The Small Business
Tax Season Prep Checklist

Everything you need to organize before handing your books to your accountant.

Presented by: Smart Ledger Bookkeeping Services, LLC

Where Books Come to Balance

Why Tax Preparation Starts in January, Not April

Tax season is not a one-week event. It is the result of twelve months of financial habits.

Business owners who are organized year-round hand their accountant a clean, complete file and move on.

Business owners who are not spend weeks scrambling and pay for that scramble in accountant fees, penalties, and stress.

This checklist covers everything you need to have ready before tax season begins

Know Your Filing Deadline

Your deadline depends on how your business is structured. Mixing these up is one of the most common, and most expensive, mistakes business owners make.

- Partnerships and S-corporations: March 15
- Sole proprietors, single-member LLCs, and C-corporations: April 15
- Extensions (Form 7004 or Form 4868): six additional months to file, not to pay

Smart Tip

Put your actual deadline on your calendar today, not April 15 by default. If you file as an S-corp or partnership, missing the March 15 deadline triggers a penalty even if you did not owe any tax.

Income Records to Gather

- All 1099-NEC forms received from clients or platforms
- All 1099-K forms if you accept card payments through Stripe, Square, or PayPal
- Bank statements showing all deposits for the year
- Invoices or records of all revenue received
- Any loan proceeds received (not income but must be documented)

Smart Tip

Pull your own deposit records now and cross-check them against every 1099-NEC and 1099-K you receive. For 2026, 1099-Ks only kick in above $20,000 and 200 transactions, but every dollar of income is taxable whether or not a form arrives for it.

Expense Records to Gather

- Business bank and credit card statements for the full year
- Receipts for all major purchases over $100
- Mileage log if you are claiming vehicle deductions
- Home office measurements if claiming the home office deduction
- Records of any contractor payments: names, amounts, and SSN or EIN
- Loan statements showing interest paid

Smart Tip

Pull up what you paid every contractor this year. If any one of them crossed $2,000 (the 2026 threshold, up from $600), issue them a 1099-NEC before your filing deadline. Missing this can trigger penalties

Payroll Records to Confirm

- W-2s issued to all employees
- Payroll tax filings: 941s filed quarterly
- State payroll tax filings and payments
- Records of any owner draws or guaranteed payments
- Year-end payroll summary reconciling total wages paid

Smart Tip

Confirm that your quarterly 941 filings match your W-2 totals before your accountant files your return. Payroll errors are one of the most common triggers for IRS notices.

Financial Reports Your Accountant Needs

- Profit and loss statement for the full calendar year
- Balance sheet as of December 31
- Accounts receivable aging report
- Accounts payable aging report
- Bank reconciliation reports for all accounts

Smart Tip

Reconcile every account through December 31 before you send anything to your accountant. If your books are not current, a bookkeeping cleanup now costs far less than the errors dirty books create later.

Deductions Business Owners Commonly Miss

- Business use of personal cell phone (percentage of total bill)
- Professional development, courses, and business books
- Software subscriptions used for business
- Bank fees and merchant processing fees
- Business insurance premiums
- Retirement contributions made through a SEP-IRA or Solo 401(k)
- Qualified Business Income (QBI) deduction, up to 20% of qualified income for pass-through entities
- Section 179 or bonus depreciation on equipment and software purchased during the year

Smart Tip

Add up every health insurance premium you paid for yourself and your family this year and hand that total to your accountant separately. Self-employed owners can deduct 100 percent of it, and it is one of the most overlooked deductions there is.

The 30 Days Before You File

- Confirm all bank accounts are reconciled through December 31
- Review your profit and loss statement for any obvious errors
- Confirm all 1099s have been issued to contractors
- Confirm all 1099s you received match your income records
- Deliver clean financial reports and source documents to your accountant
- Set aside funds for any tax balance due before filing
- Keep copies of your full tax file for at least 3-6 years if income was underreported by 25% or more

Smart Tip

Estimate what you owe and pay it by your original deadline, even if you plan to file an extension. An extension gives you more time to file, not more time to pay.

Need Help Organizing Your Books?

Smart Ledger Bookkeeping Services, LLC helps small business owners maintain organized financial systems with bookkeeping support designed to create clarity, confidence, and peace of mind. Whether you need monthly maintenance, tax season preparation, or a complete books cleanup, we are here to help.

Our Professional Services:

- Full-Service Monthly Bookkeeping & Bank Reconciliation
- Historical Cleanups & Catch-up Bookkeeping
- Accounts Receivable & Accounts Payable Tracking
- Financial Reporting & Cash Flow Management
- Tax Season Readiness & Year-End Preparation

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