?

- No, please do not forward this survey to your external service provider if you have one, because this survey concerns time and costs spent by your organization, not theirs.

Why should I participate?

- You are one of a few randomly selected employers to receive this survey. The IRS needs to hear from you so that it can identify ways to reduce burden for all employers and better understand the taxpayer burden associated with employment tax compliance.
- You will also have the opportunity to help IRS identify the most burdensome tasks associated with employment tax compliance as well as help IRS identify where duplicate reporting occurs.
- While participation is voluntary, the feedback you provide about your organization's employment tax return compliance experience will ensure employers like you are represented.

How will my answers be used?

- The focus of the survey is on how much time and money is spent on employment tax compliance. Please be assured that your responses will be used solely for research. Once all survey data have been analyzed, the IRS will make aggregate results available to the public.

How long will this survey take?

- The average time to complete this survey is estimated to be 15 to 20 minutes per response including the time for reviewing instructions, searching existing data sources, gathering the data needed, and completing the survey.

Who can I contact with questions?

For questions about the content of this survey:

- Please contact Dawn Nelson at 1-855-410-0624 or send email to IRS-ETBSurvey@westat.com.

To contact the IRS about this survey:

- Please call Tani Hunt at 206-220-5681 or send an email to Tani.N.Hunt@IRS.gov.

Si quiere usted tomar esta encuesta en español, por favor llame al 855-410-0624 o envíe un email al IRS-ETBSurvey@westat.com.



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EMPLOYMENT TAX RETURN BURDEN SURVEY

Important Note: The person(s) responsible for employment tax activities should complete this survey. If you are not the best person(s) to respond to this survey, please forward to the appropriate person(s).

Persons Involved in Tax Year 2013 Employment Tax Activities

1. The following questions are about the personnel involved in Tax Year 2013 employment tax-related activities.

For each row, please mark all that apply.

| | Owner | Employee | Contractor | Third-party provider | Other |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Who maintained the records needed for Tax Year 2013 Employment Tax Returns and W-2s ? | <input type="checkbox"/> |
| Who prepared and filed the Tax Year 2013 Employment Tax Returns and W-2s ? | <input type="checkbox"/> |
| Who completed corrections to the Tax Year 2013 Employment Tax Returns and W-2s ? | <input type="checkbox"/> |

Fees Paid to Third-Party Providers for Tax Year 2013 Employment Tax Return Services

2. Did your organization pay a third-party provider for any Tax Year 2013 employment tax return-related services?

- Yes → Go to question 3
- No → Go to question 5



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3. For which of the following services did your organization pay a third-party provider? Please mark all that apply.

- a. General Tax Year 2013 employment tax recordkeeping, including collecting, organizing, tracking, and/or creating necessary records
- b. Preparing and filing 2013 *quarterly* employment tax returns, including amended returns (e.g., Form 941, Form 941-X, and Form CT-2)
- c. Preparing and filing the 2013 *annual* employment tax returns, including amended returns (e.g., Form 940, Form 940-EZ, Form 943, Form 943-X, Form 944, Form 944-X, Form CT-1)
- d. Preparing and filing 2013 Employer's Annual Information Return of Tip Income and Allocated Tips (Form 8027)
- e. Responding to IRS notices regarding 2013 or prior-year employment tax returns
- f. Preparing and providing 2013 Forms W-2 to employees
- g. Submitting 2013 Forms W-2 to the Social Security Administration, including preparing and submitting Form W-3
- h. *Before* the Social Security Administration receives Form W-2 information: Preparing and providing *revised* 2013 Forms W-2
- i. *After* the Social Security Administration receives Form W-2 information: Preparing and providing 2013 Forms W-2c
- j. Preparing and filing 2013 Form 1099-MISC for contract workers
- k. Receiving and processing 2013 Forms I-9 for employment eligibility and Forms W-4 for withholding
- l. Other Tax Year 2013 employment tax return or wage statement activities (e.g., Printing of forms and additional reporting requirements)

Please describe:

4. What was the total amount of fees paid to a third-party provider for these Tax Year 2013 services? Please report in whole dollars only.

\$, ,
Dollars Only

4A. Of the total amount reported in Question 4, how much was specifically spent on Tax Year 2013 Form W-2 activities listed in Question 3 (i.e., 3f through 3i)? Please report in whole dollars only.

