

How to Prepare for Tax Season: A Complete Checklist for Individuals & Small Businesses



MacNeal LLC

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Introduction

Tax season doesn't have to be stressful. Whether you're an individual navigating W-2s and deductions, a freelancer managing multiple income streams, or a small business owner tracking expenses and growth—you **deserve clarity, support, and a plan.**

This guide is more than a checklist—it's a roadmap. One that helps you feel informed, organized, and empowered throughout the tax preparation process.

At **Mac Neal LLC**, we've worked with hundreds of clients across industries and income levels, and we've seen one truth hold firm: **being prepared changes everything.** With the right structure, documents, and guidance in place, tax season becomes a time to take control of your finances, not fear them.

Inside, you'll find:

- Clear, step-by-step checklists tailored for individuals and business owners
- Insight into key deductions and credits you might be missing
- Printable templates and tracking tools to stay organized
- Pro tips to avoid delays, audits, and common filing mistakes
- Real-world tools and links to help you file smarter—not harder

Whether you're preparing on your own or working with a tax professional, this guide can serve as your annual reference point. It's designed to meet you where you are—and grow with you.

Welcome to tax season, redefined.

🌟 *Client Testimonial:*

"Mac Neal LLC helped me turn chaos into confidence."

— Devon C., Freelance Graphic Designer

"I used to wait until April and hope I had everything. After using this guide and booking a session, I actually got organized early for the first time—and my refund was higher than expected!"

💬 *Motivational Quote*

"Being prepared isn't about perfection—it's about peace of mind. One document at a time, you reclaim your power."

— Mac Neal LLC

Why Tax Prep Matters

Proper tax preparation is more than a once-a-year event—it's a proactive way to:

- Maximize your refund or minimize your balance due
- Avoid penalties and interest for missing deadlines or incorrect filings
- Reduce the risk of audit through proper recordkeeping
- Prepare for future financial milestones (home purchase, business funding, etc.)
- Understand how your money is working for you

Maximize Your Refund or Minimize Your Balance Due

A complete and strategic approach to tax prep allows you to:

- Take advantage of every deduction and credit available
- Time income and expenses to your benefit (especially for small businesses)
- Ensure you are contributing to tax-advantaged accounts (IRAs, HSAs, etc.)
- Identify overpayments or errors from prior years that could lead to refunds

Avoid Late Fees, Interest, and Penalties

When you miss deadlines or underpay, the IRS can apply:

- Failure-to-file penalties (up to 25% of the unpaid tax)
- Interest charges on unpaid balances
- Additional fees for misreporting or omitting income

Being prepared gives you the time and space to file accurately and confidently.

Protect Against Audits

Accurate recordkeeping and proactive filing practices protect you if the IRS comes calling. With solid prep:

- You'll have documentation for all deductions and income reported
- You can defend business expenses and itemized deductions with proof
- You show the IRS that you're intentional, organized, and not hiding anything


Improve Financial Literacy and Long-Term Planning

Tax prep is a mirror—it reflects the choices you've made all year. With it, you can:

- Understand how much of your income is going to taxes—and why

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- Spot opportunities to save more, invest better, or reduce liabilities
- Make better decisions around retirement, investments, and major purchases
- Create a plan for growing your business with tax efficiency

 **Client Spotlight: Juanita B., Small Business Owner in California** “Before working with Mac Neal LLC, I dreaded tax season every year. I had receipts in my glove box and no clue if I was missing deductions. After their team helped me organize my records and understand what I could write off, I saved over \$7,000—and I finally feel confident running my business.”

Key Deadlines (2026)

Staying ahead of deadlines ensures you avoid late fees and gives you time to double-check your return. Here are the **federal deadlines for the 2025 tax year (filed in 2026)**:

Standard Federal Deadlines

- **January 15, 2026** – Final estimated tax payment for Q4 2025 (self-employed or investors)
- **January 31, 2026** – Employers and businesses must issue W-2s and most 1099s
- **March 16, 2026** – S-Corp (Form 1120S) and Partnership (Form 1065) tax returns due (*March 15 is a Sunday in 2026*)
- **April 15, 2026** – Individual income tax returns due (Form 1040) + C-Corp returns (Form 1120)
- **October 15, 2026** – Final deadline for extended individual or corporate returns

