

# INCOME TAX QUESTIONNAIRE FOR SELF-EMPLOYED INDIVIDUALS

Taxpayer Name: \_\_\_\_\_ Tax Year: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

## IRS has stated that you Must answer these questions or we cannot prepare your return:

Have you paid any individual \$600 or more for services rendered: Yes \_\_\_\_\_ No \_\_\_\_\_

Did Everyone in your Household Have Health Insurance For The Entire Year ? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_

### INCOME FROM BUSINESS ACTIVITIES:

Total Income Reported on Forms 1099 \$ \_\_\_\_\_

Other Business Income \$ \_\_\_\_\_ Describe \_\_\_\_\_

### IF YOU SELL PRODUCTS

Products Purchased For Resale \$ \_\_\_\_\_ Ending Inventory @ Cost \$ \_\_\_\_\_

### EXPENSES RELATING TO BUSINESS ACTIVITY:

Advertising \_\_\_\_\_ Pension: Employees \_\_\_\_\_ Utilities: Office \_\_\_\_\_

Commissions Paid \_\_\_\_\_ Pension: Self \_\_\_\_\_ Wages W-2 Employees \_\_\_\_\_

Contract Labor \_\_\_\_\_ Rent: Equipment \_\_\_\_\_ Bank Fees \_\_\_\_\_

Employee Benefits \_\_\_\_\_ Rent: Office \_\_\_\_\_ Referral Fees \_\_\_\_\_

Insurance: Business \_\_\_\_\_ Repairs & Maintenance \_\_\_\_\_ Telephone \_\_\_\_\_

Health Ins: Self \_\_\_\_\_ Supplies \_\_\_\_\_ Business Gifts \_\_\_\_\_

Health Ins: Empl \_\_\_\_\_ Licenses \_\_\_\_\_ Postage & Delivery \_\_\_\_\_

Interest Expense \_\_\_\_\_ Taxes: Bus Per Prop \_\_\_\_\_ Dues & Memberships \_\_\_\_\_

Legal & Prof Fees \_\_\_\_\_ Travel & Lodging \_\_\_\_\_ Education & Seminars \_\_\_\_\_

Office Expenses \_\_\_\_\_ Meals \_\_\_\_\_ Printing \_\_\_\_\_

Office Equipment \_\_\_\_\_ Entertainment \_\_\_\_\_ Other (Describe): \_\_\_\_\_

### AUTOMOBILE EXPENSES & OFFICE IN HOME EXPENSES

You must complete the Automobile Expense or Office in Home Expense summary forms.

### EXPLANATION OF COMMON EXPENSE ITEMS

*The most common reason for being audited is failing to break down your expenses into a sufficient number of separate categories.*

**Advertising:** Newspaper ads, brochures, signs, flyers, etc. **Bank Fees:** If you have a separate checking account for business purposes.

**Commissions Paid:** Commissions paid by you to other businesses or other fee splitting arrangements if the total commission was reported to you.

**Dues & Memberships:** Dues and memberships that are business related. Country club initiation fees are not deductible.

**Entertainment & Meals:** Must be business related and you must save receipts showing who was entertained and why.

**Legal and Accounting:** Professional fees directly related to your business. Tax preparation fees relating to your Schedule C.

**Telephone:** No deduction is allowed for any portion of the base monthly charge on your first phone line. Additional phone lines or special features that you have for business reasons may be fully deductible. The IRS requires that you document personal versus business use of mobile phones.

**Client Gifts:** Include closing or other gifts given to clients, referral sources, bank agents, etc. up to \$25 per individual.

**Insurance:** Home owners rider for clients on premises and any other business insurance. You must list your health insurance separately from any insurance provided to employees. Do not include auto or home insurance here.

**Printing & Stationary:** Business cards, Christmas cards, letterhead and envelopes. **Postage & Delivery:** Include courier, federal express, stamps, fax charges.

**Referral Fees:** Cash or gifts given to others for providing referrals even if the referral does not lead to a commission.

**Publications:** Professional and business journals, books, newspapers, magazines, etc.

**Licenses & Taxes:** Professional and business licenses. Personal property tax on business assets.

**Office Equipment:** Answering machines, file cabinets, fax machines, computers, etc. Give detail if large amount.

**Travel Expenses:** Travel & lodging to out-of-town conventions, customers, clients, suppliers, seminars, etc.

**Pension - SEP or Keogh:** If you are unsure as to the maximum amount that you may deduct, please indicate that you want us to calculate the maximum for you.

**Cost of Goods Sold:** Give total cost of goods purchased for resale and the amount still on hand in ending inventory.