



Tax Time for Entities 2013

Blackburn, Childers & Steagall, PLC is requiring that all taxpayers answer the following questions before preparers begin work on their tax return. If you answer "yes" to questions 1 – 3 on this page, you also need to answer corresponding questions on the following pages.

1. Did your business make payments for attorney fees or providers of medical and/or health services? Yes___No___
Did your business make payments of \$600 to any single payee? Yes___No___
If you answered "Yes" to either question, please also answer the questions on the insert related to 1099s
2. Are you claiming a deduction for business travel, entertainment or listed property? Yes___No___
If you answered "Yes", please also answer the questions on the insert related to business travel...
3. Are you claiming a deduction for charitable contributions Yes___No___
If you answered "Yes", please also answer the questions on the insert related to charitable contributions
4. Did you have a financial interest in, or signature authority over any financial account having a value exceeding \$10,000 in a foreign country? Yes___No___
Someone from BCS will contact you to determine further filing requirements
5. Did you pay at least 50% of the health insurance premiums for your employees? Yes___No___
Someone from BCS will contact you to determine your eligibility for the Credit for Small Employer Health Insurance Premiums
6. Did you obtain a certification that any employee hired during the tax year was from a targeted group eligible for the work opportunity credit? Yes___No___
Someone from BCS will contact you to determine your eligibility for the Work Opportunity Credit

Client Name: _____

Client Initials: _____

Date: _____

**Answering the Questions
helps us prepare your return more efficiently.**

NEW 1099 QUESTIONS ON BUSINESS RETURNS

Generally, any trade or **business** that makes payments in the course of that trade or business of **interest, rents, compensations, remuneration for services, annuities, etc. aggregating \$600 or more for the year to a single payee is required to report the payments to the IRS and to the recipient of the payments by filing Form 1099**. This reporting requirement generally *does not apply to payments to corporations*. However, the 1099 reporting requirements do apply to payments made to corporations for attorneys' fees, and to amounts paid to corporations providing medical or health care services

The IRS now includes two questions concerning Form 1099 on all business returns, including Form 1040, Schedule C, Schedule F, and Schedule E as well as Forms 1065, 1120, and 1120-S. The questions are **1)** "Did you make any payments in 2012 that would require you to file Form(s) 1099", **and 2)** "If 'Yes,' did you or will you file all required Forms 1099?" We must answer these two questions when we prepare your 2012 Form 1040 if the 1040 includes a Schedule C, Schedule F, or Schedule E. In addition, we must answer these questions when preparing a Form 1065, 1120, or 1120-S. Therefore, if you have a trade or business, please review the above requirements for filing Forms 1099 and provide us with answers to the following questions:

- | | YES | NO |
|--|-------|-------|
| 1. Did you make any payments in 2012 that would require you to file Form 1099? | _____ | _____ |
| 2. If "Yes", did you or will you file all required Form 1099s? | _____ | _____ |

Please call us if you have any questions concerning the Form 1099 filing requirements. In addition, if you have not filed all required 1099s, we will help you meet your filing responsibilities. However, unless you engage us to do so, we do not routinely file Forms 1099 as part of preparing your income tax returns.

DOCUMENTING BUSINESS TRAVEL, ENTERTAINMENT, GIFT AND LISTED PROPERTY EXPENSES

The law disallows an otherwise allowable deduction for any expense for traveling (including meals and lodging), entertainment, gifts, or "listed property" (e.g., passenger vehicles and computers [unless used exclusively at your place of business]), unless the expense is substantiated by adequate records or by sufficient evidence corroborating your own statements.

In addition, the regulations generally require you to maintain documentary evidence (such as **receipts or paid bills**) for **1)** any lodging expenditure, and **2)** any other expenditure of \$75 or more. **For business travel**, the documentation should include the **amount, date, place, and business purposes** of the travel. **For business entertainment expenses**, the documentation should include the **amount, date, place, and business purpose** of the entertainment as well as the **business relationship** of the person or persons entertained. **For business gifts**, the documentation should include **the amount, date, description** of gift, **business purpose** of gift, and **business relationship** of recipient of the gift. **For listed property**, the documentation should include the amount (e.g., cost), business or investment use based on mileage, etc., date of the expenditure, and business or investment purpose of the property.

- | | YES | NO | N/A |
|---|-------|-------|-------|
| Do you have the required documentation for any deductions claimed for business travel, entertainment, gift or listed property expenses? | _____ | _____ | _____ |