Advance Deadlines to Know

- **October 31, 2025** – Deadline to apply for **Voluntary Classification Settlement Program (VCSP)** to reclassify contractors as employees with partial IRS relief
- **December 31, 2025** – Last day to make **tax-advantaged retirement contributions** (for businesses); individuals can contribute to IRAs by April 15, 2026
- **January–March 2026** – Period for issuing 1095 forms for ACA health coverage compliance

Emerging Deadlines: Watch for 2026 Updates from Federal Legislation

If the proposed "**Tax Relief for Working Families Act of 2025**" (nicknamed "The Big Beautiful Bill") passes as expected:

- **New advance monthly Child Tax Credit payments** could start in **January 2026**
- **Enhanced Saver's Credit** contributions may require filing by **April 15, 2026**, to claim new matching benefits
- **Entrepreneur Micro-Incentive Credit** may have separate application deadlines (TBD based on implementation)

Always check the latest IRS Calendar: <https://www.irs.gov/calendar>

State Tax Agency Deadlines: <https://taxadmin.org/state-tax-agencies>

Checklist for Individuals

Use this comprehensive checklist to make sure you're fully prepared to file your individual tax return. Organize your records using a folder system with subcategories for faster access.

Personal Information

- Legal full name
- Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)
- Date of birth
- Current mailing address
- Driver's license or state-issued ID (some states require for e-filing)
- Bank account and routing number (for direct deposit/refund)
- Filing status (Single, Married Filing Jointly, etc.)
- Spouse's full name and SSN (if applicable)
- Names, SSNs, and birthdates of dependents
- Childcare provider's name, address, and EIN or SSN

Income Documents

- W-2s from all employers
- 1099-NEC for contract/gig work
- 1099-MISC for other income (rents, prizes, awards)
- 1099-K for payment apps (PayPal, Venmo, Square, etc.)
- 1099-INT for interest earned
- 1099-DIV for dividend income
- 1099-B for capital gains and investment income
- 1099-G for unemployment income or state tax refunds
- 1099-R for pension or retirement distributions
- SSA-1099 for Social Security benefits
- 1099-C for canceled debts
- 1099-S for real estate transactions
- 1099-Q for education distributions (529 plans)
- Schedule K-1s for partnerships, S-corps, trusts, or estates
- Cryptocurrency transaction statements
- Rental income and related expense logs (if applicable)
- Alimony received (if applicable to pre-2019 divorces)

Adjustments to Income (Above-the-Line Deductions)

- Student loan interest (Form 1098-E)
- IRA contributions (Traditional only, not Roth)
- HSA contributions (Form 5498-SA)
- SEP IRA or SIMPLE IRA contributions (self-employed)

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- Self-employed health insurance premiums
- Educator classroom expenses
- Alimony paid (for pre-2019 divorce decrees)
- Tuition and fees deduction (if applicable)

Itemized Deduction Support (If Applicable)

- Mortgage interest (Form 1098)
- Property tax bills
- State and local income or sales taxes paid
- Charitable donation receipts (cash and non-cash)
- Receipts for non-cash donations with valuations
- Medical and dental expenses with receipts and mileage logs
- Long-term care insurance premiums
- Investment interest expenses
- Casualty/theft loss reports (if in a declared disaster area)

Education and Dependent-Related Documents

- Form 1098-T for tuition and education expenses
- Form 1099-Q for distributions from education savings plans
- Childcare provider documentation (EIN or SSN)
- Receipts for dependent care expenses
- Proof of full-time student status (if child is 19-24 and in school)

Health Coverage and Medical Information

- Form 1095-A (Marketplace coverage)
- Form 1095-B or 1095-C (employer-provided or other insurance)
- Medical bills and prescription receipts (if itemizing)
- Health Savings Account (HSA) contributions and distributions
- Flexible Spending Account (FSA) year-end reports

Tax Credit Support Documentation

- Proof of residency for Child Tax Credit
- Adoption expense documentation
- Energy-efficient home improvement receipts (if claiming credits)
- Records of retirement savings contributions (Saver's Credit eligibility)
- EV vehicle purchase paperwork (if claiming clean vehicle credit)

Other Essential Documents

- Copy of last year's tax return (for carryovers, comparison)

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- IRS Identity Protection PIN (if assigned)
- IRS-issued notices or CP letters
- Estimated tax payments made (Forms 1040-ES or IRS transcripts)
- Amended return documentation, if applicable
- IRS Online Account access (optional, but helpful)

