

# Findings From Task 154 The BMF Satisfaction Surveys –

## *Form 940 e-file– Employers Annual Federal Unemployment Tax Return*



Prepared for:

**The Internal Revenue Service  
and  
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## Background & Purpose

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- As BMF *e-file* products are developed, the IRS is commissioning annual quantitative customer satisfaction research to determine levels of satisfaction with the products. The first of these BMF Customer Satisfaction Surveys, conducted last March, covered *Form 941*. The latest of the satisfaction surveys (reported under Task 154) covers two new business e-file products -- **Form 1065 e-file** and **Form 940 e-file**, while also addressing **Transmitter/Software Developer** satisfaction with each BMF e-file product.
- The purpose of this satisfaction research program is to provide the IRS with quantitative data and analysis to assist with making policy decisions on how to expand the volumes of electronic business transactions. In addition, the research will be used to assist with resource allocation decisions related to influencing practitioner information and public acceptance of IRS Electronic Tax Administration programs. Specifically, the IRS intends to use this data when making decisions on the development of future ETA business products and effective marketing techniques. As such, the research will supplement previous studies conducted by the IRS, which have been qualitative in nature; and the research will provide a level of detail needed to focus product development efforts, enhance current products, and indicate appropriate targeted marketing strategies. In general, findings from the satisfaction research program will assist IRS in marketing IRS *e-file* for Business products and in reaching overall *e-file* usage goals.
- Each satisfaction survey is reported separately. Following are findings from the **Form 940 e-file Satisfaction Study**.

## Research Objectives, Method, Scope & Timing

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- The **specific objectives** of the Form 940 *e-file* Benchmark Customer Satisfaction Survey were to:
  1. Establish baseline satisfaction levels among **940 e-file Users**.
    - This to allow future tracking of changes in satisfaction with the electronic Form 940 product.
  2. Secure any new ideas that **Users** would like the IRS to explore in terms of electronic filing of Form 940 *e-file*.
  3. And determine why **Eligible Non-Users** of 940 *e-file* are not using the product and what the IRS can do to stimulate their usage.
- This study was conducted during the period of **2/1/02 through 3/6/02**, and consisted of **1000 telephone interviews**, 250 allocated among 940 *e-file* Users and 750 among Eligible Non-Users.
  - All respondents were drawn from lists provided by the IRS. Working from these lists, in about 96% of the cases, the interviewee was a business owner while in the remaining cases (only 4%), the interviewee was an external preparer of the form to whom we were referred when calling into companies on the IRS lists. Thus, there is analysis of Non-Users in total and not by Owners vs. Preparers (as planned after the kick-off meeting).

## Areas of Investigation

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- **Among the Form 940 e-file Users :**

- Quantify levels of customer satisfaction and dissatisfaction with the Form 940 *e-file* products.
- Identify satisfaction and dissatisfaction among key firmographic segments.
- Measure respondent knowledge of ETA business products (name recognition).
  
- Identify perceived strengths and weaknesses of IRS's current electronic options, (i.e., what is IRS NOT doing that the customers would like to see done).
  
- Justify the strengths and weaknesses identified.
- Evaluate the registration process that allows participants to use the system.
- Identify opportunities for future ETA business product development.
- Identify the effectiveness of IRS publications related to ETA business products.

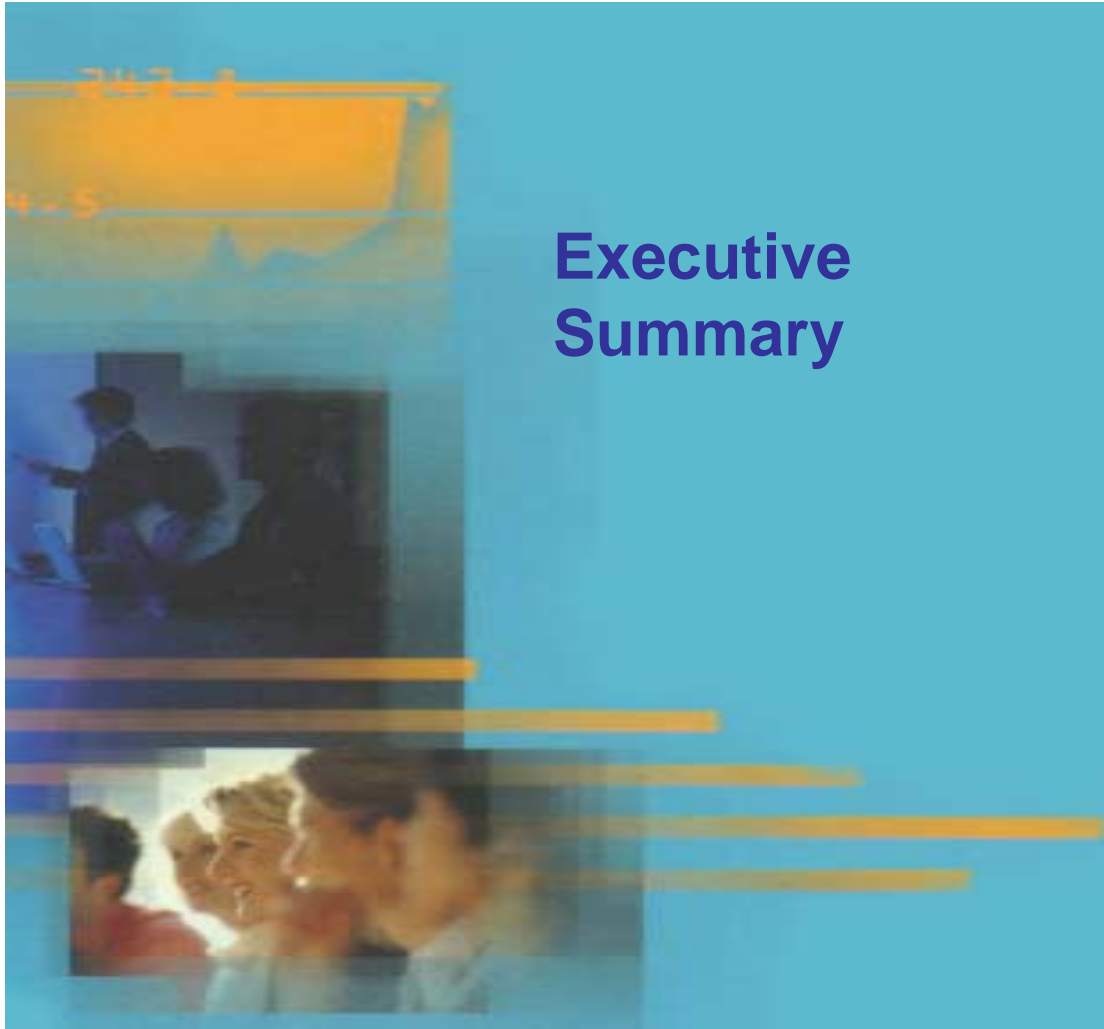
- **Among Form 940 e-file Eligible Non-Users :**

- Quantify levels of awareness of eligibility to *e-file* Form 940.
- Identify unaided and aided reasons for not e-filing Form 940.
- Identify opportunities for the IRS to increase the likelihood of using Form 940 *e-file*.
- Evaluate the registration process that allows participants to use the system.
- Identify opportunities for future ETA business product development.
- Identify how other Business Tax Forms are filed.

