



Employment Tax Burden Survey

For Sample Use Only

Your experience matters to us.

ETB

Employment Tax Burden Survey

Frequently Asked Questions

What is the Employment Tax Burden Survey?

This survey is about the time and money your organization spent on its Tax Year 2017 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.

A Glossary and Dictionary of Forms are available at the back of this booklet.

Who should complete this survey?

The individual most responsible for performing or supervising the employment tax activities for your organization should complete this survey. Please feel free to consult with others to complete the survey. 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 service provider or contractor?

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

How was my organization selected for this survey?

You are one of a few randomly selected organizations to receive this survey.

How will my answers be used?

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

Why should I participate?

While participation is voluntary, information about your organization's employment tax return compliance experience will help the IRS reduce taxpayer burden. We encourage you to take a few minutes of your time to participate. By doing so, you will make sure employers like yours are represented. You will also have the opportunity to help IRS identify the most burdensome tasks associated with employment tax compliance.

How long will this survey take?

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

Who can I contact with questions?

If you have questions about the content of this survey please contact Betsy Kaeberle at Westat by phone at 1-855-549-3558 or send an email to IRS-ETBSurvey@westat.com. If you would like to speak to someone at the IRS, please email Scott Leary at Scott.P.Leary@irs.gov. To read the official IRS announcement regarding this survey, please visit the following URL on the IRS website:
<https://www.irs.gov/statistics/2017-employment-tax-burden-survey>.

Web Survey Instructions

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

1. Go to the website.

To take the survey online, please go to:

www.IRS-ETBSurvey.org

2. Log in.

You will need the following PIN to access the survey:

PIN: [PIN]

Problems?

If you have any technical difficulties, including problems with the website, please call 1-855-549-3558 or send an email to IRS-ETBSurvey@westat.com.

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Instructions:

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

Mark ☒ to indicate your answer.

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

Persons Involved in Tax Year 2017 Employment Tax Activities

1. The following questions are about the persons involved in your organization's Tax Year 2017 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).

For each row, mark all that apply.

	Owner	Employee(s)	External service provider or contractor	Other
A. <u>Who maintained the records needed for your organization's Tax Year 2017 employment tax returns and wage statement activities?</u>	☐	☐	☐	☐
B. <u>Who prepared and filed your organization's Tax Year 2017 employment tax returns and wage statement activities?</u>	☐	☐	☐	☐



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Fees Paid to External Service Providers or Contractors for Tax Year 2017 Employment Tax Return Services

2. For which of the following services did your organization pay an external service provider or contractor?

Mark all that apply.

- ☐ a. General Tax Year 2017 employment tax recordkeeping, including collecting, organizing, tracking, and/or creating necessary records
- ☐ b. Preparing and filing Tax Year 2017 *quarterly* employment tax returns, including amended returns (e.g., Form 941, Form 941-X, and Form CT-2)
- ☐ c. Preparing and filing the Tax Year 2017 *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 Tax Year 2017 Employer's Annual Information Return of Tip Income and Allocated Tips (Form 8027)
- ☐ e. Preparing and depositing Tax Year 2017 withheld income and payroll taxes
- ☐ f. Responding to IRS notices regarding Tax Year 2017 or prior-year employment tax returns
- ☐ g. Preparing and providing Tax Year 2017 Forms W-2 to employees
- ☐ h. Submitting Tax Year 2017 Forms W-2 to the Social Security Administration, including preparing and submitting Form W-3
- ☐ i. *Before* the Social Security Administration receives Form W-2 information: Preparing and providing revised Tax Year 2017 Forms W-2
- ☐ j. *After* the Social Security Administration receives Form W-2 information: Preparing and providing Tax Year 2017 Forms W-2c
- ☐ k. Preparing and filing Tax Year 2017 Form 1099-MISC for contract workers
- ☐ l. Receiving and processing Tax Year 2017 Forms I-9 for employment eligibility and Forms W-4 for withholding
- ☐ m. Other Tax Year 2017 employment tax return or wage statement activities (e.g., printing of forms and additional reporting requirements), *please describe*:

☐ n. Did not use an external service provider or contractor → **Skip to Question 4**

3. How much money did your organization spend on all external service providers or contractors for the Tax Year 2017 services you marked in Question 2?

