

Small Business Tax Preparation Checklist

1. Business & Personal Information

Business Information

- Legal business name, EIN (Employer Identification Number), and business formation documents (LLC, S Corp, etc.)
- Business address and mailing information
- Industry or NAICS code (needed for tax forms)
- Prior-year tax returns (Federal & State)
- Articles of incorporation or partnership agreements (for reference)

Owner/Partner Information

- Owner(s) full legal name, SSN, and ownership percentage
- Partner or shareholder K-1s (if applicable)
- Spouse's information (if filing jointly)

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2. Income Documentation

Employment & Contract Income

- Forms 1099-NEC (for nonemployee compensation)
- Forms 1099-K (for payments via Stripe, PayPal, Venmo, etc.)
- Forms W-2 (if your business pays wages)

Business Revenue

- Gross receipts or sales reports from accounting software or POS system
- Bank and credit card statements for cross-verification
- Rental or leasing income statements (if applicable)
- Grants, stimulus, or relief funds received in 2025

Other Income

- Interest and dividend income (Forms 1099-INT, 1099-DIV)
- Sale of assets or property (Forms 1099-S, 1099-B)
- Refunds, rebates, or reimbursements

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3. Expense Documentation

Operational Expenses

- Rent or lease payments for office or equipment
- Utilities (electricity, water, internet, phone)
- Office supplies, software subscriptions, and equipment purchases
- Marketing and advertising receipts (website, branding, etc.)
- Professional fees (legal, accounting, consulting)

Travel & Meals

- Mileage log for business vehicle(s)
- Receipts for airfare, lodging, and transportation
- Business meal receipts (with client names and purpose noted)

Payroll & Contractors

- Payroll register or summary reports
- Employer tax payments and filings (941, 940 forms)
- 1099s for independent contractors

Financial Expenses

- Bank fees and credit card interest
- Loan interest and amortization schedules
- Business insurance premiums

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4. Asset & Depreciation Records

Fixed Assets

- Purchase receipts and cost details for equipment, furniture, or vehicles
- Date each asset was placed in service
- Records of any asset sales, disposals, or write-offs

Depreciation Schedules

- Prior-year depreciation schedule (to continue calculations)
- Cost segregation study (if real estate is owned)
- Documentation for bonus depreciation or Section 179 deductions

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5. Estimated Tax Payments & Credits

Payments

- Quarterly estimated tax payments (Forms 1040-ES or 1120-W)
- State estimated payments (if applicable)
- Proof of prior tax payments or refunds applied

Credits

- R&D tax credit (for qualifying research or product development)
- Work Opportunity Tax Credit (WOTC)
- Clean energy or vehicle credits (if applicable)

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6. Loans, Investments & Financing

Loan Documentation

- Loan agreements, promissory notes, and payment schedules
- Interest statements (Form 1098 or lender reports)
- PPP or EIDL forgiveness documents (if any)

Investment Activity

- Owner contributions and withdrawals
- Capital account reconciliation
- Dividend or distribution statements

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7. Bookkeeping & Financial Reports

Reports to Prepare

- Profit & Loss Statement (Income Statement)
- Balance Sheet (Assets, Liabilities, Equity)
- Cash Flow Statement
- Accounts receivable and accounts payable aging reports

Reconciliations

- Bank and credit card reconciliations for all accounts
- Inventory valuation (if applicable)
- Payroll reconciliations for year-end reporting

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8. Industry-Specific Documentation

Service Businesses

- Client contracts or retainer agreements
- Proof of prepaid income and deferred revenue

Construction

- Job costing reports and subcontractor details
- Retainage balances and project deposits

eCommerce

- Marketplace sales reports (Amazon, Shopify, eBay, etc.)
- State sales tax collection summaries

9. Review Before Submission

- Verify EIN and business address on all forms
- Ensure all signatures and dates are correct
- Review depreciation and expense carryforwards
- Confirm e-file PINs and authorizations (Form 8879)



Need Expert Help with Tax Prep?

At NexusWorks LLC , We help small businesses;

- Organize books and financials for tax readiness
- Maximize deductions with proactive planning
- File accurately and on time to avoid penalties

Schedule a **free consultation** today and let our CPA team handle your 2025 tax prep — while you focus on growing your business.