Optional but Helpful

- Summary of annual income and expenses for budget comparison
- Monthly bank and credit card statements (to identify missed deductions)
- Checklist of life changes (marriage, divorce, new child, home purchase)
- Notes for your tax preparer (explain unique circumstances or questions)

Digital Organization Tip Use a cloud folder titled “2025_Taxes” with labeled subfolders:

- /W2s_1099s
- /Income_Proof
- /Deductions
- /Healthcare
- /Charity
- /Expenses
- /IRS_Letters
- /Receipts

You can also download the Mac Neal LLC Tax Organizer for Individuals at: www.macnealllc.com/resources

Checklist for Small Business Owners (LLC/Sole Proprietors)

This detailed checklist is designed for entrepreneurs, freelancers, side hustlers, and gig workers who operate under a sole proprietorship or single-member LLC. Staying organized not only helps you comply with tax laws—it also gives you a clearer view of your business's financial health.

Basic Business Information

- Business name and DBA (if applicable)
- EIN (Employer Identification Number)
- Business formation documents (Articles of Organization, etc.)
- State and local business license(s)
- Business bank account statements
- Business credit card statements
- Accounting method (Cash or Accrual)

Income Records

- Gross income summary from all sources
- Client invoices and payment confirmations
- 1099-NEC forms received (freelance income)
- 1099-K forms from third-party payment platforms
- Cash payments log (if applicable)
- Affiliate marketing income reports
- Rental income received (if applicable)
- Barter/trade value of services performed

Expense Categories & Receipts Organize your expenses by category and retain detailed receipts for each:

- Advertising & marketing (online ads, print, promotional materials)
- Software subscriptions (design tools, CRMs, email marketing, etc.)
- Website development & hosting
- Office supplies and postage
- Business meals (keep receipt + note of who/what purpose)
- Business travel (airfare, lodging, transportation, per diems)
- Vehicle use for business (log mileage + actual expenses)
- Utilities (internet, phone used for business)
- Professional services (legal, accounting, consulting)
- Contract labor payments (issue 1099s if over \$600)
- Education & training courses (workshops, certifications)
- Bank fees, interest, and merchant processing fees
- Insurance premiums (business liability, professional, etc.)

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- Equipment and tools purchased
- Dues and subscriptions (memberships, trade associations)
- Repairs and maintenance of business property

Home Office Deduction (if applicable)

- Square footage of office space and total home size
- Utility bills (electricity, internet, etc.)
- Office furniture and equipment

Payroll & Contractor Records

- Payroll summaries (if you have employees)
- Employer tax filings (Form 941, W-2, W-3)
- State unemployment and payroll filings
- Issued 1099s and W-9 forms from contractors
- Copies of contractor agreements or work scopes

Asset & Depreciation Info

- Purchase records of computers, equipment, vehicles, etc.
- Asset depreciation schedules (Form 4562)
- Section 179 expense deduction records
- Vehicle purchase/use details (if applicable)

Estimated Tax Payments

- Proof of quarterly estimated tax payments made to IRS (Form 1040-ES)
- State estimated tax payment confirmations
- Prior year's overpayment applied (if any)

Additional Documents

- Prior year tax return (Schedule C, 1065, or 1120S as applicable)
- IRS letters or CP notices
- Business loan statements and interest paid
- Annual inventory count (if product-based business)
- POS (point-of-sale) and e-commerce sales reports (Shopify, Etsy, Stripe, etc.)
- Sales tax collected and remitted (with state filings)
- Accounting/bookkeeping system backups (QuickBooks, Wave, etc.)

Best Practice Tip Create a folder structure for your 2025 taxes with the following subfolders:

- /Income_Reports

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- `/Expenses_By_Category`
- `/Bank_Statements`
- `/Payroll`
- `/1099s_Issued`
- `/Assets`
- `/Tax_Filings`
- `/Receipts`

Common Deductions & Credits

Understanding what you can legally deduct or claim as a credit is one of the most important ways to reduce your tax liability. Below is a breakdown of common deductions and credits, organized by type of filer.

