

Estimates of Taxpayer Burden

The new estimates of taxpayer burden shown below were developed by the IRS to better measure and understand the burden taxpayers experience when preparing their taxes. These estimates of average preparation times and out-of-pocket expenses are based on a new survey of taxpayers and a more accurate method of estimating taxpayer burden. They focus on taxpayer characteristics and activities, rather than forms, and replace the burden estimates shown in prior year tax form instructions. The information collected to figure the new estimates in-

cludes type of taxpayer, preparation method, filing method, and taxpayer activities. The new estimates shown below are grouped by principal combinations of forms submitted and are not available separately for each form.

These changes create a one-time shift in estimates of burden levels. Comparisons should not be made between these and earlier published estimates.

To determine the average burden of taxpayers like you, select the row in the table below that applies to you. You are a "business" filer if you file one or more of the following with your

Form 1040: Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ. You are a "nonbusiness" filer if you did not file any of those schedules or forms with your Form 1040.

If you have comments concerning the time and expense estimates below, you can contact us at either one of the addresses shown under *We Welcome Comments on Forms* on page 78.

These estimates were the latest available when the forms went to print. The most current information can be found on the IRS website at www.irs.gov.

Estimated Average Preparation Times and Out-of-Pocket Expenses by Return Preparation Method

The average time and expenses required to complete and file Form 1040, its schedules, and accompanying forms will vary depending on individual circumstances. The estimated averages are: (see: www.STEVECLOTT.com)

Taxpayer and Form Combinations for Form 1040 Filers	Self-Prepared Without Tax Software		Self-Prepared With Tax Software		Prepared by Paid Professional	
	Hours	Costs	Hours	Costs	Hours	Costs
Nonbusiness Filers *	16.1	\$17	21.8	\$42	10.9	\$172
Form 1040 and other forms and schedules, but not Schedule A or D	13.7	\$13	15.9	\$26	7.6	\$121
Form 1040, Schedule A, and other forms and schedules, but not Schedule D	16.7	\$18	22.7	\$51	12.1	\$174
Form 1040, Schedule D, and other forms and schedules, but not Schedule A	17.5	\$30	18.3	\$36	12.8	\$215
Form 1040, Schedules A and D, and other forms and schedules	27.5	\$18	37.8	\$63	18.0	\$313
Business Filers *	45.1	\$43	67.1	\$93	47.9	\$542
Form 1040, Schedule C or C-EZ, and other forms and schedules, but not Schedule E or F or Form 2106 or 2106-EZ	48.0	\$19	80.2	\$88	55.4	\$329
Form 1040, Schedule E, and other forms and schedules, but not Schedule C, C-EZ, or F or Form 2106 or 2106-EZ	34.1	\$72	49.0	\$65	36.6	\$685
Form 1040 and Schedule F and other forms and schedules, but not Schedule C, C-EZ, or E or Form 2106 or 2106-EZ	44.8	\$15	62.8	\$102	49.7	\$296
Form 1040, Form 2106 or 2106-EZ, and other forms and schedules, but not Schedule C, C-EZ, E, or F	35.9	\$17	45.7	\$67	27.7	\$349
Form 1040 and forms and schedules including more than one Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ	66.0	\$128	80.5	\$177	62.4	\$866

* You are a "business" filer if you file one or more of the following with your Form 1040: Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ. You are a "nonbusiness" filer if you did not file any of those schedules or forms with your Form 1040.

Estimated Average Preparation Time by Taxpayer Activities

The average time needed to complete and file Form 1040, its schedules, and accompanying forms by taxpayer activities is shown below.

Taxpayer and Form Combinations for Form 1040 Filers	Average Time (Hours)				
	Total	Record-keeping	Tax Planning	Form Completion	All Other Activities
Nonbusiness Filers	12.9	5.7	2.5	2.9	1.9
Business Filers	51.4	36.5	5.1	4.4	5.5