



ACCOUNTING • TAX PREPARATION
CONSULTING • COMPUTER SERVICES
FINANCIAL ADVISING

MCLR FINANCIAL CENTER

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2021 Year End Business Client Request for Information

Please review this request for information to avoid delays and extra processing fees for your W-2s, save some money on your property taxes, and possibly avoid some pretty large penalties from the IRS. Please note that we need updates to your employee information and personal property lists as soon as possible.

EMPLOYEE INFORMATION

If we process your payroll, we may provide you an **employee listing** showing **all** employees who had earnings so far during this calendar year. Please verify with your employees that the social security number and address as it appears on the report is **complete** and **accurate**. We need any corrections and missing information back from you **ASAP** so we can prepare your quarterly and year-end payroll taxes forms and process W-2s in one batch, and not have to charge you for reruns.

While reprinting a W-2 is certainly inconvenient, **correcting** even a single W-2 requires reprocessing of the entire batch and potentially regenerating several of the related returns. We will enforce our **reprint charges** of **\$10.00** per W-2 with **NO** changes, and **\$50.00** per W-2 that requires the change of a social security number or address.

(To avoid reprint charges, we encourage you to register for one of our **secure portals**. With your W-2 copies posted there, you would be able to reprint lost W-2s yourself!)

PERSONAL PROPERTY

Michigan Property Tax Reports are due to be filed with your local government by February 20th. If the true cash value of your personal property is less than \$80,000, you may be able to file an Affidavit to Claim Small Business Tax Exemption, which is also due by February 20th. Once the exemption is granted, you will continue to receive the exemption until you no longer qualify, at which time you are required to file a rescission form and a personal property statement by February 20th.

Your personal property taxes are assessed based on the value of the equipment, furniture, and other tangible property (except vehicles) that you use in your business based on where it is located. If we prepare this report for you, we rely on your depreciation schedule, which we maintain with your tax records. We update it with new items during the year as we see them in your records, but we often don't know when you've gotten rid of something. In order to assure that we have up to date schedules when preparing your property tax report, please provide information about purchases or disposals we don't know about by **January 31st**. Items you no longer have should be removed so they won't be included in determining the value of your personal property. Please tell us how and when the item was disposed (e.g. retired, sold, scrapped, or traded), and any payment or debt relief you may have been given. Of course, if you have a question whether and item should be listed you can call our office.

INVENTORIES

The IRS continues to place an increased emphasis on actual physical inventory on hand at December 31st. Please make sure to physically count your inventory, retain the records, and provide us with the accurate total **cost** of inventory on hand at December 31st. Make any necessary adjustments for the timing of purchases and receipts of inventory as well as sales and the removal of inventory, and to remove consignments you are holding from other people. If you maintain an inventory, we will need your inventory cost to complete your tax return.

In the event of an audit, you must be able to provide copies of physical count sheets, so we are this year placing an increased emphasis upon obtaining correct year-end physical inventory amounts. As side benefits, you may find that a detailed physical inventory gives you another tool to better manage your investment in your business, and will even provide you better protection in case of a fire or flood.

2021 BUSINESS TAX CHECKLIST

Business Name: _____

Please indicate the best way for us to contact you:

- Cell phone** _____ **Home** _____ **best times:** _____
 e-mail _____ **Work** _____ **best times:** _____

Please answer the following questions, and provide explanations:

1. Did you receive any **letters** from the IRS, State, or City about any of your income tax returns? Yes No
2. Were there any changes in **ownership, stock holdings, locations**, or number of stores? Yes No
3. Did you take out any **new bank loans** or start any **new equipment leases**?..... Yes No
If yes, please provide copies of the loan documents or equipment lease documents.
4. Did you **purchase or lease any new or used equipment**, or make **improvements to real estate**?
(If yes, please provide copies of invoices over \$500.) Yes No
5. Did you purchase any supplies or maintenance items costing \$200 or more and expected to last at least 12 months? (If yes, please list them with their costs) Yes No
6. Did you have any repairs costing \$500 or more? (If yes, please list them with their costs.) Yes No
7. Did you do business in **another state** for two or more days in which you generated sales? Yes No
If yes, please identify the states and the total sales by state.
8. Did you do business in a city subject to income tax in which you generated sales?..... Yes No
If yes, please identify the cities and the total sales by city.
9. Did you sell anything over the internet to customers outside of Michigan? Yes No
If yes, you may be required to collect and pay that state's sales tax!
10. Do you have proof of all **charitable contributions**, and acknowledgements if over \$250? Yes No
11. Can you substantiate all **travel and entertainment** expenses claimed?..... Not Applicable Yes No
12. Did you provide at least 50% of the cost of **health insurance** to employees? Yes No
If yes, we will need details by employee regarding hours/days/weeks worked, net costs, class of insurance (single vs. family)
13. Would you like secure online access to your tax returns and other business documents?..... Yes No
If yes, would you also be interested in sending your data to us electronically?..... Yes No

Please provide the following information to prepare your tax return for this year:

1. Detail records or summary of business activity – back up or hard copy (e.g. QuickBooks back-up, trial balance, etc.),
2. Payoff balances of all business loans **by loan** as of December 31st,
3. Year-End Balances of: Inventory on Hand (Cost) \$ _____
Accts Receivable \$ _____ Accounts Payable \$ _____
4. Bank account balances **by account** as of December 31st (please include reconciliations, if available).
5. All Forms 1099s, 1098s, K-1s, etc. received.
6. Anything else you think may be material to your tax return.

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