## Statistical Notation

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- The following statistical notation is used to guide understanding of the data collected in this study:
  - A circle is used to highlight significant differences between comparable sub-groups (at a 95% confidence level -- 2-tailed test).
  - A box is used to highlight directional differences between comparable sub-groups (at a 90% confidence level -- 2-tailed test).
  - ⌊ Dashed boxes are also sometimes used to highlight groups of data.
  - \*\* A double asterisk cautions the reader to an extremely small base size of less than 30. These size bases are too small for conventional statistical testing and are considered unreadable in terms of guidance. They are shown in this report only to provide a full report all responses.
  - # Indicates less than ½ of 1%.



# Executive Summary

# Executive Summary

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Summarizing key findings from the 2002 Benchmark 940 *e-file* Satisfaction Survey...

## Findings Among 940 *e-file* Users:

- 94% of all Users rated themselves satisfied with 940 *e-file*, with an unusually high 82% “very satisfied”.
  - Satisfaction was equally high among all sizes of firms.
- About nine out of ten Users *liked something* about 940 *e-file*. The product’s main appeal was being *easier, more convenient* than paper filing of the form.
- In line with the high satisfaction ratings, only 14% of all Users thought Form 940 *e-file* could be improved -- though this was somewhat higher among the larger companies interviewed (at 17%) than among the smaller firms (12%). The few suggestions for improvement offered here centered around the IRS making 940 *e-file* simpler and easier.
- Ratings of specific attributes of 940 *e-file* showed that Users were very satisfied with all aspects of the product except its *being easy to learn*, where satisfaction dropped to the two-thirds level (vs. 80% plus for all other aspects of 940 *e-file*).
- While only about one-half of the Users recalled 940 pubs, forms, and instructions (because of either lack of awareness or low impact of the materials), two-thirds of those who *did* recall these documents rated them “very” or “somewhat” helpful. Those rating the materials very/somewhat helpful said it was mainly because of the amount of, and clarity of, the instructions. The few rating them not helpful said it was mainly because they were hard to understand or that the language was difficult to follow.



## Executive Summary (Cont'd.)

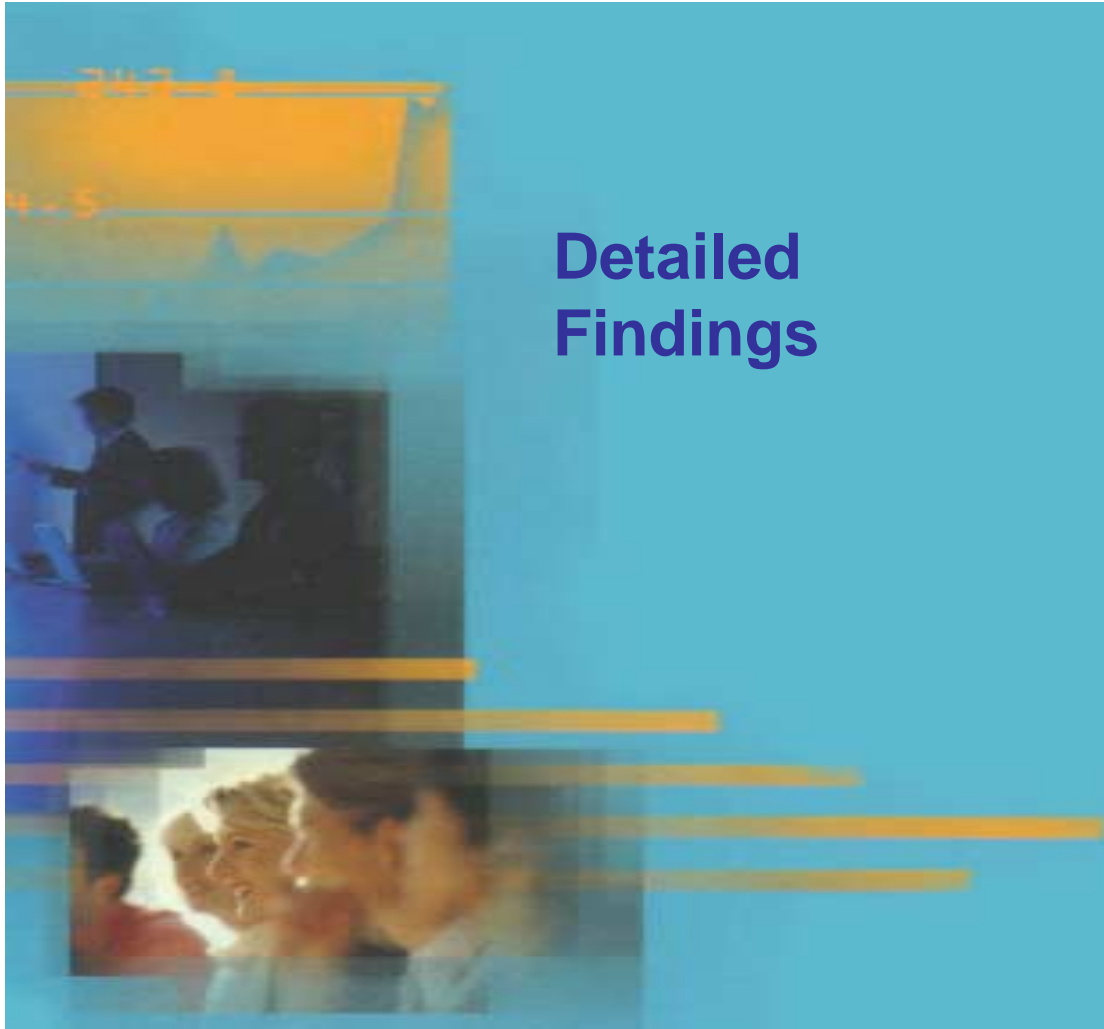
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### Findings Among 940 e-file Non-Users