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Dollars Only

4B. Of the total amount reported in Question 4, how much was specifically spent on Tax Year 2013 Form 1099-MISC activities (i.e., 3j)? Please report in whole dollars only.

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Dollars Only

Tax Year 2013 Employment Tax Return Activities

5. Think about the time your organization spent on activities related to your Tax Year 2013 Employment Tax Returns (e.g., Form 940, 941).

Important:

- Exclude any time related to services provided by third-party providers.
- Exclude any time spent on Tax Year 2013 state or local employment tax return activities.

| TAX YEAR 2013 EMPLOYMENT TAX RETURN | TIME YOUR ORGANIZATION SPENT ON LISTED ACTIVITY | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|---|---------|--|--|--|--|-------|--|--|--|--|--|--|--|---|---------|--|--|--|
| <p>a. Recordkeeping</p> <p><i>Examples include:</i></p> <ul style="list-style-type: none"> • Tracking, collecting, and organizing records • Making special effort to obtain records | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| Hours | | | | | | | | : | Minutes | | | | | | | | | | | | | | | | | |
| <p>b. Reviewing, selecting, or learning to use off-the-shelf software</p> <p><i>If your organization did not engage in this activity for Tax Year 2013 employment tax returns, please check here <input type="checkbox"/></i></p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| Hours | | | | | | | | : | Minutes | | | | | | | | | | | | | | | | | |
| <p>c. Creating, maintaining, or updating customized tax preparation software that has been developed specifically for your organization (i.e., proprietary software)</p> <p><i>If your organization did not engage in this activity for Tax Year 2013 employment tax returns, please check here <input type="checkbox"/></i></p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| <p>d. Preparing and filing 2013 quarterly employment tax returns, including amended returns</p> <p>Form 941, Form 941-X, Form CT-2</p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| Hours | | | | | | | | : | Minutes | | | | | | | | | | | | | | | | | |
| <p>e. Preparing and filing the 2013 annual employment tax return, including amended returns</p> <p>Form 940, Form 940-EZ, Form 943, Form 943-X, Form 944, Form 944-X, Form CT-1</p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| Hours | | | | | | | | : | Minutes | | | | | | | | | | | | | | | | | |
| <p>f. Preparing and filing the 2013 Employer's Annual Information Return of Tip Income and Allocated Tips</p> <p>Form 8027</p> <p><i>If your organization did not engage in this activity for Tax Year 2013 employment tax returns, please check here <input type="checkbox"/></i></p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| <p>g. Responding to IRS notices regarding 2013 or prior-year employment tax returns</p> <p><i>Examples include:</i></p> <ul style="list-style-type: none"> • Reading the notice(s) • Providing additional documentation • Preparing response(s) • Paying or protesting additional tax and penalties <p><i>If your organization did not engage in this activity for Tax Year 2013 employment tax returns, please check here <input type="checkbox"/></i></p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| Hours | | | | | | | | : | Minutes | | | | | | | | | | | | | | | | | |
| <p>h. Preparing and depositing Tax Year 2013 withheld income and payroll taxes</p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| Hours | | | | | | | | : | Minutes | | | | | | | | | | | | | | | | | |
| <p>i. Other Tax Year 2013 employment tax return activities</p> <p><i>Please describe:</i> _____</p> | <table border="1"> <tr> <td style="width: 20px; height: 20px;"></td> </tr> <tr> <td colspan="8" style="text-align: center;">Hours</td> <td style="text-align: center;">:</td> <td colspan="4" style="text-align: center;">Minutes</td> </tr> </table> | | | | | | | | | | | | | Hours | | | | | | | | : | Minutes | | | |
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| Hours | | | | | | | | : | Minutes | | | | | | | | | | | | | | | | | |

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6. Please think only about those in your organization who are responsible for employment tax-related activities. What is their average hourly pay rate? Please provide your best estimate in whole dollars only.

\$ Average hourly rate
Dollars Only

Tax Year 2013 Wage Statement Activities

7. Think about the time your organization spent on activities related to your Tax Year 2013 Employee Wage Statements (Form W-2) and Contractor Information Returns (Form 1099-MISC).

Important:

- Exclude any time related to services provided by third-party providers.
- Exclude any time spent on Tax Year 2013 state or local wage statement activities.

