



THOMPSON | ACCOUNTING

SMALL BUSINESS TAX

Prep Checklist

Business Information

- A copy of last year's Federal and State tax return (if new to Thompson Accounting Services)
- Articles of Incorporation, Partnership Agreement, Operating Agreement, etc.
- Copy of current period balance sheet, income statement, trial balance and general ledger
- Prior year financial statements
- List of all business owners including (name, social security numbers, address, percentage of ownership, date ownership acquired, and detail of distributions)
- Schedule of owner fringe benefits received
- Schedule of loans to/from owners including loan agreements
- Details of any related party transactions
- Copies of all payroll forms and 1099 forms for the year
- Amounts of any estimated tax payments
- Listing of interest and dividend income
- Vehicle information and use, including vehicle leases
- Information on any employee benefit plans including retirement plans, health insurance, etc.
- Details of meals and entertainment expense
- Any Internal Revenue Service and Department of Revenue correspondence received during the year
- List of any activities in other states
- Details of fixed assets and depreciation schedules

Schedule C (Self-employed checklist)

Income

- Gross receipts from sales or services
- List of bank deposits
- All 1099s
- Returns and allowances
- Business checking/savings account interest (1099-INT or statement)
- Other income

Cost of goods sold

- Beginning inventory
- Inventory purchases
- Ending inventory
- Items removed for personal purposes

Auto expense

- Lease payments

- Auto insurance
- Interest of auto loan
- Repairs and maintenance
- Total miles driven
- Business miles driven
- Total gas purchases
- Date car purchased
- Model and make of auto

Salaries and wages

- Total gross wages paid
- Company paid FICA
- Federal unemployment paid
- State unemployment paid
- Worker's compensation paid
- Copies of 1099s to contractors

Office in home

- Total square feet of home
- Total square feet of office
- Mortgage interest
- Real estate taxes
- Rent paid
- Utilities paid
- Home repairs
- Home insurance

Expense

- Advertising
- Website expenses
- Classes, seminars, workshops, education related to business or profession
- Commissions
- Direct costs (e.g., photo, printing, materials and supplies, etc.)
- Bank and finance charges for business accounts
- Business insurance, both property and liability and professional liability
- Business furniture, equipment and software (list separately with dates and costs.)
- Business gifts, limited to \$25 per gift per recipient per year
- Business entertainment, including meals (Buying meals for yourself does not count unless you are on a business trip of sufficient duration to require purchasing a meal.)
- Equipment repairs and maintenance
- Equipment rental
- Legal, tax preparation, business consultants and other professional fees
- Leasehold improvements
- Marketing and promotion
- Messengers, delivery, shipping, postage
- Office supplies and expenses
- Photo and printing/reproduction expenses
- Portfolio and resume costs
- Professional books, publications and dues
- Research and development costs
- Rental of business office or studio
- Telephone for business
- Internet and fax

- Travel (local)
- Travel (out of town). Please have documentation of the business purpose of the trip, such as notes on business meetings, conference registration tags, trade fair programs, in addition to documenting expenses.
- Professional license fees
- Business taxes paid
- Utilities

Your responsibility as a taxpayer is to report all your income so, in addition to these forms, please review your cash and bank records for other income not reported on the forms listed above.

Once your tax return is finished, you still need to keep your tax records in a safe place. Audits are just one reason, loans and insurance applications often ask for prior year income history too.