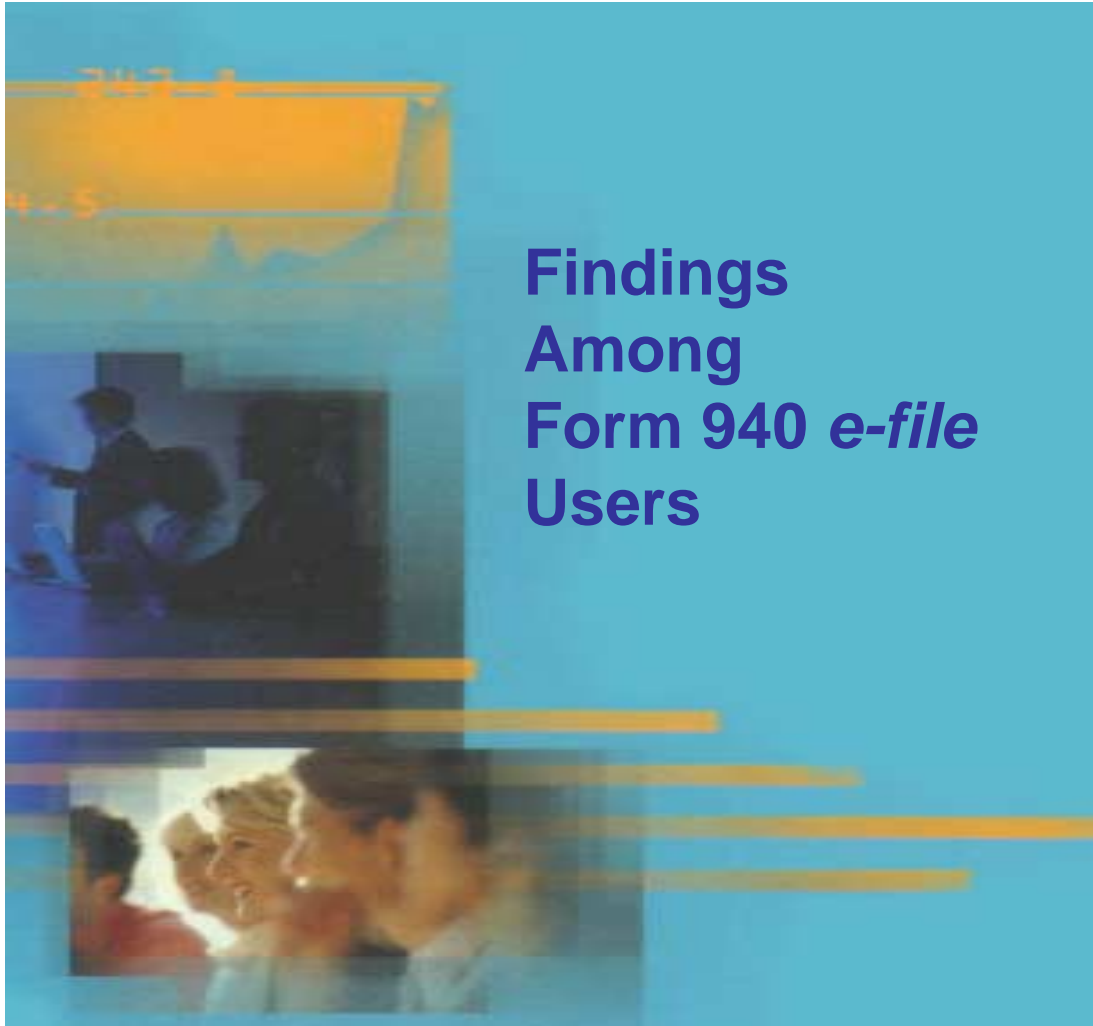
- Among Non-Users of 940 e-file, two-thirds (65%) were aware that they could have e-filed their 940s. It was interesting to note that there was higher awareness of eligibility among those who told us later they were not likely to use the product.
- Reasons for non-use of 940 e-file split mainly between a *lack of belief in its ease of use* and *not having the right computer equipment*, followed by *preferring paper* and then *security issues*.
- After being read a description of 940 e-file, 50% of all Non-Users indicated that they were likely to use it -- higher among those who prior to the interview had not been aware that they were eligible to use it. Ratings based on this description showed that Non-Users expect 940 e-file to be *easy to learn, paper-less, inexpensive, easy to use, and private/secure*, with lower ratings of it being *better than other methods, a time-saver, or more accurate*.

### Summarizing findings from measures taken from both Users and Non-Users...

- 17% of Users (and 20% of Non-Users) were familiar with the 940 e-file registration process and did not consider it difficult.
- We see a correlation between e-filing one business form and e-filing other business forms. Asked which other Federal business tax forms they would *like* to file electronically, 24% mentioned others -- mainly form 941.
- Only 38% had any suggestion for IRS improvement of business filing forms -- with no outstanding mentions.
- Finally, profiling shows that 940 e-file Users (compared to Non-Users) are more likely to have a computer with modem and are more likely to be Internet-connected, and that they include more of the larger firms and firms with higher revenues.



# Detailed Findings



**Findings  
Among  
Form 940 *e-file*  
Users**

## User Satisfaction With 940 e-file

- In the key measure of satisfaction, we found that in total, 94% of all Form 940 e-file Users rated themselves satisfied with this product, with 82% “very satisfied”. These high satisfaction ratings occurred among both the smaller firms interviewed here (less than 10 employees) and the larger firms (10+ employees).

	<u>Total</u> (250) %	<u>--- # Of Employees---</u>	
		<u>Less</u> <u>Than 10</u> (135) %	<u>Or More</u> (109) %
Total 940 e-file Users			
<b><u>Top-2 Box Rating (net)</u></b>	<b><u>94</u></b>	<b><u>94</u></b>	<b><u>94</u></b>
Very Satisfied	82	82	83
Somewhat Satisfied	12	12	11
Somewhat Dissatisfied	1	1	2
Very Dissatisfied	1	1	1
Don't Know/No Answer	4	4	3

Q. 6 – Overall, how satisfied were you with 940 e-file as a method of filing Form 940? Were you...(Very Satisfied, Somewhat Satisfied, Somewhat Dissatisfied, Very Dissatisfied)

## Specific Likes About Form 940 e-file

- About nine out of ten of all respondents (of both companies sizes) said they *liked something* about 940 e-file. The main like among all groups was that 940 e-file is *easier, more convenient* than paper filing of the form.

