



## Small Business Tax Preparation Checklist

**Tax Year 2020**

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**Client(s) Name:**

### **Income**

- Income from all sources from your day-to-day operations as well as any investment or ancillary income.
- Gross receipts from cash sales or services provided
- Sales records for accrual-based taxpayers (accounts receivable)
- Sales returns and allowances
- Interest earned on business checking/savings account (1099-INT or statement)
- Other income, including rental income, federal and state gasoline or fuel tax credit or refund

### **Cost of Goods Sold**

- Beginning inventory total dollar amount
- Current year inventory purchases
- Ending inventory total dollar amount
- Items removed for personal purposes
- Materials and supplies

### **Expenses**

- Advertising
- Phones (landline, fax or cell phones related to business)
- Computer & internet expenses
- Transportation and travel expenses
- Local transportation
- Business trips expenses: mileage, car, truck, public transportation, parking transaction records or receipts.
- Business travel away from home: airfare, hotels, meals, taxi fares and tips. Include any miscellaneous expenses, such as your internet access (hotel, internet café, etc.).
- Commissions and fees
- Contract labor expenses paid to subcontractors and independent contractors
- Depreciation schedules
- Cost and first date of business use of assets
  1. Records of personal use of assets
  2. Sales price and disposition date of any assets sold
  3. Documentation of prior-year depreciation
- Amortization of intangible assets (e.g., patents or copyrights)
- Business insurance

- Interest expense (mortgage interest on building owned, business loan interest, and investment expense and interest)
- Professional fees (lawyers, accountants, and consultants)
- Office supplies
- Rent expense (office space rent, vehicle lease expense, etc.)
- Home Office
  1. Office space square footage
  2. Home total square footage
  3. Hours of use, if operating an in-home daycare
  4. Mortgage interest or rent paid
  5. Homeowner's or renters' insurance
  6. Utilities
  7. Cost of home
  8. Cost of separate improvements and first date of business use
- Employee wages expenses
- Employee benefit expenses
- Repairs, maintenance of office facility, etc.
- Estimated tax payments made (including property taxes and sales taxes if applicable)
- Other business–related expenses
- Owners and employee's health insurance.
- Information about 2020 COVID-19 related grants, economic injury disaster loans (EIDLs), or paycheck protection program (PPP) loans.

### **Evidence of Small Business Filing**

- Form 1099-NEC and Form 1096
- Form W-2 and Form W-3
- Federal and state payroll returns (Form 940, 941)