



ROESNER | KENNEY

TAX & ACCOUNTING

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TAX TIPS Preparing for the end of the year:

For Business

It's never too early to start preparing for your year-end tax return. Below is a list of some items that you should begin gathering or watch for in the mail:

- Business Bank Accounts
 - Ensure you have balanced all business bank accounts listed in your ledger or computerized software with your bank statements
- Credit Card Accounts
 - Ensure you have balanced all business credit card accounts with your statements
 - For mixed use credit cards ensure you have split out all expenses between business and personal
 - Make sure all interest/finance charges are listed separately
- Loan Accounts
 - Make sure that all loan accounts reflect the correct balance due as of 12/31/2016
 - Interest/finance charges paid on the loan should be listed separately
- Accounts Receivable
 - Check that your A/R balance is correct
- Accounts Payable
 - Check that your A/P balance is correct
- Assets
 - Make a list of all the business assets over \$500 that were purchased during the year
 - Include purchase date, amount and description of item(s)
- Subcontractors
 - All subcontractors paid for services of \$600 or more (which are not a corporation) must receive a form 1099 by January 31st of the following year. See IRS instructions for more information (<https://www.irs.gov/pub/irs-pdf/i1099msc.pdf>)
 - Beginning with tax year 2016, all 1099 forms must be sent to the Internal Revenue service by January 31st of the following year. There are significant penalties for late or incorrectly filed returns
 - Make sure that you have a completed and signed W-9 form on file for all subcontractors that you paid during the year
- Inventory
 - If you track inventory, make sure you do a physical count on the last day of your fiscal year



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- Employees
 - Make sure that you have a completed W-4 form for all employees that you paid during the year
 - Have current employees complete a new W-4 form. This will ensure that you have their correct mailing address and SSN for W-2 forms that will be issued to them
 - Make sure that your payroll tax liability balances match what is owed at the end of the year

- Other Items
 - Review your general ledger or paper ledger to ensure all income and expenses are classified correctly
 - Ensure that you have receipts for all business expenses
 - Make sure you have mileage logs for all business use of vehicle
 - Make a list of estimated tax payments made during the year
 - Include the amount and date of each payment
 - Include which tax agency each payment was made to (IRS, MN, etc.)
 - Provide your final income statement and balance sheet (computerized accounting system) to your tax professional
 - If you do not have a computerized accounting system, provide your preparer a ledger of your expenses (by type of expense) and income for the year