	Total (250) %	--- # Of Employees---	
		Less Than 10 (135) %	10 Or More (109) %
Total 940 e-file Users			
<b><u>Liked Something</u></b>	<b><u>88</u></b>	<b><u>87</u></b>	<b><u>89</u></b>
<b><u>Ease/Convenience (net)</u></b>	<b><u>55</u></b>	<b><u>61</u></b>	<b><u>48</u></b>
Hassle/worry free	10	14	6
No work/hands off	8	10	5
Simple	5	4	6
Easy to use/convenient (n.s.)	27	29	24
<b><u>Process (net)</u></b>	<b><u>24</u></b>	<b><u>24</u></b>	<b><u>25</u></b>
Faster	14	14	14
<b><u>Filed Externally/Someone Else Does It</u></b>	<b><u>20</u></b>	<b><u>18</u></b>	<b><u>25</u></b>
<b><u>Liked Nothing</u></b>	<b><u>6</u></b>	<b><u>7</u></b>	<b><u>5</u></b>

Q. 7 – What specifically did you like about using 940 e-file to file Form 940?

## Can 940 e-file Be Improved?

- In line with the extremely high satisfaction ratings noted earlier, only 14% of all Users thought Form 940 e-file could be improved -- though this was somewhat higher among the larger companies interviewed (at 17%) than among the smaller firms (12%).

	<u>Total</u> (250) %	<u>--- # Of Employees---</u>	
		<u>Less Than 10</u> (135) %	<u>10 Or More</u> (109) %
Total 940 e-file Users			
<b><u>Yes</u>, 940 e-file Can Be Improved</b>	14	12	17
<b><u>No</u>, 940 e-file Can Not Be Improved</b>	59	60	57
Don't Know Whether It Can Be Improved	27	28	26

Q. 8 – In your opinion, can 940 e-file be improved as a method of filing Form 940? (Yes/No)

## How Can 940 e-file Be Improved?

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- With such a small base of respondents saying 940 e-file should be improved, we looked at the verbatim suggestions for improvement and found that many of the suggestions centered around the IRS making Form 940 e-file simpler and easier.

### **How Can 940 e-file Be Improved**

SMALL BASES (35 PEOPLE) – VERBATIMS REPORTED ONLY

- *Direct confirmation of receipt by IRS/Make sure it gets to the IRS (2 Total Mentions)*
- *Simplify it (2)*
- *Have an electronic signature*
- *Improve Quickbooks*
- *Incorporate all business e-file products together*
- *Change tax laws (2)*
- *Make format easier to understand and use (3)*
- *Make it shorter so it doesn't take so long (2)*
- *Make it more cost effective/let me keep more money (3)*
- *Make instructions easier to understand*
- *Anything web-enabled is good*
- *Like accountant software and e-file*
- *Nothing (5)*
- *Everything (3)*
- *Don't Know (7)*

Q. 9 – If Yes in Q. 8, What specifically was hard to understand or unclear?

## Satisfaction With Aspects of 940 e-file

- Ratings of specific attributes of 940 e-file showed that Users were quite satisfied with all aspects of the product except its *being easy to learn*, where satisfaction dropped to the two-thirds level (vs. 80% plus for all other aspects of 940 e-file).

	Total (250) %	--- # Of Employees---	
		Less Than 10 (135) %	10 Or More (109) %
Total 940 e-file Users			
<b><u>Top-2 Box Rating (Very/Somewhat Satisfied)</u></b>			
<b>Being Paper-less</b>	<b>88</b>	<b>90</b>	<b>87</b>
<b>Being A Time-Saver</b>	<b>88</b>	<b>90</b>	<b>88</b>
<b>Being Easy To Use, With Little Hassle</b>	<b>84</b>	<b>86</b>	<b>84</b>
<b>Being A More Accurate Way To File 940</b>	<b>83</b>	<b>85</b>	<b>83</b>
<b>Being A Private And Secure Way To File 940</b>	<b>83</b>	<b>85</b>	<b>82</b>
<b>Being An Inexpensive Method Of Filing 940</b>	<b>83</b>	<b>82</b>	<b>87</b>
<b>Compared To Other Methods Of Filing 940</b>	<b>80</b>	<b>82</b>	<b>79</b>
<b>Being Easy To Learn</b>	<b>66</b>	<b>66</b>	<b>67</b>

Q. 10 – Please rate how satisfied you were with 940 e-file in terms of each of the following characteristics. For each characteristic, please tell me if you were...(Very Satisfied, Somewhat Satisfied, Somewhat Dissatisfied, Very Dissatisfied)



## Form 940 e-file Publications, Forms, & Instructions

- Only about half of the Users recalled 940 pubs, forms, and instructions (which may indicate either low awareness of the materials or low impact of materials among those aware). However, two-thirds of those recalling the pubs/forms/instructions rated them as “very” or “somewhat” helpful.

		--- # Of Employees---	
		Less Than 10	10 Or More
	<u>Total</u>	<u>(135)</u>	<u>(109)</u>
	%	%	%
Total 940 e-file Users	(250)	(135)	(109)
<b><u>Do You Recall Seeing Any Publications Forms or Instructions Related To 940 e-file?</u></b>			
Yes	47	48	47
No	50	47	51
Can't Recall	3	5	2
<b><u>How Helpful Were They?</u></b>			
NEW BASE: Total Recall Seeing Pub/Form/Inst.	(118)	(65*)	(51*)
<b><u>Top-2 Box</u></b>	<b><u>64</u></b>	<b><u>60</u></b>	<b><u>69</u></b>
Very Helpful	33	32	33
Somewhat Helpful	31	28	36
Not Very Helpful	4	5	2
Not At All Helpful	5	9	--
Can't Recall	27	26	29