TAX YEAR 2013 WAGE STATEMENT

TIME YOUR ORGANIZATION SPENT ON LISTED ACTIVITY

a. Preparing and providing 2013 Forms W-2 to employees

:
Hours Minutes

b. Submitting 2013 Forms W-2 to the Social Security Administration, including preparing and submitting Form W-3

:
Hours Minutes

c. Before the Social Security Administration receives Form W-2 information: Preparing and providing revised 2013 Forms W-2

:
Hours Minutes

Examples include:

- Addressing recipient issues
- Requesting and tracking down missing or erroneous data
- Researching and sending information to third-party providers
- Issuing amended Forms W-2 to employees

d. After the Social Security Administration receives Form W-2 information: Preparing and providing 2013 Forms W-2c

:
Hours Minutes

Examples include:

- Addressing recipient issues
- Requesting and tracking down missing or erroneous data
- Researching and sending information to third-party providers
- Issuing corrected documents to recipients
- Submitting Forms W-2c and Form W-3c to IRS

If your organization did not engage in this activity for Tax Year 2013 employment tax returns, please check here

e. Preparing and filing 2013 Forms 1099-MISC for contract workers

:
Hours Minutes

If your organization did not engage in this activity for Tax Year 2013 employment tax returns, please check here

f. Receiving and processing 2013 Forms I-9 for employment eligibility, Form W-4 for withholding, and Form W-11 affidavit for new hires

:
Hours Minutes

g. Answering general questions from employees about Tax Year 2013 employment tax-related issues

:
Hours Minutes

h. Other Tax Year 2013 wage statement activities

Please describe: _____

:
Hours Minutes



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8. Think about your organization's internal, *non-labor* costs for all Tax Year 2013 employment tax return and wage statement activities, such as paper, postage, equipment, and software.

What was the total amount spent on these items for Tax Year 2013 employment tax return and wage statement activities?

Important:

- Exclude costs associated with labor hours.
- Exclude costs related to services provided by third-party providers.

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Dollars Only

9. Of the total amount reported in Question 8, how much was for purchasing, creating, or updating tax-specific software (either off-the-shelf or customized) for Tax Year 2013 employment tax return and wage statement activities?

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Dollars Only

10. Do your employees have the option to import their W-2 information directly into their software-prepared returns?

Yes No Don't know

11. The IRS uses the term "duplicative reporting" to describe the experience of having to report the same information more than once. What has been your experience with duplicative reporting?

12. Considering all aspects of employment tax activities, what do employers find to be the most difficult part of complying with IRS's reporting regulations?

13. Tell us about you

Department name: _____ Job title: _____

| Form | Title | Description |
|----------------------------|--|---|
| Glossary | | |
| | Contractor | An individual or business under contract to perform day-to-day work as set forth in the contract. The contractor retains control over much of the work process. |
| | Employee | An individual who is hired for a wage, salary, or other payment to perform work on behalf of the employer. An employee's earnings are reported on Form W-2. |
| | Employment tax return activities | Employment tax return activities refers to all activities associated with preparation and filing of Forms 940 and 941. Question 5 on the survey details these activities. |
| | Owner | An individual who owns and operates a business. In the case of a corporation or S corporation, this individual may also be an employee of the business, but his or her primary connection to the business is as an owner. |
| | Third-party provider | A professional organization engaged by an employer to provide services in the name of the employer. An example of a third-party provider is a payroll service engaged by an employer to print its Forms W-2. |
| | Wage statement activities | Wage statement activities refers to all activities associated with preparation and filing of wage statements such as Forms W-2, W-2c, W-3, W-3c, 1099-MISC, and I-9. Question 7 on the survey details these activities. |
| Dictionary of Forms | | |
| 940 | Employer's Annual Federal Unemployment (FUTA) Tax Return | Form 940 is used to report annual Federal Unemployment Tax Act (FUTA) tax. |
| 940-EZ | Employer's Annual Federal Unemployment (FUTA) Tax Return | Form 940-EZ is used to report FUTA tax when unemployment contributions were paid to only one state, all state unemployment contributions were paid by January 31, and all wages that were taxable for FUTA tax were also taxable for your state's unemployment tax. |
| 941 | Employer's QUARTERLY Federal Tax Return | Form 941 is filed quarterly by employers who withhold income taxes, social security tax, or Medicare tax from employee's paychecks or who must pay the employer's portion of social security or Medicare tax. |
| 941-X | Adjusted Employer's QUARTERLY Federal Tax Return or Claim for Refund | Form 941-X is used to correct errors on a Form 941 that was previously filed. |
| 943 | Employer's Annual Federal Tax Return for Agricultural Employees | Form 943 is filed if you paid wages to one or more farmworkers and the wages were subject to social security and Medicare taxes or federal income tax withholding. |

