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In-detail Business Tax Return Documents List*

- Personal Information
- Previous Year's Tax Return
- Financial Business Reports
- Tax Forms
- Asset Information
- Loan Information (principal and interest)
- Income Records
- Expense Records
- Deductible Expense Information
- Payroll Data
- Inventory Total
- Stocks & Bonds Information

1. Your EIN Or SSN

First things first: You will need to furnish your tax accountant with basic personal information including your legal name, current address, and social security number. Same information is required for shareholders and partners in a partnership/s corporation.

If you have an Employer Identification Number (EIN), you will need to provide the EIN letter issued by the I.R.S, along with your legal business name.

2. Your Previous Year's Tax Return

Make sure to **come with your previous year's tax return.**

This 1) helps the tax accountant get a better understanding of your business, and 2) gives quick information about the deductions your company has (or hasn't) been taking.

**Tax documents are not limited to this list. Information contained is general in nature and is not intended to be tax or legal advice.*

3. Your Yearly Financial Business Reports

Your accountant will need **copies of your basic financial reports** for the year.

These generally include:

- Profit and Loss Report (or the Income Statement)
- Balance Sheet
- Statement of Cash Flows

The profit and loss report shows your business's overall profit (or loss) for the year, while the balance sheet displays your company's assets and liabilities. The statement of cash flows shows all transactions affecting your business's cash account.

4. The Appropriate Business Tax Forms

The tax forms your business is required to fill out depends entirely on your business type. These are the forms that may be required for your business:

- Freelancers & Sole Proprietors: 1040, Schedule C, Schedule C-EZ, 1040SE
- Partnerships: 1065, 940, 941, 943, Schedule K1
- S Corporations: 1120-S, Schedule K-1, 940, 941, 943
- C Corporations: 1120, 940, 941, 943, 944
- Limited Liability Corporations (LLCs): 1065, 1120-S, 1120-C, Schedule C
- Single Member LLCs: 1040, Schedule C, Schedule E, Schedule F
- Non-Profit Tax Exempt/ Churches: 990

5. Your Business Asset Information

Your accountant will need to know about any assets you've bought, sold, or depreciated during the last year. **Bring any receipts, documents, or reports related to your assets and fixed assets.**

6. Any Business Loan Information

You'll also need information on business loans. If you've acquired a new loan in the last year, bring the loan agreement with you. Also, **bring records of any loan payments and/or accrued interest.** This will ensure that your accountant is up to date on your company's total assets and liabilities.

As a result of the COVID-19 pandemic, many small business owners took advantage of loan and grant programs including the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan (EIDL), and the EIDL Advance.

Through the PPP program, eligible businesses received loans that could be forgiven if used for qualifying expenses, including payroll expenses, utilities, and rent payments. Whether your loan was forgiven or not, these funds **are not** counted toward the taxable income of your business.

The good news is that you can claim deductions for any eligible business expenses paid for using your PPP funds. It doesn't matter if your loan was forgiven or not — all qualifying small business expenses paid for with these funds can be written off, so make sure to bring receipts, invoices, and other documentation to your accountant to claim these deductions and lower your tax liability.

If you received an EIDL or EIDL Grant, these funds will not be added to your taxable income. Qualifying business expenses paid using your EIDL or EIDL Grant can be written off on your tax return to lower your tax liability. So, again, make sure that you gather all applicable documentation — receipts, paid invoices, accounting records — so your accountant can enter these deductions.

7. Your Income Records

To verify the income amount on your profit and loss statement, you will need to provide your accountant with income records. Be sure to have these records available (i.e. bank statements).

8. Your Business Expense Records

In order for your tax accountant to verify your company's expenses and find you the correct deductions, you'll need to bring several types of expense records as well, including:

- Receipts
- Bills
- Bank statements
- Credit card statements
- 1098 Mortgage Interest & Property Taxes form

Be sure to keep these expense records, especially your company's business receipts, well-organized. Not only will your accountant thank you for not handing them a shoebox of receipts, but your wallet will also thank you, too.

The more time your accountant must spend on your tax return, the more money you pay, so make everything as seamless and easy for them as possible.

9. All Deductible Expense Information

Some business expenses require more than just receipts. So, if you're planning on claiming any of the following deductions, make sure you bring the proper information to your accountant:

- **Home Office Deduction:** If you have a separate home office that is used exclusively for business, you may be eligible for the home office deduction. The home office deduction is heavily scrutinized by the IRS. For this reason, make sure you have the proper documentation. Be sure to take along information related to it. This includes the square footage of your home and the office. In addition, give your accountant the amounts you paid for your mortgage or rent, insurance and utilities, and any repairs you made to your home office.



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- **Mileage Log:** If you use your vehicle for business purchases, you also may be eligible for a vehicle deduction. Be sure to track all your mileage throughout the year and bring this log to your accountant or tax professional, along with any receipts related to car expenses.
- **Business Travel:** Businesses can write off meals and travel expenses. This deduction also can be a red flag for an IRS audit depending on whether expenses appear “lavish or extravagant.” For this reason, be sure to bring all receipts and any travel tickets or itineraries to your tax appointment.
- **Charitable Donations:** If your company makes charitable donations, be sure to bring all documents related to your donations, including receipts and any statements you may receive.

10. Your Business’s Payroll Data

Your accountant or tax professional will also need your payroll data from the year. Bring copies of your employee’s W-2s, W-3s, and 1099-MISCs. Also, gather health insurance records (as these can count as a business deduction) and any information regarding bonuses.

11. Your Opening & Ending Inventory Total for The Year

Several tax forms require a COGS (Cost of Goods Sold) closing balance for the year. You should already have taken an opening balance of your inventory at the beginning of the year. Now do another inventory count and bring the results to your accountant so they can properly fill out your tax return.

12. Any Stock & Bond Information

Bring information related to all stocks and bonds your business has attained or sold during the year. You’ll also need a record of any owner’s investments made into or withdrawn from the company during the year.