Q. 11 – Do you recall seeing any IRS publications, forms, or instructions relating specifically to 940 e-file? (Yes/No)

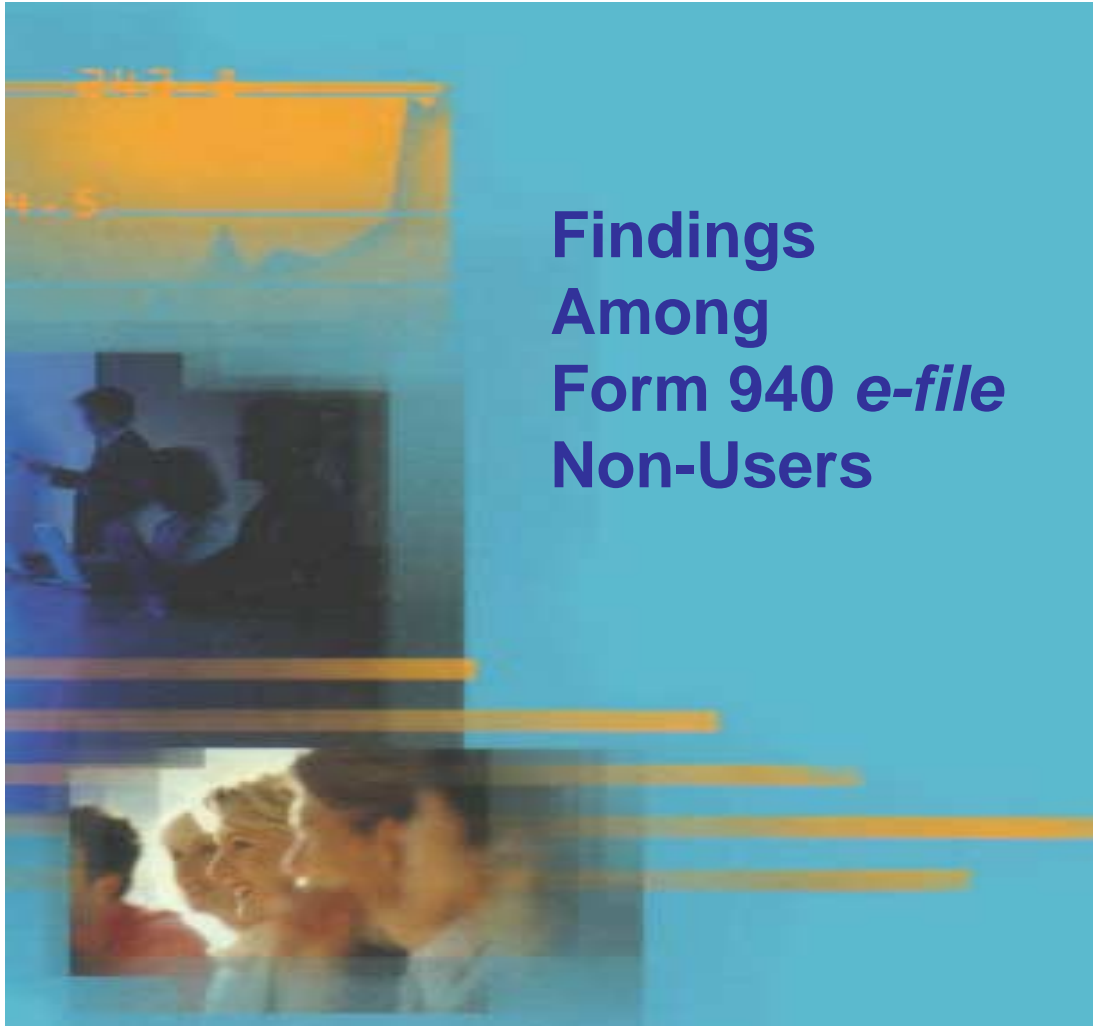
Q. 12 – Overall, how helpful to you were these publications, forms, or instructions? Were they...(Very, Somewhat, Not Very, Not At All Helpful)

## How Publications, Forms, & Instructions Were Helpful

- Those who rated the pubs, forms, and instructions as “very” or “somewhat” helpful said it was mainly because of the amount and clarity of the instructions. The few rating these documents not helpful said it was mainly because they were hard to understand or that the language was difficult to follow.

	<u>Total</u>	<u>--- # Of Employees---</u>	
		<u>Less Than 10</u>	<u>10 Or More</u>
Total Rated Publications Very/Somewhat Helpful	(75) %	(39*) %	(35*) %
<b><u>Total Positive Mentions</u></b>	<b><u>68</u></b>	<b><u>77</u></b>	<b><u>57</u></b>
Informative	19	26	11
Instructions Were Helpful	17	18	17
Easy To Understand	15	13	14
Explained Procedural Process	8	10	6
Easy To Use	7	3	9
Simple Directions	8	10	6
<b><u>Neutral Mentions</u></b>	<b><u>13</u></b>	<b><u>8</u></b>	<b><u>20</u></b>
NEW BASE:Total Rated Pub. Not Very/At All Helpful	(11)	(9**)	(1**)
<b><u>Total Negative Mentions</u></b>	<b><u>55</u></b>	<b><u>44</u></b>	<b><u>100</u></b>
Hard To Understand	27	22	100
Language Is Difficult To Follow	27	22	100
Too Long	18	11	--

Q. 12a – Why were/weren't the publications, forms or instructions helpful?



**Findings  
Among  
Form 940 *e-file*  
Non-Users**

## Awareness Of Ability To e-file Form 940

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- Among Non-Users of 940 *e-file*, we found that two-thirds (65%) were aware that they could have *e-filed* their 940s, with higher awareness, interestingly enough, among those who told us later they were not likely to use the product.

	<u>Total</u> (750) %	<u>---Likelihood Of Using---</u>	
		<u>Very/ Somewhat</u> (373) %	<u>Not Too/ Not At All</u> (374) %
Total 940 <i>e-file</i> Non-Users			
<b><u>Yes</u>, I Am Aware I Could Have <i>e-filed</i> Form 940</b>	<b>65</b>	<b>59</b>	<b>70</b>
<b><u>No</u></b> , I Was Not Aware I Could Have <i>e-filed</i> Form 940	35	41	30

Q. 13 – Our records show that you were eligible to file Form 940 for (COMPANY NAME) using the 940 on-line or *e-file* methods, but that you used another method instead. Where you aware that you could have used 940 on-line or *e-file*? (Yes/No)

## Likelihood Of Using e-file Form 940 Based On Description

- After respondents were read a description of 940 e-file, their likelihood of use of it was 50% among all Non-Users -- higher among those who prior to the interview had not been aware that they were eligible to use it.

	Total (750) %	-----Aware Of Eligibility-----	
		Aware (486) %	Not Aware (264) %
Total 940 e-file Non-Users			
<b><u>Likelihood Of Using Electronic Method In The Future</u></b>			
<b><u>Top-2 Box</u></b>	<b><u>50</u></b>	<b><u>46</u></b>	<b><u>58</u></b>
Very Likely	14	11	21
Somewhat Likely	36	35	36
Not Very Likely	29	29	27
Not At All Likely	21	25	15

Q. 14 – Based on everything you now know about it, and assuming you were eligible to use one of these methods, how likely are you to use 940 on-line or e-file in the future? Are you...(Very Likely, Somewhat Likely, Not Very Likely, Not At All Likely).

## Non-User Expectations Of 940 e-file

- Ratings of specific attributes of 940 e-file based on the description showed that Non-Users generally expect it to be *easy to learn, paper-less, inexpensive, easy to use, and private/secure*. However, they had lower expectations of it being *better than other methods, a time-saver, or more accurate*. Expectations were generally more positive among those likely to use it and those not aware of it prior to the survey.

