

Schedule C Business Income and Expenses The IRS has determined that small business owners are very likely candidates to make mistakes applying the tax law. Accordingly, anticipate more audits for business owners in the near future. Please review the following information carefully to assure compliance with the law.

Business Name _____

Total Sales \$ _____ Owner Taxpayer Spouse

Holding deposits until next year is *not* a tax planning item. IRS requires all receipt to be reported in the year received. If there are absorbent deposits that occur following the year end, photo copy all checks being deposits to confirm the payment dates.

Credit Cards - Do you accept credit cards from your customers? If you have transactions exceeding \$20,000 and more than 200 transactions, your credit card service is required to send a 1099-K to you. Bring all 1099's to your appointment (1099-K's, 1099-MISC, 1099-NEC)

During 2020, did you refinance using your primary resident to secure a business loan? Bring all Paperwork.
 Balance on note prior to re-finance: _____ Balance on Note at 12-31: _____

Expenses			
Advertising	_____	*Repairs & Maintenance	_____
Business Mileage # _____	_____	Supplies	_____
Commissions	_____	Taxes	_____
Contract Labor	_____	**Telephone	_____
Dues & Subscriptions	_____	Tools & Equipment	_____
Insurance (Other than Health Ins)	_____	Travel Expenses	_____
Interest - Mortgage	_____	Uniforms	_____
Interest - Other	_____	Utilities	_____
Legal & Professional Fees	_____	Vehicle Expense	_____
Meals & Entertainment	_____	Wages	_____
Office Expense	_____	Employee Health Ins (see back)	_____
Rent - Building	_____	Other	_____
Rent - Equipment	_____	Other	_____

*Do any amounts shown in Repairs and Maintenance add value to the property, prolong, useful life, or adapt it to new uses? If so, these amounts can be depreciated. Bring in description of alteration, cost, and in service date.

**Cell Phones: Does the business blend itself in such a manner that a cell phone is an ordinary and necessary component of the business? Is the cell phone on your business card? Is the cell phone number listed on your letterhead and/or yellow page advertising?

Cost of Goods Sold	
Beginning Inventory	_____
Purchases	_____
Less Personal Use	(_____)
Direct Labor	_____
Supplies	_____
Other	_____
Ending Inventory	_____

Credit Card purchases - Did you use a credit card for business purchases? Payment by credit card is considered to be a payment of cash at the time of the charge, not at the time when the credit card company is paid. Please bring a copy of December 31st credit card statement with business purchases.

Schedule C Home Office Expenses

Is a home office used for administrative or management activities for business? _____

Total Square Feet of Home _____ Purchase Price of Residence _____
 Total Square Feet of Office _____ *Bring in Real Estate Tax Bill for 2020* _____

Simplified method available. Square footage of office space x \$5 for maximum of \$1,500 deduction.

Expenses: Mortgage Insurance _____ Property Insurance _____
 Real Estate Taxes _____ Utilities _____

