



H & R Pye's Tax Service

2021 DAYCARE 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.

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.

B **EXPENSES**

- 1 **If you want us to do your W-2s and/or 1099s we need the information by January 10, 2022. These 1099's/W-2's 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 as well.**
- 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. Example - swing set, jungle gym set, play buildings, computer equipment, furniture
- 6 **Equipment Sold** - did you sell (or abandon) any business equipment in 2021 that you had bought in previous years? We will need to know what was sold, date sold, and how much you received.
- 7 **Seminar costs, first aid courses**
- 8 **Insurance** - this may include day care, 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 paper work on the lease. The equipment might be a vehicle or office equipment.
- 11 **Legal & Professional fees** - lawyers, permits, accountants, tax preparation.
- 12 **Cleaning supplies** - paper towels, toilet paper, laundry detergent, cleaners.
- 13 **Outside Labor** - the amount you paid people who were not on your payroll to help you in your business. The IRS strongly recommends giving a 1099 to all your employees, regardless of how much you paid them, to protect your tax deduction.
- 14 **We need the hours you were operating your business.** We need to know how many days you were open, and don't forget your prep time. Remember do not count holidays and vacations when you are closed.
- 15 **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: Lawn maintenance and snow plowing _____

Heat _____ Electricity _____ Wood _____ Water _____ Propane _____

Sewer _____ Home owner's insurance _____ Cable _____ Internet _____

Pool Service & Supplies _____ Pumping Septic _____ etc.

- 16 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.
- 17 Rent of videos, equipment - used in your business for a short period of time.
- 18 Rent - on other business property such as the building or land that your business uses.
- 19 Repairs and maintenance- to all of your business equipment whether it's office equipment or equipment to do your job also any repairs to your furniture or appliances. Please detail your projects.
- 20 Repairs and maintenance- improvements or repairs to land and/or house that is used in your business. Don't forget childproofing costs as well. Please detail your projects.
- 21 Supplies - art supplies, crayons, pencils, paper
- 22 Taxes - such as property taxes on business equipment, etc. Please list separately.
- 23 Telephone and cellular phones - if you run your business out of your home. You can deduct 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 (one can be your cell phone) into your home, 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.
- 24 Travel for Business Purposes - airfare, motel, meals (must be listed separately), tolls, parking, etc. Field trips and entertainment for children. Please list separately.
- 25 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.
- 26 Food cost - You can keep actual purchases for day care food. If you do this, then it must be kept separate from your family food. Probably the best way is to keep a very good attendance record. You must keep a total for each day you were open. You should keep track of the number of breakfasts served, the number of lunches or suppers served, and the number of snacks served (maximum of 3 snacks per child in an 8-hour day). The allowances for 2021 are: \$1.39 breakfast, \$2.61 lunch or supper, and \$0.78 per snack.
- 27 Toys, videos etc.
- 28 Office Expenses - envelopes, paper, pens, office supplies, postage, business bank fees etc.

Generally, anything you have spent for your business is probably a tax deduction. Since every business is unique you may have some other items. Please write them down and tell us about them.