
Small Business Income Expense Checklist

Income items

Be sure to include all income sources when creating your small business checklist. This could include income from your day-to-day operations as well as any investment or secondary income.

Gross receipts from sales or services.

Sales records for accrual-based taxpayers (accounts receivable).

Returns and allowances.

Business checking/ savings accounts interest (1099-INT or statement).

1099-NEC (independent contractor or professional services work) 1099-K, or W-2 income.

Other income, including rental income, federal and state gasoline or fuel tax credit or refund.

Cost of goods sold

Some categories may not apply each tax season, so you should only include what applies for 2023 on your small business tax checklist. If you produce, purchase, or sell merchandise in your merchandise in your trade or business, you'll need to take your inventory into account at the beginning and end of the year.

Beginning inventory total dollar amount.

Inventory purchases.

Ending inventory total dollar amount.

Items removed for personal purposes.

Materials and supplies.

Expenses

A wide range of costs can fall under applicable business expenses. Don't miss recording any of these on your small business tax preparation checklist. Our tax pros will help you find each and every deduction you deserve.

Advertising

Phones (landline, fax or cell phones related to business)

Computer and internet expenses

Commissions and fees

Contract labor expenses paid to subcontractors and independent contractors

Amortization of intangible assets (e.g., patents or copyrights held)

Transportation and travel expenses

- Local transportation - Did you take any business trips this year? You'll want to include your mileage along with any car and truck expenses. For public transportation, parking and tolls, you should include your contemporaneous log (recording if transactions as they happen) or receipts.

- Travel Away from home - You should account for actual expenses if you drove - or airfare for any flights. There are helpful app-based trackers available so you can keep up while you're on the go. Be sure to include costs for hotels; meals and tips; and taxi fares and tips. Remember to include any miscellaneous expenses, such as your internet access (hotel, internet, cafe, etc...).

Depreciation

- Cost and first date of business use of assets.
- Records relating to personal use of assets.
- Sales price and disposition date of any assets sold.
- Documentation of prior-year depreciation.

Business insurance

- Casualty loss insurance.
- Errors and omissions.
- Other

Interest expense

- Mortgage interest on building owned by business.
- Business loan interest.
- Investment expense and interest.

Professional fees

- Lawyers, accountants, and consultants.
- Tax preparers.

Office supplies

- Pens, paper, staples, and other consumables.

Rent expense

- Office space rent.
- Business-use vehicle lease expense.
- Other.

Office-in-home

- Square footage of office space.
- Total square footage of home.
- Hours if use, if operating an in-home daycare.
- Mortgage interest or rent paid.
- Homeowner's or renters' insurance.
- Utilities.
- Cost of home, cost of separate improvements and first date of business use.

Wages paid to employees

Employee benefit expenses

Other expenses

- Repairs, maintenance of office facility, etc.
- Estimated tax payments made (including property taxes and sales taxes if applicable).
- Other business - related expenses.
- Health insurance - Whether you're sole - proprietor who is covering their family, a partner or you have S corporation shareholders, you'll want to account for premiums paid on behalf of those individuals. Also, you should gather information on your spouse's employer provided insurance if applicable.

Advance payment notices

Make sure you've completed all related tax issues such as:

File Form 1099-NEC and Form 1096

File Form W-2 and Form W-3

File federal and state payroll returns (Form 940, 941)