



THE SMART ACCOUNTANT

## Business Tax Preparation Checklist

Review the following checklist and highlight the areas that apply to you. It may be helpful to attach the checklist to a folder of your tax documents and check items off as they are added to the folder.

### I. General Information

This information informs the IRS of the business filing the return.

- Type of Business
- Business name, address and owners
- Business organization form (Sole Proprietor, Partnership, Corporation, etc.)
- Employer Identification Number (EIN)
- Date business was started or acquired
- Balance Sheet and Profit/Loss Statement

### II. Income

This information informs the IRS of all income produced.

- Gross receipts from sales or services
- Sales records (for accrual based taxpayers)
- Inventory (if applicable)
- Beginning inventory
- Inventory purchases
- Ending inventory
- Items removed for personal purposes
- Returns and allowances
- Business checking/savings account interest (1099-INT or statement)
- Other income

### III. Expenses

This information informs the IRS of all expenses related to the operations of the business.

- Advertising
- Transportation and travel expenses Local transportation
- Business trip (mileage) log. Third party odometer reading at start and end of year required to verify mileage driven
- Contemporaneous log or receipts for public transportation, parking, and tolls
- Travel away from home including:
  - Airfare or mileage/actual expense if drove
  - Hotel & taxi or rental car expenses
  - Travel meals

- \_\_\_ Commissions paid to subcontractors
- \_\_\_ File Form 1099-MISC and 1096 as necessary
- \_\_\_ Depreciation
- \_\_\_ Cost and acquisition date of assets
- \_\_\_ Sales price and disposition date of any assets sold
- \_\_\_ Fringe benefits
- \_\_\_ Employer-paid pension/profit sharing contributions
- \_\_\_ Employer paid HSA contributions
- \_\_\_ Employer-paid health insurance premiums
- \_\_\_ Cost of other fringe benefits
- \_\_\_ Business insurance
- \_\_\_ Casualty loss insurance
- \_\_\_ Errors and omissions
- \_\_\_ Interest expense
- \_\_\_ Mortgage interest on building owned by business
- \_\_\_ Business loan interest
- \_\_\_ Legal and accounting fees
- \_\_\_ Office supplies
- \_\_\_ Communication expenses (cellular phone service, fax, internet, etc.)
- \_\_\_ Rent expense
- \_\_\_ Business-use vehicle lease expense
- \_\_\_ Office-in-home
- \_\_\_ Square footage of office space (or hours of use for day care businesses)
- \_\_\_ Total square footage of home (not applicable for day care businesses)
- \_\_\_ Mortgage interest or rent paid
- \_\_\_ Utilities
- \_\_\_ Wages paid to employees
- \_\_\_ Form W-2 and W-3
- \_\_\_ Federal and state payroll returns (Form 940, etc.)
- \_\_\_ Other expenses