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Dollars Cents

☐ Did not use an external service provider or contractor

- 3A. Of the amount in Question 3, how much was spent only on the Tax Year 2017 Form W-2 services you marked in Question 2 (i.e., 2g through 2j)?

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Dollars Cents

☐ Did not use an external service provider or contractor

- 3B. Of the amount in Question 3, how much was spent only on the Tax Year 2017 Form 1099-MISC services you marked in Question 2 (i.e., 2k)?

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Dollars Cents

☐ Did not use an external service provider or contractor

Tax Year 2017 Employment Tax Return Activities

4. How much time did your organization spend on the following activities related to your Tax Year 2017 Employment Tax Returns (e.g., Forms 940 and 941)? We will ask about wage statement activities later.

This time is for in-house staff only, not any external service providers or contractors. Please feel free to consult with others to complete these questions. If you do not know the exact amount, please provide your best estimate.

TAX YEAR 2017 EMPLOYMENT TAX RETURN ACTIVITY

TIME YOUR ORGANIZATION SPENT ON LISTED ACTIVITY

A. Recordkeeping

Include time spent on activities such as:

- Tracking, collecting, and organizing records such as payroll and employee benefits
- Making special effort to obtain records

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Hours Minutes

☐ No time spent

B. Reviewing, selecting, or learning to use off-the-shelf software

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Hours Minutes

☐ No time spent



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4. (Continued from previous page.) How much time did your organization spend on the following activities related to your Tax Year 2017 Employment Tax Returns (e.g., Forms 940 and 941)? We will ask about wage statement activities later.

This time is for in-house staff only, not any external service providers or contractors.

TAX YEAR 2017 EMPLOYMENT TAX RETURN ACTIVITY

TIME YOUR ORGANIZATION SPENT ON LISTED ACTIVITY

- C. Creating, maintaining, or updating customized or proprietary tax preparation software that has been developed specifically for your organization

				:		
Hours					Minutes	

☐ No time spent

- D. Preparing and filing Tax Year 2017 *quarterly* employment tax returns, including amended returns (e.g., Form 941, Form 941-X, Form CT-2)

				:		
Hours					Minutes	

☐ No time spent

- E. Preparing and filing the Tax Year 2017 *annual* employment tax return, including amended returns (e.g., Form 940, Form 940-EZ, Form 943, Form 943-X, Form 944, Form 944-X, Form CT-1)

				:		
Hours					Minutes	

☐ No time spent

- F. Preparing and filing the Tax Year 2017 Employer's Annual Information Return of Tip Income and Allocated Tips (Form 8027)

				:		
Hours					Minutes	

☐ No time spent

- G. Preparing and depositing Tax Year 2017 withheld income and payroll taxes

				:		
Hours					Minutes	

☐ No time spent

- H. Responding to IRS notices regarding Tax Year 2017 or prior-year employment tax returns

Include time spent on activities such as:

- Reading the notice(s)
- Providing additional documentation
- Preparing response(s)
- Paying or protesting additional tax and penalties

				:		
Hours					Minutes	

☐ No time spent

- I. Other Tax Year 2017 employment tax return activities, please describe:

				:		
Hours					Minutes	

☐ No time spent

Tax Year 2017 Wage Statement Activities

5. How much time did your organization spend on the following activities related to your Tax Year 2017 Employee Wage Statements (Form W-2) and Contractor Information Returns (Form 1099-MISC)?

This time is for in-house staff only, not any external service providers or contractors. Please feel free to consult with others to complete these questions. If you do not know the exact amount, please provide your best estimate.

