

Preparing for the coming tax season

November 28, 2020

We are approaching the end of November. Now is the time to get all your financial and business information organized so that you are prepared for the coming tax season.

Tips to get organized and prepared for the new year

1. If you are one of those business owners who are behind with your bookkeeping, now is the time to get your books done. This will help your tax preparer to better advise you about things you can do to reduce your taxes before the year ends. If your books are not up to date and accurate there is no way you can get professional advice on how to reduce taxes.
2. Take a look at the contractors you hired this year and see who you need to get information from to issue or file a 1099-NEC for them. If you did not collect the information you need to file their 1099-NEC, send them a copy of Form W-9 to for them to fill out and return to you. You need to file a 1099-NEC for all contractors you paid more than \$600 for the year.
3. The deadline to file a 1099-NEC with the IRS is January 31.
4. If you paid your contractors by credit card there is no need to file a 1099-NEC. The credit card company will send them a 1099-K.
5. Review your books with a professional to ensure all eligible tax deductions are identified and properly recorded. This will ensure you pay the least possible taxes.