

Tax time checklist for business owners

Whether you're working with a tax preparer or filing your own tax return, use this checklist to get organized and simplify the process.

Step 1. Assemble your general documents

Get basic information together to make it easier for you or a hired specialist to prepare your tax returns.

- ☐ Employer Identification Number (also known as federal tax ID number)
- ☐ Social Security Number
- ☐ Bank account number (so refunds can be automatically deposited)
- ☐ IRS account password and PIN ([get yours here](#))

Step 2. Organize your business income documents and tax records

Tax is based on your net profit, so you'll need to access, download or print this information from your accounting software, bank account or IRS account.

- ☐ General ledger (to provide details of your everyday business transactions)
- ☐ Financial statements (profit & loss, balance sheet, sales tax summary, inventory valuation, total cost of goods sold, payroll summary, asset purchases, asset depreciation log)
- ☐ Bank and credit card statements for the past year
- ☐ Customer invoices or sales receipts
- ☐ Estimated tax payments you've made throughout the year
- ☐ Last year's business tax return

Step 3. Sort your business-related expenses and receipts into cost categories

You'll need copies of receipts in order to claim deductions against income, so be sure to allow enough time to track down any missing items.

- ☐ Supplies (general office supplies purchased for your business)
- ☐ Operational costs (rent, utilities, internet, app subscriptions, telephone charges, security)
- ☐ Entertainment/travel (business entertainment and travel expenses)
- ☐ Marketing/advertising (digital advertising, print ads, agency fees, website updates)
- ☐ Vehicle (costs incurred for business purposes, mileage logs)
- ☐ Professional fees (attorneys, consultants, accountants)
- ☐ Insurance (costs paid to insure company vehicles)
- ☐ Equipment and assets (depreciation schedules for each asset)
- ☐ Education expenses (such as course fees, textbook costs and other learning materials)
- ☐ Business credit card statements (print out or download your monthly statements)
- ☐ Health insurance premiums (if you pay for health insurance it's likely deductible)
- ☐ Charitable donations (money your business gave to registered charities)
- ☐ Home office expenses (percentage of home space used for business purposes applied to mortgage interest/rent, utilities, repairs and insurance costs)
- ☐ Employee expenses (see next section for details)

Step 4. Organize employee and subcontractor forms

Keeping detailed records of employee and subcontractor-related costs will help you to fulfill your employer obligations and deduct eligible payroll expenses from your income.

For each of your employees, you'll need:

- ☐ I-9 form (verification of employee legal working status)
- ☐ W-2 form (wage and tax statements)
- ☐ Total deductions withheld from employee wages

For subcontractors or payments made to other parties, you'll need:

- ☐ W-9 form (taxpayer identification number and certification)
- ☐ 1099 NEC form (to report nonemployee compensation)
- ☐ 1099 MISC (to report other types of payments)

Step 5. Check to see if you're eligible for business tax credits

You may be able to reduce your reported net profit by leveraging various tax credits.

- ☐ Small Business Health Care Tax Credit (if you have fewer than 25 employees and contribute to their health insurance costs)
- ☐ Disabled Access Credit (expenses your business incurred to improve accessibility)
- ☐ Work Opportunity Credit (for businesses that hire certain targeted groups of employees)
- ☐ Alternative Motor Vehicle Credit (electric cars and hybrids used for business)
- ☐ Employee Retention Credit (incentive to keep employees working despite hardship)

Depending on your business, you can expect to pay these types of taxes

- Income tax (paid on both a federal and state level based on your business structure)
- Estimated tax (quarterly installment payments your business is required to make)
- Self-employment tax (15.3% of self-employed net earnings for Medicare & Social Security)
- Employment taxes (employee deductions withheld plus employer contribution)
- Excise tax (levied on businesses selling certain types of goods or services)

Ask for filing extension if necessary

If you need more time to complete your tax return, file for an extension before the original due date of your tax return. Although an extension may be granted, you'll still have to pay your estimated taxes on time.

Consider hiring a professional to prepare your taxes

Filing your business taxes can be complicated, time-consuming and expensive if you miss eligible deductions. A professional tax preparer can free you up to focus on running your business—just be sure to submit your files well in advance of tax deadlines.