For Individuals

Above-the-Line Deductions (Available Even If You Don't Itemize):

- Student Loan Interest (up to \$2,500)
- Educator Expenses (up to \$300 per eligible educator)
- Contributions to Traditional IRA and HSA
- Self-Employed Health Insurance
- Moving Expenses for Armed Forces (active duty only)

Itemized Deductions (If Not Taking the Standard Deduction):

- Mortgage Interest (Form 1098)
- Property Taxes and State/Local Income or Sales Taxes (limited to \$10,000 combined)
- Charitable Contributions (cash and non-cash with documentation)
- Medical Expenses (if exceeding 7.5% of AGI)
- Investment Interest

Credits (Direct Reductions to Tax Owed):

- Earned Income Tax Credit (EITC): Based on income and number of children
- Child Tax Credit (up to \$2,000 per child under 17)
- Additional Child Tax Credit (if you qualify but owe no tax)
- American Opportunity Credit (education costs, up to \$2,500)
- Lifetime Learning Credit (up to \$2,000 per return)
- Saver's Credit (for eligible retirement contributions)
- Residential Energy Credits (solar, windows, insulation, etc.)
- Adoption Credit
- Premium Tax Credit (for marketplace health insurance)

For Businesses

Common Business Deductions (Ordinary and Necessary):

- Business Meals (50% deductible; must document purpose and attendees)
- Travel Expenses (airfare, lodging, car rental, etc.)
- Marketing and Advertising (social media ads, print, sponsorships)
- Office Supplies (paper, pens, shipping materials)

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- Software Subscriptions (QuickBooks, Canva, CRM tools, etc.)
- Internet and Phone (business-use portion)
- Business Insurance (liability, E&O, etc.)
- Legal and Professional Services (consultants, tax prep, legal fees)
- Utilities (if used for business or home office portion)
- Bank Fees and Payment Processing (Square, Stripe, PayPal)
- Rent or Lease Payments (office space or equipment)
- Depreciation of Equipment (computers, cameras, furniture)
- Employee Wages and Benefits
- Contractor Payments (be sure to issue 1099s over \$600)

Special Business Deductions and Credits:

- Section 179 Deduction (immediate expensing of equipment)
- Bonus Depreciation (100% through 2025 on qualifying property)
- Qualified Business Income Deduction (up to 20% for pass-through entities)
- Work Opportunity Tax Credit (for hiring specific groups)
- Research & Development Tax Credit
- Clean Vehicle or Equipment Credits (if applicable)

Use the IRS Interactive Tax Assistant for more detailed guidance:

<https://www.irs.gov/help/ita>

Organizing Your Documents

The key to stress-free tax prep is **year-round organization**. Whether you prefer digital systems, physical files, or a hybrid of both, what matters most is that your documents are complete, categorized, and accessible when it's time to file.

Step 1: Create a Folder System Use clearly labeled folders, envelopes, or digital directories for:

- Income
- Expenses
- Deductions
- Personal Information
- Tax Forms (W-2s, 1099s, etc.)
- IRS Letters or Notices
- Prior Year Returns

Step 2: Go Digital When Possible

- Scan all receipts using apps like Genius Scan or Adobe Scan
- Save PDFs of all tax-related documents (vs. photos)
- Organize in cloud storage (Google Drive, Dropbox, OneDrive)
- Create subfolders by year (e.g., "2025_Taxes") and category

Sample Folder Structure:

/2025_Taxes
/Income_Documents
/Expense_Receipts
/Deductions_Charity
/Health_Care_Forms
/IRS_Letters
/Business_Records (if applicable)
/Bank_Statements

Step 3: Back It Up

- Always keep a backup: use an external hard drive or USB stick
- For paper records, consider a fireproof file box or accordion folder

Step 4: Add Notes & Context

- Annotate scanned receipts if the business purpose isn't clear
- Highlight totals or add a sticky note on physical documents for your preparer
- Use spreadsheets or a notebook to track transactions and notes during the year

Step 5: Keep Records for the Right Amount of Time

- **3 years** for general income, deductions, and credit claims
- **7 years** if you file a claim for a loss from worthless securities or bad debt
- **Indefinitely** for records related to property basis, capital gains, and business formation documents

Mac Neal LLC Tip: If you use a tax professional, share your folder via secure cloud links (with restricted access), or bring printed packets with organized tabs. This not only saves time, it may reduce your prep fees!

Tips for a Smooth Filing Process

Filing your taxes doesn't have to be stressful if you follow a few smart steps. These tips will help ensure accuracy, timeliness, and peace of mind—whether you're filing on your own or with a tax pro.

