



H & R Pye's Tax Service

2021 BUSINESS CHECKOFF LIST

Bath, Maine Telephone 207-443-6183

Please note if you are planning to mail in or drop off your tax information and papers - instead of having an appointment with us - **YOU MUST ANSWER ALL of the questions on this Checkoff list.** Simply checking off or Xing the questions does not tell us what we need to know. Please put down the answer, not applicable, or none. If you need more room please attach a separate piece of paper and number your answers according to the question.

If you are a Real Estate Agent, a Commercial Fisherman, a Day Care Operator, or have Rental Property, we have a special Check-off list to help you prepare for your tax appointment. Please go to our website or call us and we will send the appropriate one to you.

- A **TOTAL INCOME FOR BUSINESS** - whether paid by check or cash. Report only what you received in 2021. If the work was done in 2021 but you were not paid until 2022, then that is 2022 income. If you are reporting your income on the accrual basis, we also need to know your accounts receivable at 12/31/20 and 12/31/21.
- B PPP Loans – If you took one, please provide information including loan amount, percentage used towards payroll, etc.
- C **EXPENSES**
- 1 **If you want us to do your W-2s and/or 1099s we need the information by January 10, 2022. These statements must be mailed by you to the recipients by January 31, 2022. If you are mailing government reports, they MUST be postmarked by January 31, 2022.**
 - 2 Advertising - newspapers, business cards, shirts, hats, team sponsors. Yellow page advertising should be on your telephone bill. Also see donation explanation.
 - 3 Car & Truck Expenses - you can deduct the cost of using your vehicle for business. You will either use the IRS standard mileage rate of \$0.56 or your actual expenses such as gas, oil, repairs, insurance, etc. *Regardless* of which method you use, we need your business miles **and** the total of all miles for the year for each vehicle you use because both of these methods use only the business portion as a deduction. We will also need your business vehicle's excise tax and any interest paid.
 - 4 Donations - to non-profit organizations made in your business name. The IRS says that individual business owners cannot take a business deduction for donations they make – however, if you get **recognition in writing** for your donation (such as a published list of thank-yous to sponsors, a listing in a program, etc.) then that qualifies as advertising and you can get a tax deduction for that type of donation.
 - 5 Equipment Purchases - any major purchases you made (this would include any items you bought which will last for more than one year). Please list each item separately and provide date bought, cost, description, and if you traded anything towards it, we will also need to see the paperwork showing the trade in allowance.
 - 6 Equipment Sold - did you sell (or abandon) any business equipment in 2020 that you had bought in previous years? We will need to know what was sold, date sold, and how much you received.
 - 7 Freight - the cost of shipping out your product.
 - 8 Insurance - this may include business liability, worker's compensation. Please list separately.
 - 9 Interest Paid on Business Loans - such as start-up loans, equipment loans, and credit cards used solely for your business.
 - 10 Leased Equipment - if you have leased any equipment to be used in your business, we will need to see the paperwork on the lease. The equipment might be a vehicle, construction equipment or office equipment.
 - 11 Legal & Professional fees - lawyers, permits, accountants, tax preparation.
 - 12 Materials & Supplies - that end up as part of your finished product. We also need your ending inventory balances **at your cost**. Please take your inventory as close to the end of the year as possible.

13 Office in Your Home - if you qualify for this deduction we will need to know:

Square footage of your home

Square footage of area used for business

We will also need to know the cost of running your home:

Heat _____ Electricity _____ Wood _____ Water _____ Sewer _____

Pumping Septic _____ Home owner's insurance _____ Cable/Internet _____ etc.

- 14 If you are a corporation, we need your end of year checking account/savings account balances.
- 15 If this is your first year with an office in the home, we will also need a copy of your property tax bill and how much you have invested in your home (original purchase and improvements). If you have ever depreciated it before we will need the information on that as well.
- 16 Office Expenses - envelopes, paper, pens, office supplies, postage, business bank fees, etc.
- 17 Outside Labor - the amount you paid people who were not on your payroll to help you in your business. The IRS strongly suggests that you give 1099s to all subcontractors, regardless of how much you paid them, in order to protect your tax deduction.
- 18 Rent of Machinery or Equipment - used in your business for a short period of time.
- 19 Rent - on other business property such as the building or land that your business uses.
- 20 Repairs - to all of your business equipment whether it's office equipment or equipment to do your job. Please detail your projects.
- 21 Repairs - improvements or repairs to land and/or building that is used in your business. Please detail your projects.
- 22 Supplies - miscellaneous tools or materials - such as cleaning supplies, small inexpensive tools (saw blades, paint brushes, sand paper, screw drivers, glue, etc.)
- 23 Taxes - such as equipment taxes and registration fees, sales tax (if not already included in one of the other areas), property taxes on business, etc. Please list separately.
- 24 Telephone and cellular phones - if you run your business out of your home. You can deduct any additional features, such as call forwarding, that you have to pay for. You can no longer deduct long distance calls on your land line. If you have 2 phone lines into your home (one can be a cell phone), then you can pick one to be your business phone (for tax purposes) and the other will be personal. If you have a cellular phone you may deduct 100% of the cost if it is used 100% for your business, otherwise you will only be able to deduct the business percentage.
- 25 Travel for Business Purposes - airfare, motel, **meals (must be listed separately)**, tolls, parking, etc.
- 26 Medical Insurance - if you are self-employed and pay for your own medical insurance, we need to know how much you pay and who you pay.

Generally, anything you have spent for your business is probably a tax deduction for your business. Since every business is unique you may have some items that we have not mentioned above. Please write them down and tell us about them.