TAX YEAR 2017 WAGE STATEMENT ACTIVITY

TIME YOUR ORGANIZATION SPENT ON LISTED ACTIVITY

- A. Preparing and providing Tax Year 2017 Forms W-2 to employees

				:		
Hours					Minutes	

☐ No time spent

- B. Submitting Tax Year 2017 Forms W-2 to the Social Security Administration, including preparing and submitting Form W-3

				:		
Hours					Minutes	

☐ No time spent

- C. *Before the Social Security Administration receives Form W-2 information: Preparing and providing revised Tax Year 2017 Forms W-2*

Include time spent on activities such as:

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

				:		
Hours					Minutes	

☐ No time spent

- D. *After the Social Security Administration receives Form W-2 information: Preparing and providing Tax Year 2017 Forms W-2c*

Include time spent on activities such as:

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

				:		
Hours					Minutes	

☐ No time spent

- E. Preparing and filing Tax Year 2017 Forms 1099-MISC for contract workers

				:		
Hours					Minutes	

☐ No time spent

- F. Receiving and processing Tax Year 2017 Forms I-9 for employment eligibility and Forms W-4 for withholding

				:		
Hours					Minutes	

☐ No time spent



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5. (Continued from previous page.) How much time did your organization spend on the following activities related to your Tax Year 2017 Employee Wage Statements (Form W-2) and Contractor Information Returns (Form 1099-MISC)?

This time is for in-house staff only, not any external service providers or contractors.

TAX YEAR 2017 WAGE STATEMENT ACTIVITY**TIME YOUR ORGANIZATION
SPENT ON LISTED ACTIVITY**

- G. Answering general questions from employees about Tax Year 2017 employment tax-related issues

				:		
Hours					Minutes	

☐ No time spent

- H. Other Tax Year 2017 wage statement activities, *please describe*:

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				:		
Hours					Minutes	

☐ No time spent

6. Think only about those in your organization who are responsible for employment tax return and wage statement activities. If all of your employment tax return and wage statement activities are managed entirely by an external service provider or contractor and you do not have employees in your organization responsible for these tasks, select "not applicable."

What is the average hourly pay rate of employees responsible for employment tax return and wage statement activities? If you do not know the exact amount, please provide your best estimate.

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 /Hour

Dollars Cents

☐ Not Applicable

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7. Think about your organization's internal, non-labor costs for all Tax Year 2017 employment tax return and wage statement activities.

Do NOT include money your organization spent on external service providers or contractors.

- 7A. How much money, if any, did your organization spend during Tax Year 2017 on purchasing, creating, or updating tax-specific software (either off-the-shelf or customized) for employment tax return and wage statement activities?

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Dollars Cents

☐ No money spent

- 7B. How much money, if any, did your organization spend during Tax Year 2017 on electronic submissions, photocopies, tax research services, tax publications and journals, transportation, postage, or IRS user fees for employment tax return and wage statement activities?

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Dollars Cents

☐ No money spent

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

- ☐ Yes
☐ No
☐ Don't know

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

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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 4 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.
	External service provider	A professional organization engaged by an employer to provide services in the name of the employer. An example of an external service 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 5 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, total wages subject to additional Medicare Tax withholding, and credits for COBRA premium assistance payments.)
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.
I-9	Employment Eligibility Verification	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).

Form	Title	Description
Dictionary of Forms <i>continued</i>		
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.

Thank you for completing our survey.

Privacy and Paperwork Reduction Act Notice for Employment Tax Burden Data Collection

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

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

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

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

OMB No: 1545-2212. This report is authorized under the Paperwork Reduction Act. Data collected will be shared with IRS staff, but your responses will be used for research and aggregate reporting purposes only and will not be used for other non-statistical or non-research purposes such as direct enforcement activities. The information that you provide will be protected to the fullest extent allowable under the Freedom of Information Act (FOIA). Public reporting burden for this collection of information is estimated to average 15 to 20 minutes, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Special Services Section, SE:W:CAR:MP:T:M:S, Room 6129, 1111 Constitution Avenue, NW, Washington, DC 20224

