

GRANT & KATIE JOHNSON, CPA, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

November 21, 2023

As we are getting closer to the end of the year, we just wanted to touch base with you and remind you of a number of annual housekeeping items that may need to be addressed before tax season arrives. Below, we've listed a number of activities that typically affect our business clients at end of year. For the items that pertain to you, please review the notes below and reach out to me if you have any questions.

Inventory: Please begin your annual inventory count and prepare your "Cost of Inventory on Hand" number. Inventory to be included in this count will be all items that are available for RESALE or RENT. Assets, such as office equipment, furnishings, etc... are not to be included in this list.

Employees/Contractors:

- Please touch base with all of your employees to ensure that we have their most recent information for their W-2s. These tax documents will be sent out late January. Many of my clients have employees fill out new W-4s annually. This is a great time of year to update your payroll records and ensure we have the correct name spellings, social security numbers, addresses, etc... **You can find an updated Form W-4 on our website.**
- Please provide our office with a list of contractors that provided services to you in excess of \$600 throughout the year. Each of these contractors will be issued a 1099-NEC in late January. To issue these tax documents we will need a W-9 from each contractor. If you have provided a W-9 for a contractor in the past we will have those in your file, however, if a contractor's information has changed, or you have a new contractor, please have them fill out an updated document. **You can find an updated Form W-9 on our website.**

Rent et al: Please provide our office with a list of vendors that you paid \$600+ for items such as rent, royalties, attorney's fees, or any of the other expenditures listed on the Form 1099-MISC. To issue these tax documents we will need a W-9 from each contractor. If you have provided a W-9 for a contractor in the past we will have those in your file, however, if a contractor's information has changed, or you have a new contractor, please have them fill out an updated document. **You can find an updated Form W-9 on our website.**

Purchase of Business Assets: Please provide our offices with a list of Assets (Furniture, Equipment, Vehicles, Buildings, Building Improvements) purchased in 2023 that need to be added to your current depreciation schedule. These are items that typically exceed \$2,500.

Loans: Please be prepared to provide us with loan transaction reports for any existing business loans and copies of loan documents for any new business loans obtained during the year.

Employee Retention Tax Credit (ERTC): If you received this credit, please notify our office immediately. You are required to amend prior year tax returns for the year the credit was received. Please see the information regarding this credit on our website.

Another area of increased tax exposure comes from an unexpected source: the internet. **If you are selling goods or services out of state over the internet you may need to file sales tax returns in those states.** This is not something we normally prepare unless you tell us about out-of-state activity, so if this is going on in your business, please speak with us about out of state activity.

We have a new website and have posted a number of resources for our business and individual clients. **Please visit our website at www.gjkpllc.com!**

Grant & Katie Johnson