	Total (750) %	---Likelihood Of Using---		--Aware Of Eligibility--	
		Very/ Somewhat (373) %	Not Very/ Not At All (374) %	Aware (486) %	Not Aware (264) %
<b>Top-2 Box (Agree Completely/Somewhat)</b>					
<b>Would be easy to learn</b>	<b>74</b>	<b>81</b>	<b>67</b>	<b>74</b>	<b>74</b>
<b>Would be paper-less</b>	<b>70</b>	<b>76</b>	<b>65</b>	<b>69</b>	<b>72</b>
<b>Would be an inexpensive method of filing Form 940</b>	<b>66</b>	<b>82</b>	<b>50</b>	<b>64</b>	<b>68</b>
<b>Would be easy to use, with little hassle</b>	<b>59</b>	<b>75</b>	<b>43</b>	<b>58</b>	<b>62</b>
<b>Would be a private and secure way to file Form 940</b>	<b>54</b>	<b>70</b>	<b>39</b>	<b>52</b>	<b>57</b>
Would be better than other methods of filing Form 940	46	69	23	41	55
Would be a time-saver	46	67	25	44	50
Would be a more accurate way to file Form 940	40	57	24	36	49

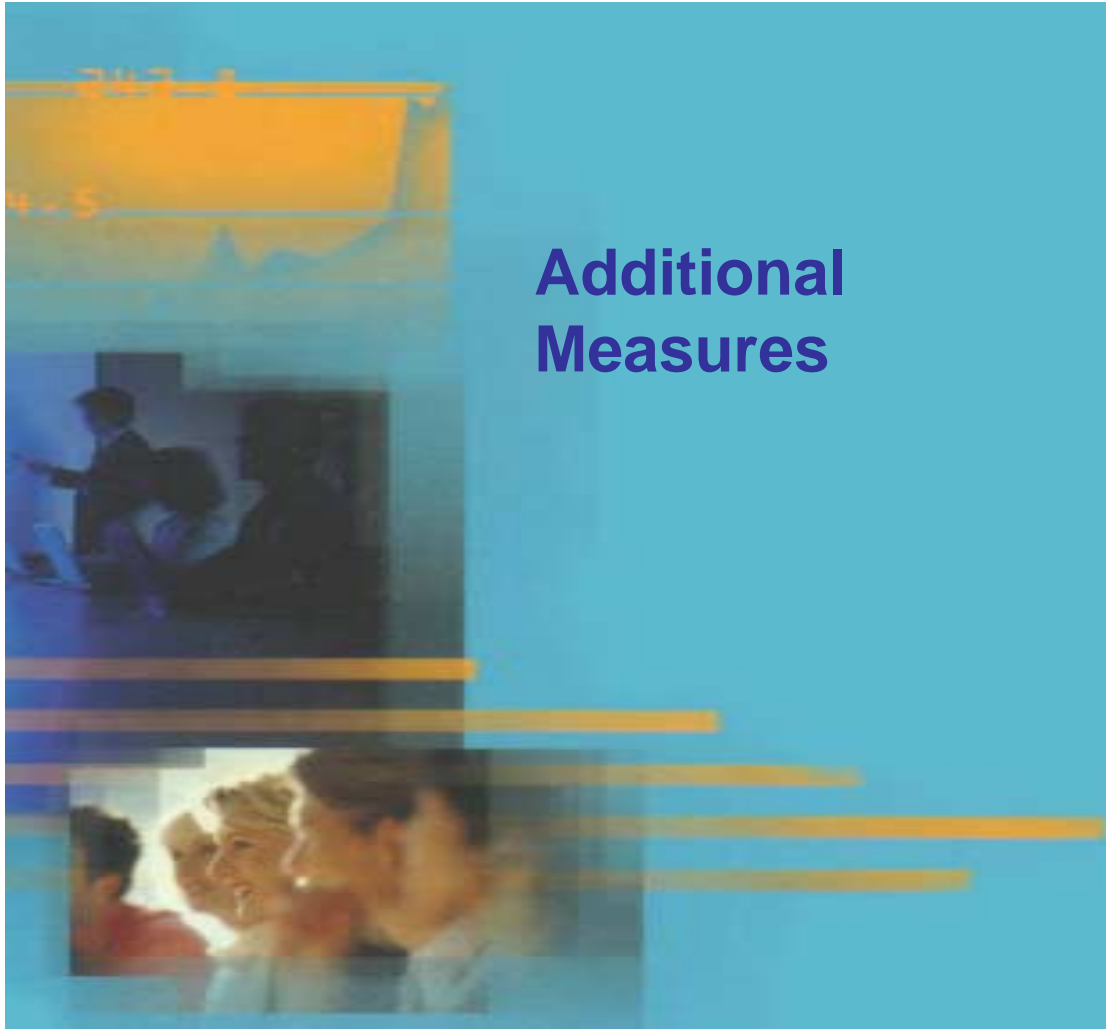
Q. 15 – And, based upon what you now know, please tell me whether you Agree Completely, Agree Somewhat, Disagree Somewhat, or Disagree Completely with each of the following statements about electronic filing methods for Form 940.

## Reasons For Not Using An Electronic Method To File Form 940

- Asked why they haven't used 940 *e-file* before, responses split mainly between *lack of belief in its ease of use* and *lack of the appropriate computer equipment*, followed by *preferring paper*, and then *security issues*.

	Total (486) %	---Likelihood Of Using---	
		Very/ Somewhat (221) %	Not Very/ Not At All (263) %
Total Aware Of Eligibility			
<b><u>Ease/Convenience Of Alternative Method (net)</u></b>	<b><u>27</u></b>	<b><u>26</u></b>	<b><u>29</u></b>
Other method is easier/prefer other method	14	16	13
Paper is easier	8	6	10
<b><u>Lack of Equipment (net)</u></b>	<b><u>25</u></b>	<b><u>24</u></b>	<b><u>26</u></b>
Not on-line/don't have internet access	9	7	10
Not equipped for electronic filing	9	11	7
No computer	6	4	8
<b><u>No Demand/Need (net)</u></b>	<b><u>9</u></b>	<b><u>6</u></b>	<b><u>11</u></b>
Business is too small	6	4	8
<b><u>Time Concerns (net)</u></b>	<b><u>7</u></b>	<b><u>10</u></b>	<b><u>4</u></b>
No time to learn about it	5	9	2
<b>Prefer paper returns/clients prefer paper</b>	<b>17</b>	<b>18</b>	<b>17</b>
<b>Security issues</b>	<b>13</b>	<b>7</b>	<b>18</b>

Q. 16 – You indicated earlier that you were aware that you were eligible to use 940 on-line or 940 *e-file* for (COMPANY NAME). Is there any particular reason why you did not use one of these methods for filing Form 940 for (COMPANY NAME) in 2001?