| Form | Title | Description |
|---|--|---|
| Dictionary of Forms <i>continued</i> | | |
| 943-X | Adjusted Employer's Annual Federal Tax Return for Agricultural Employees or Claim for Refund | Form 943-X is used to correct errors on a previously filed Form 943 (e.g., Income tax withheld from wages, taxable social security wages, taxable Medicare wages, advance earned income credit (EIC) payments made to employees (for years ending before January 1, 2011), credits for COBRA premium assistance payments, credit for qualified employer's share of social security tax on wages paid to qualified employees March 19 - 31, 2010, and exemption for qualified employer's share of social security tax on wages paid to qualified employees April 1 - December 31, 2010.) |
| 944 | Employer's ANNUAL Federal Tax Return | Form 944 is designed so the smallest employers (those whose annual liability for social security, Medicare, and withheld federal income taxes is \$1,000 or less) will file and pay these taxes only once a year instead of every quarter. |
| 944-X | Adjusted Employer's ANNUAL Federal Tax Return or Claim for Refund | Form 944-X is used to correct errors on a Form 944 that you previously filed. |
| 1099-MISC | Miscellaneous Income | Form 1099-MISC is used for trade or business reporting only. Form 1099-MISC is used only when payments are made in the course of your trade or business. Personal payments are not reported on Form 1099-MISC. |
| 8027 | Employer's Annual Information Return of Tip Income and Allocated Tips | Form 8027 is used by large food or beverage establishments when they are required to make annual reports to the IRS on receipts from food or beverage operations and tips reported by employees. |
| CT-1 | Employer's Annual Railroad Retirement Tax Return | Form CT-1 is used to report taxes imposed by the Railroad Retirement Tax Act (RRTA). |
| CT-2 | Employee Representative's Quarterly Railroad Tax Return | Form CT-2 is used to report railroad retirement taxes imposed on compensation received by employee representatives. |

| Form | Title | Description |
|---|---|--|
| Dictionary of Forms <i>continued</i> | | |
| I-9 | Transmittal of Corrected Wage and Tax Statements | Form I-9 is used for verifying the identity and employment authorization of individuals hired for employment in the United States. All U.S. employers must ensure proper completion of Form I-9 for each individual they hire for employment in the United States. This includes citizens and noncitizens. Both employees and employers (or authorized representatives of the employer) must complete the form. On the form, an employee must attest to his or her employment authorization. |
| W-2 | Wage and Tax Statement | Every employer engaged in a trade or business who pays remuneration, including noncash payments of \$600 or more for the year (all amounts if any income, social security, or Medicare tax was withheld) for services performed by an employee must file a Form W-2 for each employee (even if the employee is related to the employer) from whom income, social security, or Medicare tax was withheld. |
| W-2c | Corrected Wage and Tax Statement | Form W-2c is used to correct errors on Form W-2, W-2AS, W-2CM, W-2GU, W-2VI, or W-2c filed with the Social Security Administration (SSA). |
| W-3 | Transmittal of Wage and Tax Statements | A Form W-3 Transmittal is completed only when paper Copy A of Form(s) W-2, Wage and Tax Statement, is being filed. Do not file Form W-3 alone. |
| W-3c | Transmittal of Corrected Wage and Tax Statements | Form W-3c is used to transmit Copy A of Form(s) W-2c, Corrected Wage and Tax Statement. |
| W-4 | Employee's Withholding Allowance Certificate | Form W-4 is used so that employers can withhold the correct federal income tax from employee pay. |
| W-11 | Hiring Incentives to Restore Employment (HIRE) Act Employee Affidavit | Employers use this form to confirm that an employee is a qualified employee under the HIRE Act. |

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.

Web Survey Instructions

1 Go to the website.

To take the survey online, please go to:

www.IRS-ETBSurvey.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 855-410-0624 or send an email to IRS-ETBSurvey@westat.com

