



## NASE Monthly Poll February 2010 Results

### Do You Hire Independent Contractors or Are You a Contractor?

Please take the NASE monthly poll about new proposals to regulate independent contractors in President Obama's proposed FY 2011 budget.

#### 1) Have you worked as an independent contractor?

Answer Options	Response Percent
Yes	88.0%
No	11.2%
Do Not Know	0.7%

#### 2) Which of the following is the main reason that you became an independent contractor?

Answer Options	Response Percent
I wanted to start my own business and be my own boss.	39.6%
I was laid off of from my job and decided to enter self-employment rather than look for another position.	12.2%
I was laid off from my job and have been unable to find another position.	5.9%
I wanted or needed more flexibility (i.e. adjustable work hours or being able to work from home) in my career.	15.8%
I could make a better salary working independently.	15.0%
Other (please specify)	11.5%

#### 3) How confident are you that you are properly complying with the regulations and IRS reporting requirements that apply to you as an independent contractor?

Answer Options	Response Percent
Very confident	65.2%
Somewhat confident	27.3%
Slightly confident	4.5%
Not at all confident	3.0%

**4) Have you ever hired an independent contractor(s) to assist you with any aspect of your business?**

<b>Answer Options</b>	<b>Response Percent</b>
Yes	59.9%
No	39.5%
Do Not Know	0.6%

**5) How confident are you that you are properly complying with all the regulations and IRS reporting requirements relating to the use of independent contractors?**

<b>Answer Options</b>	<b>Response Percent</b>
Very confident	59.6%
Somewhat confident	30.0%
Slightly confident	6.5%
Not at all confident	3.9%

**6) How likely would you be to utilize an independent contractor for various services if you were required to comply with the contractor's request to withhold for Federal tax purposes a flat rate percentage of their gross payments? They would be allowed to choose the percentage they wanted you to withhold and send to the federal government.**

<b>Answer Options</b>	<b>Response Percent</b>
I would still likely utilize the independent contractor.	22.2%
I would be less likely to utilize the independent contractor.	40.6%
I would not use the independent contractor.	32.8%
No Opinion	4.4%

**7) When dealing with worker classification (i.e. independent contractor) rules and regulations, what would you identify as your greatest concern?**

<b>Answer Options</b>	<b>Response Percent</b>
The paperwork burden and amount of time I must spend to comply with the rules & regulations	27.5%
The amount of money I spend to comply with the rules & regulations	14.0%
The complexity of the rules & regulations	24.4%
The possibility of triggering an IRS audit or request for more information	22.9%
Other (please specify)	11.1%

**8) The Obama Administration has recently released its FY2011 Budget which includes new regulations on independent contractors. Please let us know if would support or oppose these proposals.**

<b>Answer Options</b>	<b>Support</b>	<b>Oppose</b>	<b>No Opinion</b>
Businesses utilizing independent contractors would be required to give notice in writing to contractors explaining how they will be classified and the consequences of this classification (e.g. tax implications, workers' compensation implications, wage and hour implications.)	34.7%	<b>48.5%</b>	16.9%
Independent contractors receiving payments totaling \$600 or more in a calendar year from a client/business would be permitted to require that client/business to withhold for Federal tax purposes a flat rate percentage of their choosing from their gross payments.	16.2%	<b>72%</b>	11.8%
Current Section 530 safe harbor provisions protecting businesses from reclassification will be repealed and the IRS would be permitted to issue guidance on proper classification of workers. The IRS would be able to issue guidance by industry and also by specific job. They would also be able to reclassify contractors as employees based on their new guidance.	11.6%	<b>72.2%</b>	16.2%

### **Methodology**

The above survey is part of an online monthly poll series conducted by the National Association for the Self-Employed. We received a total of 694 responses to the February 2010 survey.

### **About the NASE**

The National Association for the Self-Employed (NASE) is the nation's leading resource for the self-employed and micro-businesses, bringing a broad range of benefits to help entrepreneurs succeed and to drive the continued growth of this vital segment of the American economy. The NASE is a 501(c) (6) non-profit organization and provides big-business advantages to hundreds of thousands of micro-businesses across the United States. For more information, visit the association's web site at [www.NASE.org](http://www.NASE.org).