

File Like a Pro: The Small Business Tax Document Checklist

Tax Document Checklist

Tax season doesn't have to be a headache for small business owners.

A [recent survey](#) found that almost 40% of small business owners feel nervous and stressed about filing their taxes. With the right preparation and organization, you can approach tax season confidently and even uncover opportunities to save money.

This checklist is designed to help you navigate the process step-by-step, ensuring you have the necessary documents in place and are ready to file on time. Say goodbye to tax-time chaos and hello to stress-free compliance!

* This checklist is not exhaustive. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, legal or tax advice. If you have any legal or tax questions regarding this content or related issues, then you should consult with your professional legal or tax advisor.

The Small Business Tax Document Checklist

Important forms businesses owners should keep in mind before starting their taxes:

- **Form 1040:** The standard individual income tax return for sole proprietors. Use Schedule C to report business income and expenses and Schedule SE for self-employment tax.
- **Form 1120:** [This form](#) is used by corporations to report income, gains, losses, deductions, and credits. C-corporations file this to calculate and pay their corporate taxes.
- **Form 1120-S:** Filed by S-corporations to report income, deductions, and shareholder distributions. Income passes through to shareholders, who report it on their personal tax returns.
- **Form 1065:** The partnership tax return used to report business income, deductions, and gains. Partnerships also issue Schedule K-1 to partners for reporting individual income.
- **Form 1099-NEC & 1099-MISC:** [Required for reporting](#) non-employee compensation (e.g., payments to freelancers or contractors) totaling \$600 or more.
- **Form W-2:** Issued to employees to report their annual wages and taxes withheld. Businesses must file [W-2 forms](#) with the Social Security Administration.
- **Form W-9:** Used to collect taxpayer identification information (TIN or EIN) from freelancers or contractors, ensuring proper 1099 reporting.
- **Form 941:** The [quarterly employer's federal tax return](#), used to report payroll taxes withheld from employee wages and the employer's share of Social Security and Medicare taxes.
- **Form 940:** The annual federal unemployment (FUTA) tax return, which funds unemployment compensation programs.
- **Form 1095-C:** [Required for businesses](#) with 50 or more full-time employees to report health insurance coverage offered to employees under the Affordable Care Act.
- **State and Local Tax Forms:** Vary by jurisdiction and may include state income tax returns, sales tax filings, or franchise tax reports. Check your state and local tax requirements.

1. Identify Key Deadlines and Requirements

- Understand tax deadlines:** Before you begin the process, familiarize yourself with federal, state, and local tax deadlines (April 15th is usually the deadline on a federal level).
- Determine your business structure:** Next, make sure you understand the [structure of your business](#). Your filing requirements differ based on whether you're a sole proprietor, LLC, S-Corp, or C-Corp.

2. Gather Essential Business Documents

- Income records:** Compile all forms of income (e.g., 1099 forms, sales receipts, and invoices).
- Expense documentation:** Include receipts, bills, and financial records for deductible expenses like office supplies, utilities, and travel.
- Payroll records:** Have detailed reports on wages paid, employee fringe benefits, and tax withholdings (e.g., W-2s, W-3s, 1099-NECs). [A PEO](#) like Justworks streamlines [payroll management](#) by maintaining accurate, compliant records.
- Bank and credit card statements:** Ensure all relevant financial transactions are accounted for.

3. Verify Employer and Taxpayer Information

- Taxpayer Identification Number (TIN):** Ensure your [Employer Identification Number \(EIN\) or Social Security Number \(SSN\)](#) is accurate.
- Contact information:** Confirm your address and other business details with the IRS.

4. Collect Financial Statements

- Profit and loss statement:** Summarizes your income and expenses over the year.
- Balance sheet:** Reflects your assets, liabilities, and equity.
- Cash flow statement:** Tracks cash inflows and outflows.

5. Review Employment Tax Obligations

- Federal and state tax filings:** Include forms like 940, 941, or state equivalents for payroll taxes.
- Independent contractor records:** Provide necessary documentation for freelancers or contractors (e.g., 1099 forms like NEC or MISC). Justworks simplifies tracking and managing independent contractor records, ensuring proper classification and [compliance](#) with tax laws.

6. Organize Deductions and Credits

- Business expenses:** Ensure documentation supports deductions for utilities, rent, and other necessary expenses.
- Home office deduction:** If applicable, calculate and document expenses for your home office.
- Tax credits:** Research available credits, such as those for hiring veterans or investing in renewable energy as well as any deductions like employee travel.

7. Prepare for Estimated Tax Payments

- Quarterly payments:** Gather proof of estimated quarterly tax payments made throughout the year.
- Calculation records:** Maintain documentation on how estimated payments were calculated.

8. Work with a Tax Professional

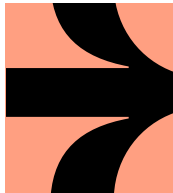
- Hire an expert:** Consider working with a CPA or tax advisor experienced in small business taxes.
- Prepare your questions:** Before meeting, compile a list of questions regarding deductions, credits, or filing options.

9. Keep Up with Tax Law Changes

- Stay informed:** Monitor updates to tax regulations that might impact your business. With Justworks, you get expert guidance to stay updated on ever-changing tax and labor laws, reducing compliance risks and fines.
- Utilize HR tools:** Use resources like the [IRS website](#), or partner with a PEO provider like [Justworks](#) to simplify tax filing.

Final Note for Employers

Staying organized and proactive during tax season can save you time, money, and stress. Using tools like modern accounting software can streamline your record-keeping process. When questions arise, consult a tax professional to ensure accuracy and compliance — or partner with Justworks, we have the tools and expert guidance to make tax time simple.



Justworks Is Here To Help.

Email: hello@justworks.com • Visit: justworks.com