



# Tax Readiness Checklist

## Organize Your Records and Maximize Your Deductions for Tax Season

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### ***Why Tax Readiness Matters***

Tax season can be a stressful time for any business, especially Main Street businesses with many moving parts. Being tax-ready means ensuring that your financial records are organized, deductions are captured, and compliance is maintained. This checklist will guide you through essential steps to help streamline your tax preparation and minimize potential tax liabilities.

### **Section 1: Organize Your Financial Records**

#### **1. Gather Your Income Records**

Make sure you have records of all sources of income, including:

- Sales receipts
- Invoices
- Bank statements



#### **2. Review Accounts Receivable**

Ensure that all invoices have been accounted for, and review any outstanding receivables for tax purposes.

#### **3. Compile Your Expense Records**

Make sure you've captured all business-related expenses, such as:

- Receipts for purchases
- Credit card statements
- Expense reports

#### **4. Ensure Proper Categorization**

Ensure that all income and expenses have been properly categorized in your accounting software or financial records.

### **Section 2: Maximize Deductions**

#### **1. Home Office Deduction**

If you work from home, ensure that you've documented the portion of your home used exclusively for business purposes.

Examples: Office space, utilities, rent, mortgage interest.



#### **2. Vehicle Expenses**

If you use your vehicle for business purposes, keep accurate mileage logs or vehicle-related expense receipts.

Examples: Fuel, maintenance, insurance, tolls.

#### **3. Business Travel**

Document business-related travel expenses. Ensure that these are separate from personal travel.

Examples: Flights, hotels, meals, car rentals.

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#### 4. Office Supplies and Equipment

Ensure that all purchases of supplies and equipment for business use are accounted for and properly categorized.

Examples: Computers, printers, software, office furniture.

#### 5. Employee Compensation

Make sure that payroll expenses, contractor payments, and any bonuses or benefits are accurately recorded.

#### 6. Professional Services

Don't forget to capture expenses paid to accountants, legal advisors, or other professionals related to your business.

Examples: CPA fees, legal counsel, bookkeeping services.

### **Section 3: Payroll and Employee Records**

#### 1. Payroll Taxes

Ensure that you have correctly withheld and paid payroll taxes (e.g., Social Security, Medicare) and kept records of payments made.



#### 2. Employee Forms

Make sure you have all necessary tax forms, including W-2s for employees and 1099s for independent contractors, prepared and ready.

#### 3. Benefits and Retirement Contributions

Ensure that any employee benefits, including health insurance or retirement contributions, are properly accounted for.

### **Section 4: Review Asset Purchases and Depreciation**

#### 1. Record Capital Purchases

If you've bought equipment, vehicles, or property, make sure these items are recorded and classified as capital expenses.

#### 2. Depreciation

Ensure that you're applying the correct depreciation methods for assets that have been purchased in previous years.

### **Section 5: Tax Credits and Incentives**

#### 1. Research Available Tax Credits

Make sure you're taking advantage of any available tax credits for small businesses.

Examples: Energy efficiency credits, employee retention credits, or R&D credits.



#### 2. Document Qualified Expenses for Credits

If you qualify for any tax credits, ensure that you have the necessary documentation to support your claim.

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### **Section 5: Prepare for Tax Filing**

#### **1. Consult a Tax Professional**

If you're unsure about any aspect of your tax preparation, consult a tax professional to ensure compliance and optimization.

#### **2. Review Estimated Tax Payments**

Check if your estimated tax payments throughout the year match your actual income and expenses. If there's a mismatch, you might need to adjust your final payment.

#### **3. Prepare for Tax Deadlines**

Make note of all tax filing deadlines, including federal, state, and local tax return deadlines.



### ***Ready for Tax Season***

Completing this checklist will help ensure your business is prepared for tax season. But if you're feeling overwhelmed or need more personalized advice, we offer Tax Readiness Consultations to help you minimize your tax burden and keep your business financially optimized.

### ***What's Next?***

Want to dive deeper into optimizing your business's tax readiness? Schedule a free consultation with us today, and let's ensure your business is fully prepared for the upcoming tax season.

