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## **Filing online is popular among Americans who complete their own taxes**

Taxpayers trade pen and paper for tax prep software and online forms

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Among our online panelists surveyed, 48% of taxpayers completed or planned to complete their filing online this year as opposed to more traditional means (i.e., pen and paper or a trusty CPA/consumer tax service -16% and 36% respectively). This was generally true for all respondents surveyed with little variation across age or gender. TurboTax led in terms of awareness (86%) and usage (43%). Online filers tended to file their taxes sooner, with 47% preparing their taxes the minute they received their information (as opposed to only 28% of pen and paper filers).

Most people surveyed expected to receive a refund (77%) and when they do, many will use it to pay off bills/debt (37%) and/or spruce up the house (13%). If, by luck, respondents were to receive a \$10,000 tax refund, many indicate fiscal restraint and would use the refund to help reduce their personal debt (37%), save the money (25%), or split the money between savings and splurging (14%). There is also a strong relationship between receiving a refund and filing time. If expecting a refund, half of respondents filed "the minute" they received their information (versus only 10% of those who owed money). However, if expecting to owe money, 42% waited within a day or two of the deadline (versus only 13% of people expecting a refund). If given the chance to get out of tax preparation altogether, 29% of people wouldn't, citing a love of crunching numbers. Given the choice of other "evils," 24% would rather go to work on the weekend than file their return.

As for the actual spending of tax dollars, 39% of people think the government could do a better job utilizing taxpayers' money, but that it generally does a somewhat decent job. On the other hand, one-quarter believe the system is corrupt and unable to provide socially positive benefits to taxpayers. Following this jaded path, when asked if the tax structure in the U.S. is fair, almost half of those surveyed replied that the tax system is engineered to maintain the economic gap between the wealthy and the middle class/poor. Only 5% of total respondents believe citizens are taxed appropriately.

### **Survey Methodology**

An online questionnaire of approximately 10 minutes in length was fielded using a random national sample of Directive Analytics' online panel members. The surveys were conducted April 14-18, 2006. A total of 1,694 interviews were completed among adults 18 years and older. Results were based either on the total sample of 1,694 adults and/or the total number of adults that expected to/did file a tax return this year (1,581 adults) at 95% confidence.

### **About Directive Analytics**

Directive Analytics is a full service Marketing Research company, located in Norwalk CT. At Directive Analytics we provide our clients with the consumer insight and strategic action plans necessary to set themselves apart and grow their business. We offer a blend of the methodological expertise and rigor of a traditional research company along with the consultative approach of a marketing consultancy. Our people are the key to our success. Our collective experiences and education serve as the basis for developing new insights and partnering with our clients to generate the strategic action plans that will differentiate and add value to their business. For more information please visit our website at [www.directiveanalytics.com](http://www.directiveanalytics.com) or email us at [info@directiveanalytics.com](mailto:info@directiveanalytics.com).