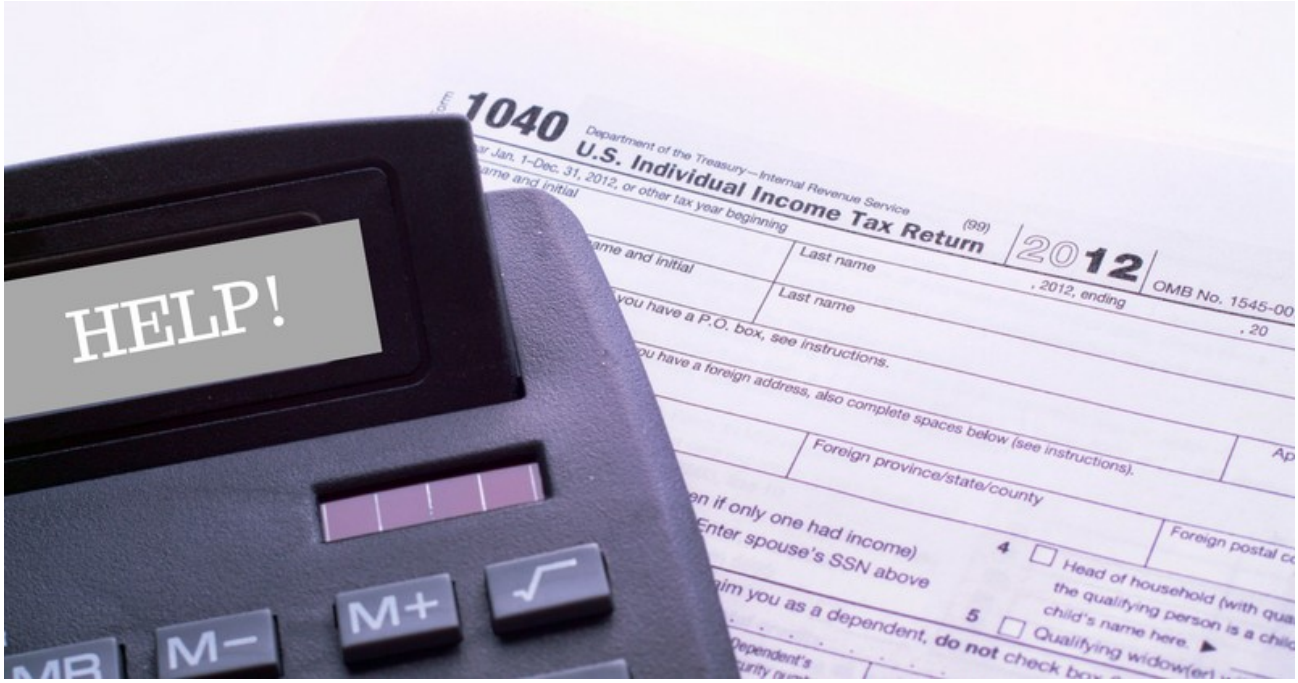
13 Tax Season Tips for Small Business Owners

No one likes tax season - not even the tax man! Tax season arrives at the same time every year. You will want your financial records in order, and to reduce your tax liability. You can plan ahead and make it easier on yourself (and your accountant!) by planning and preparing for tax season before the deadline arrives!



1. Schedule time for reviewing and preparing your financial documents throughout the year - and keep those appointments! Different types of businesses have different deadlines - S Corps, Partnerships,
2. Keep track of your business expenses. Many small business owners don't fully understand the difference between a business expense and a personal expense. Deductions can save you money, such as home ac
3. Keep professional files and records that are easily accessed and organized - not a shopping bag full of receipts!
4. Backup your electronic files and records.
5. Build a relationship with a trusted accountant who acts as an advisor and partner in building your business.
6. Go online with a banking system that lets you download and review your records on a monthly basis.
7. Accounting software can help you track and manage your financial records, and payroll tax software can help you avoid penalties.
8. Pay into your retirement accounts. The money you contribute to your retirement account isn't typically taxed until you withdraw it.
9. Defer income to the current year if this will save you money due to varying annual income levels.
10. Spend money on business needs so you can maximize your deductions.
11. Make a tax-deductible charity donation from your business.
12. Understand equipment depreciation rules for your type and size of business: is it better to sell old equipment or donate it; is your equipment depreciated the year you purchase it or over time
13. Make sure your independent contractors do not meet the IRS criteria of an employee.