# Additional Measures



## Registration Process To e-file Form 940

- Only 17% of Users and 20% of Non-Users claimed to be familiar with the 940 e-file registration process. Among Users familiar with the process, none rated it “very difficult” and only 14% rated it “somewhat difficult”.

Total Respondents	Total (1000) %	Users (250) %	Non-Users (750) %
<b>Yes, I Am Familiar With Registration Process</b>	20	17	20
<b>No, I Am Not Familiar With Registration Process</b>	<b>80</b>	<b>83</b>	<b>80</b>
<b><u>Difficulty Of Registration Process</u></b>			
NEW BASE: Total Familiar With Registration Process	(195)	(43*)	(152)
<b><u>Top-2 Box</u></b>	<b><u>21</u></b>	<b><u>14</u></b>	<b><u>22</u></b>
Very Difficult	1	--	1
Somewhat Difficult	20	14	21
Not Very Difficult	32	33	32
Not At All Difficult	34	46	30
Don't Know	13	7	16

Q. 17 – Are you familiar with the registration process required to file tax form 940 electronically? (Yes/No)

Q. 18 – If Yes to Q. 17, I'd like you to rate how easy or difficult this registration process is. Would you say it is...(Very Difficult, Somewhat Difficult, Not Very Difficult, or Not At All Difficult)

## How Other Business Tax Forms Filed

- We asked respondents which other Federal business tax forms their company files and found that while most (89%) were aware of their company filing Form 941, only 7% mentioned Form 1065 (which has a far smaller universe of eligible users). For 941 specifically, there appeared to be a correlation between *e-filing* that form and *e-filing* Form 940).

Total Respondents	Total (1000) %	Users (250) %	Non-Users (750) %
<b><u>Other Federal Business Forms Filed</u></b>			
Form 1065	7	9	6
<b>Form 941</b>	<b>89</b>	<b>71</b>	<b>95</b>
Can't Recall	10	26	4
<b><u>How Form 1065 Is Filed</u></b>			
NEW BASE: Total File Form 1065	(68*)	(23**)	(45*)
Electronic Method	15	35	4
<b>Paper</b>	<b>84</b>	<b>57</b>	<b>98</b>
Can't Recall	3	9	--
<b><u>How Form 941 Is Filed</u></b>			
NEW BASE: Total File Form 941	(892)	(178)	(714)
TeleFile	13	2	15
On-Line Filing	4	14	1
<i>e-file</i>	16	70	2
<b>Paper</b>	<b>70</b>	<b>10</b>	<b>85</b>
Can't Recall	2	5	1

Q. 20a – Other than Form 940, what other Federal Business Tax Forms do you file for (COMPANY NAME)? Do you file...(READ FORMS IN LIST)  
 Q. 20b/c – If Form 1065/941 in Q. 20a, You mentioned that you also file Federal Business Tax Form 1065/941 for (COMPANY NAME). Which of the following filing methods do you use when filing Form 1065/941?

## Other Federal Business Forms They Want To e-file

- Asked which other Federal business tax forms they would *like* to file electronically, only 24% mentioned any other form -- mainly form 941. Users and Non-Users seemed about equally disposed toward using *e-file* for other business tax forms.

Total Respondents	Total (1000) %	Users (250) %	Non-Users (750) %
<b><u>Specific Type Of Form (net)</u></b>	<b><u>24</u></b>	<b><u>25</u></b>	<b><u>23</u></b>
941	8	2	10
1099	4	8	3
1120	4	4	4
W-2	4	2	4
<b><u>General Types Of Forms</u></b>	<b><u>4</u></b>	<b><u>2</u></b>	<b><u>5</u></b>
All Forms	8	10	7
None	38	35	39
Don't Know	23	26	22

Q. 21a – What other specific Federal Business Tax Forms would you find helpful if they could be filed electronically?

## Suggestions For Improving IRS Services

- Asked how the IRS could improve its services related to business tax forms, only 38% of the respondents mentioned anything -- with no outstanding individual or group of suggestions.

Total Respondents	Total (1000) %	Users (250) %	Non-Users (750) %
<b><u>Suggested Something</u></b>	<b><u>38</u></b>	<b><u>33</u></b>	<b><u>41</u></b>
<b><u>Service (net)</u></b>	<b><u>7</u></b>	<b><u>10</u></b>	<b><u>6</u></b>
Ability to talk to a live person	2	4	2
<b><u>Form Issues (net)</u></b>	<b><u>9</u></b>	<b><u>8</u></b>	<b><u>9</u></b>
Download forms easier	2	4	1
<b><u>Process (net)</u></b>	<b><u>8</u></b>	<b><u>7</u></b>	<b><u>8</u></b>
Simplify	5	6	5
<b><u>Did Not Suggest Anything</u></b>	<b><u>59</u></b>	<b><u>65</u></b>	<b><u>56</u></b>
Don't Know	3	2	3

