



SMALL BUSINESS

TAX PREPARATION CHECKLIST

PERSONAL AND SMALL BUSINESS DOCUMENTS:

- Personal Records**
You will need the full legal name, SSN's, addresses, percent ownership, ownership acquisition date and distribution details for you, your spouse, any dependents and other business owners.
- Prior Year Federal and State Tax Return**
Gather both personal and small business tax return.
- Current Financial Statements and Bookkeeping Records**
This includes Profit/Loss statement and Balance Sheet.
- Income Records**
You need all Form 1099-NEC, 1099-MISC and W2's for you and your spouse (if applicable).
- Estimated Tax Payments**
Gather all paperwork related to tax payments made during the year, including State, Federal, property, etc.

ITEMIZED BUSINESS EXPENSE RECORDS:

General Business Expenses

Keep receipts for all business-related expenses you plan to deduct (itemized by category, vendor name, date, amount, etc.). Examples of common business expense categories:

- Meals and entertainment
- Travel (hotel, airfare, transportation, etc.)
- Advertising (business cards, website, flyers, brochures, ads, etc.)
- Legal and accounting fees
- Business insurance
- Tax, business license, and permit fees
- Office supplies
- Internet and cell phone
- Bank fees
- Business loan interest
- Equipment, storage, and office rent

Home Office Deduction

If you work out of your home, there are many tax deductions you can take advantage of. The following are examples of expenses you can report on Form 8829, which is attached to the Schedule C of your Form 1040:

- Square footage of your home
- Square footage of the office space
- Utilities and direct office space repairs
- Homeowner's/Renter's insurance
- Form 1098 Mortgage Interest Statement

Property taxes paid (Often this is shown on the Form 1098 if payments made through mortgage payment)

Vehicle Deduction

If you use your car for business, keep a logbook of your mileage for business use. You cannot deduct the following business-related expenses without a logbook and itemized receipts:

- Fuel and oil costs
- Lease payments
- Insurance and tax payments
- Parking fees and toll charges
- Repair and maintenance fees

Sold or Purchased Assets

Keep proper documentation of all business-related assets you have purchased or sold during the year

- Purchase orders
- Invoices
- Receipts
- Checks

Asset Depreciation

Keep record of the cost and acquisition date of key business assets along with the sales price and disposition date of assets sold within the calendar year.

Salaries and Wages Paid to Employees

You will need copies of W2 and W3 forms along with Federal and State payroll returns (Form 940 and State Form).

Commissions to Subcontractors

You will have to issue a Form 1099-NEC or 1099-MISC to anyone you paid for services of \$600 or more.

Fringe Benefits

Keep records of any benefits offered to employees. This could include the following:

- Employer based pension/profit sharing contributions
- Employer paid HSA contributions
- Employer paid health insurance premiums

Self-Employment Expenses

Keep records of any additional self-employment related expenses, including:

- Pension plan contributions
- IRA contributions (Form 5498)
- Health insurance payments
- Health Savings Account contributions (Form 5498-SA)
- Job related educational expenses

OTHER EXPENSE RECORDS:

Charitable Contributions

Keep a detailed list of donations. You must have receipts for contributions over \$250 and Form 1023 for vehicle donations.

Health Care Expenses

Keep records of medical and dental costs

Alimony Expenses

Provide ex-spouse's full name, SSN and date alimony approved.

Education Expenses

These include:

- Form 1098-T (tuition statement)
- 1098-E (student loan interest statement)

Child and Dependent Care Expenses

Be sure to obtain the name, address and tax ID or SSN of the provider.

DOCUMENTATION

- Copy of Federal Tax ID letter
- Copy of State Department Articles of Incorporation or Articles of Organization
- Copy of valid State driver's license
- Copy of Social Security cards for taxpayer, spouse, and ALL dependents
- School records or statement
- Landlord or property management statement
- Medical records or health care provider statement
- All bank account info to direct deposit refund (voided check or saving deposit slip)
- Any other tax related documents you have received