

IMPORTANT TAX INFORMATION

BUSINESS INCOME (PARTNERSHIP, S-CORP, C-CORP) TAX INFORMATION

What is it?

Income tax return for business entities that have elected to be taxed as a Partnership (Form 1065), S-Corporation (Form 1120S), or C-Corporation (Form 1120)

Who needs to file?

Any entity that has multiple owners or who has elected to be taxed as one of the types listed above.

Information needed for ACPA to assist in filing:

- General Ledger, trial balance, depreciation schedules, balance sheet, and profit and loss statement or QuickBooks file copy of your transactions.
- Any notices received from tax authorities
- Changes in ownership
- Documentation for new loans, loan balances owed at 12/31, and amount of interest paid on each one
- Reconciled bank balance at 12/31
- Cost of inventory at 12/31, if applicable
- Payables at 12/31
- Receivables at 12/31
- Real Estate and Business Property Tax Bills
- Annual payroll filings (W-3s, 940s, etc.)
- Business and total mileage for all business vehicles
- Any stimulus funding amounts and dates received (PPP Loan, EIDL Advance, EIDL Loan)

Out-of-pocket expenses paid by employees or owners should be documented and reimbursed to them on a monthly or quarterly basis. Taxpayers are also required to maintain a mileage log showing date of business activity, business purpose, name of client or supplier if applicable, and beginning and ending mileage as well as documentary evidence (i.e., receipts, canceled checks, credit card statements, etc.). **The importance of substantiation cannot be overemphasized.**

Also, if you purchase goods (equipment, supplies, etc.) from out of state and were not charged North Carolina sales tax, you are still required to pay North Carolina “use” tax. If you need assistance in registering for a North Carolina “use” tax number and filing the required forms, please let us know.