

Business Tax Return Document Checklist

***NOT an exhaustive list – just for examples!**

Income

- Gross Total of Income Earned
 - Including, but not limited to:**
- Income from the sale of products or services
- Shipping Fees, Handling Fees, and Tips Paid to Your Business by Customers
- Sales Tax Collected From Customers (UNLESS you sell exclusively on Etsy - they handle sales taxes!)
- Forms 1099-K from Payment Processors (Paypal, Shopify Pay, Stripe, etc)
- Interest or Cash Back Earned from Business Credit/Debit Cards, Savings, or Investments
- Prizes or Awards Given to your Business
- Any Income from Selling Equipment or Vehicles Owned by the Business

Returns & Refunds

- Total of all Returns and Refunds Issued to Customers

Deductions

- Total Spent on Advertising, Professional Services, Office Expenses, Supplies, Travel, Software Subscriptions, Selling Fees, or Any Other Ordinary and Necessary Business Expenses
- Totals Paid to Independent Contractors or Employees
- Totals Paid to States for Sales Taxes (UNLESS you sell exclusively on Etsy)
- Totals Paid for Other Licenses or Taxes - Business Licenses, LLC Fees, Payroll Taxes, etc.

If you use a vehicle in your business:

- Mileage Log (REQUIRED by the IRS)
- Vehicle Make, Model, and Year
- Date the Vehicle was Placed Into Service
- Total Amount of Miles Driven for Business Purposes

If you have a space in your home 100% dedicated to your business:

- Address of the Home
- Total Rent Paid for the Year (for Renters) or Total Home Cost (for Owners)
- Date that the Space Started Being Used for Business
- Total of Renters or Homeowners Insurance, Property Taxes, Mortgage Interest, and Utilities Paid for the Year
- Square Footage of the Residence, Including Garage and Basement
- Square Footage of the Dedicated Business Space

Inventory

If you sell physical products or “merch”, you likely have inventory. To accurately calculate your deduction, we need:

- Your Inventory Value on Jan 1 (\$0 if this is your first year in business)
- The Total Value of the Inventory Purchased in the Year (what your business paid for it, NOT it’s retail value)
- The Total Value of Any Items Removed for Gifts, Donations, or Personal Use
- The Value of All Inventory Still In your Possession (“on the shelf”) on Dec 31

Equipment

- Date Placed Into Service
- Cost (Including Delivery/Freight Charges, Sales Tax, and Installation Fees)
- Percentage of Business Use
- Date Sold and Amount Sold For (if you sell Equipment Owned by the Business)

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