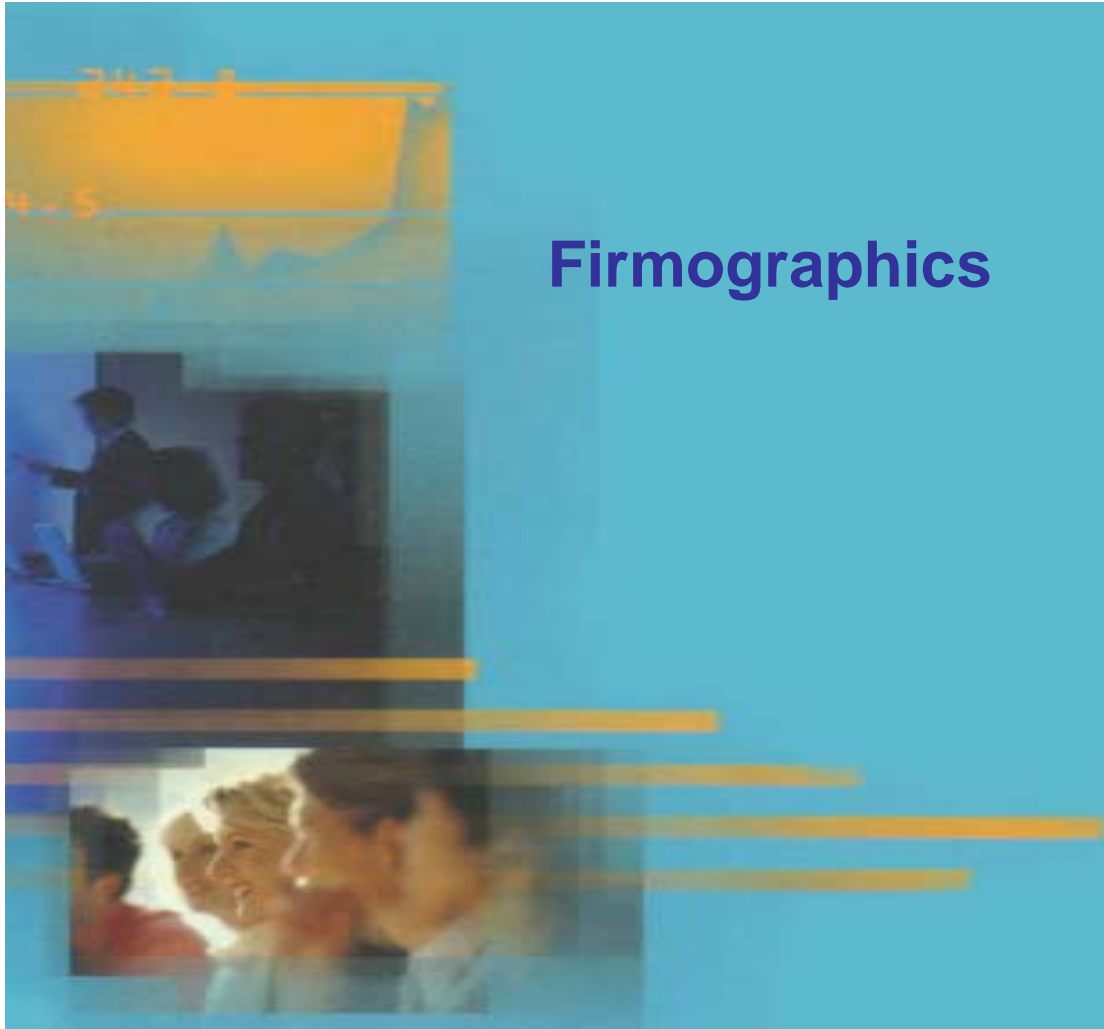
Q. 21b – Can you offer any suggestions for improving IRS services related to Federal Business Tax Forms?

## Usage & Consideration Of Methods Of Filing Form 940

- As a part of the screening process, we asked respondents about their usage and consideration of e-file vs. paper for Form 940 and found that 4% of the Non-Users *claimed* to have e-filed 940s in the past and that 63% would consider using 940 e-file.

	<u>Total</u> (1000) %	<u>Users</u> (250) %	<u>Non-Users</u> (750) %
Total Respondents			
<b><u>Methods Ever Used To File Form 940</u></b>			
<u>Electronic Method (net)</u>	<u>28</u>	<u>100</u>	<u>4</u>
e-file	26	93	3
On-line	4	11	1
Self-Prepared Paper	66	38	<u>76</u>
Paper Using A Tax Professional	35	27	<u>37</u>
<b><u>Methods Used To File Form 940 In 2001</u></b>			
<u>Electronic Method (net)</u>	<u>25</u>	<u>100</u>	--
e-file	23	93	--
On-line	2	7	--
Self-Prepared Paper	52	--	<u>70</u>
Paper Using A Tax Professional	22	--	<u>29</u>
<b><u>Methods Would Ever Consider Using To File Form 940</u></b>			
<u>Electronic Method (net)</u>	<u>72</u>	<u>98</u>	<u>63</u>
e-file	56	89	45
On-line	51	45	54
Self-Prepared Paper	53	20	<u>64</u>
Paper Using A Tax Professional	37	29	<u>40</u>

Q.'s 3,4, & 5 – Which of the following methods of filing Federal Form 940 have you used/did you use in 2001, would you consider using in the future?



# Firmographics

## Firmographics

- Comparing Form 940 *e-file* Users to Non-Users, we see that Users are significantly more likely to have a computer with modem and significantly more likely to be Internet-connected. As shown on the next page, Users include more of the larger firms (than do Non-Users) and their computer and Internet usage is similar to that of the larger firms.

	Total (1000) %	Users (250) %	Non-Users (750) %	Company Size	
				1-9 (579)	10+ (398)
<b>Total Respondents</b>					
<b><u>Who Makes The Decision As To How Form 940 Is Filed?</u></b>					
I <u>Alone</u> Decide How Form 940 Is Filed	52	24	62	56	47
I Am <u>Involved</u> In The Decision Of How Form 940 Is Filed	48	76	38	44	53
<b><u>Does Business Have Computer With Modem?</u></b>					
<b>Yes</b>	<b>87</b>	96	85	85	91
No	13	4	15	15	9
<b><u>Does Business Have Access To Internet Via Computer?</u></b>					
WITH DATA RE-BASED TO "TOTAL RESPONDENTS"					
<b>Yes</b>	<b>83</b>	92	80	80	89
No	17	8	20	20	11

## Firmographics (Cont'd.)

- In addition to including more of the larger firms, the Users (compared to Non-Users) have significantly higher revenues -- as do the larger firms generally.

	Total (1000) %	Users (250) %	Non-Users (750) %	Company Size	
				1-9 (579)	10+ (398)
<b>Total Respondents</b>					
<b><u>Title</u></b>					
Manager/Mid-Level Executive	21	23	21	17	28
Senior Level Executive	35	44	32	39	29
Accountant/CPA	14	7	16	14	13
Vice President	5	6	4	6	3
<b><u>Number Of Employees</u></b>					
Less Than 10	57	53	59	100	0
10 +	40	44	39	0	100
Median # Employees	7.2	8.2	6.0	3.3	22.0
<b><u>Industry</u></b>					
Sales	10	9	10	10	9
Service	9	11	9	9	8
Construction	8	5	9	7	8
Contracting	6	5	6	4	7
Healthcare/Medical	6	7	6	6	6
Manufacturing	6	8	6	3	11
Retail	6	2	7	5	7
<b>Median Total Revenue</b>	\$440K	\$780K	\$370K	\$252K	\$1413K

Q. 38 – Please tell me what your title is.

Q. B – In total, how many partners are there at all locations of (COMPANY NAME)? (Less than 100, 100+)

Q. C – In what type of industry does (COMPANY NAME) operate?

Q. D – Which of the following best describes (COMPANY NAME) total revenues in 2000?