



SMALL-BUSINESS TAX PREPARATION CHECKLIST

PERSONAL AND SMALL-BUSINESS RECORDS:

- Personal Records**
You'll need the full legal names, SSNs, addresses, percent ownership, ownership acquisition date and distribution details for you, your spouse, any dependents and any other business owners.
- Last Year's Federal and State Tax Returns**
Gather both personal and small-business returns.
- Current Financial Statements and Bookkeeping Records**
This includes journal entries, profit and loss statements, balance sheets, etc.
- Income Records**
You need all 1099 forms plus W-2s from your spouse (if applicable).
- Estimated Tax Payments**
Gather all paperwork related to tax payments made during year, including state, federal, property, etc.
- General Ledger**
Your ledger should list out contents of every expense category you plan to deduct from your small-business tax return.

ITEMIZED BUSINESS EXPENSE RECORDS:

General Business Expenses

Keep receipts for all business-related expenses you plan to deduct (itemize 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, 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 Schedule C of your 1040:

- Square footage of the home
- Square footage of the office space
- Utilities plus repairs
- Homeowner's/renter's insurance
- Form 1098s for mortgage interest
- Property taxes

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've bought or sold during the year (purchase orders, invoices, receipts or checks, etc.).

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'll need copies of W-2 and W-3 forms along with federal and state payroll returns (Form 940).

Commissions to Subcontractors

You will have to issue a Form 1099-MISC to anyone you paid for services of \$600 or more (installation, bookkeeping, etc.).

Fringe Benefits

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

- 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-hunting and job-related educational expenses

OTHER EXPENSE RECORDS:

Charitable Contributions

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

Health Care Expenses

Keep records of medical and dental costs.

Alimony Expenses

Provide ex-spouse's full name and SSN.

Education Expenses

These include Forms 1098-T (tuition statement and itemized receipts of educational expenses) and 1098-E (student loan interest statement).

Child and Dependent Care Expenses

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



HAVE QUESTIONS?

Our tax advisors can help you make sense of all the paperwork so you don't miss any deductions.
Find out who we recommend in your area today!

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