1. Start Early, Not in April

- Begin gathering documents in **January and February**
- Review your income and deduction sources while it's still fresh
- Early filers are more likely to receive refunds quickly and avoid fraud

2. Organize Your Paperwork

- Use a checklist and folder system (see Section 7)
- Keep separate categories for personal, business, and investment documents
- Have your prior year's return on hand for reference

3. Work With a Professional If Needed

- If you have freelance income, own a business, claim dependents, own property, or have investments—**consult a tax pro**
- Mac Neal LLC specializes in complex and multi-state returns
- Ask about deductions you might miss with DIY software

4. Check Your Banking Info

- Review your direct deposit details carefully
- Incorrect routing or account numbers may delay your refund by weeks

5. File Electronically

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- E-filing is faster, more accurate, and offers tracking
- Most software and professionals are IRS e-file approved

6. Choose Direct Deposit for Refunds

- Avoid waiting on a paper check
- The IRS issues most refunds within 21 days for e-filed returns with direct deposit

7. Track Your Refund

- Use the IRS Refund Tracker here: <https://www.irs.gov/refunds>
- Make sure your return has been accepted before checking status

8. Don't Ignore IRS Letters

- Respond promptly to any IRS or state tax correspondence
- Many issues can be resolved quickly if you act fast
- Keep copies of any responses or documentation sent

9. Consider an Extension If Needed

- File Form 4868 by April 15 to request an extension to October 15
- **Remember: an extension to file is not an extension to pay**
- Estimate your tax due and pay with the extension to avoid penalties

10. Review Before You File

- Double-check all personal details (names, SSNs, bank info)
- Review each form line-by-line
- Use tax software's review tools or ask your preparer to walk you through it

Recommended Tools & Resources

Make your tax preparation and financial management easier year-round by integrating the right tools into your workflow. Below are tested and trusted solutions we recommend to clients across different industries.

Receipt Management Tools

- **Expensify** – Ideal for capturing receipts, tracking reimbursable expenses, and syncing with accounting platforms
- **Everlance** – Designed for freelancers and small businesses; includes mileage and expense tracking
- **Shoeboxed** – Offers mail-in options to digitize and categorize paper receipts

Accounting Software

- **QuickBooks Online** – Industry-leading for small business accounting; customizable reports and payroll integrations
- **Wave** – Free, user-friendly platform great for solopreneurs and freelancers
- **Xero** – Preferred by businesses with international operations or robust team needs

Mileage Tracking Apps

- **MileIQ** – Automatic trip logging; great for IRS-compliant mileage reports
- **TripLog** – Includes reimbursement rate calculations, time tracking, and GPS features
- **Stride** – Free and designed for gig economy workers

Cloud Storage & Digital Organization

- **Google Drive** – Great for organizing folders and collaborating with your tax pro
- **Dropbox** – Secure storage with easy sharing features
- **OneDrive** – Seamlessly integrated with Microsoft products

File Scanning Apps

- **Genius Scan** – Reliable and easy-to-use document scanner for mobile
- **Adobe Scan** – Syncs directly with Adobe Cloud for secure storage and editing

Business Banking Tools

- **Relay** – Multiple account features, automated bill pay, and QuickBooks integration
- **Novo** – Designed for entrepreneurs and freelancers, with built-in expense tagging

Tax Resources

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- **IRS Interactive Tax Assistant** – <https://www.irs.gov/help/ita>
- **IRS Refund Status** – <https://www.irs.gov/refunds>

Mac Neal LLC Services

- Tax Preparation & Filing (Individuals & Businesses)
- Monthly Bookkeeping Packages
- Controller & CFO Services
- IRS Resolution and Audit Support
- Entity Formation Guidance

Book a consultation or access client resources at:
www.macnealllc.com

Templates & Printables

Having the right templates can make organizing, tracking, and preparing your taxes far easier. Below are recommended tools you can offer clients or use internally. You may rebrand these or customize them for your business:

Tax Organizer for Individuals

A fillable PDF that allows individuals to collect all their tax-related info in one place. Includes sections for:

- Income (W-2s, 1099s)
- Dependents
- Adjustments and deductions
- Health coverage info
- Prior year carryforwards

 [Template Link \(editable PDF\):](#)

Business Income & Expense Tracker (Excel)

A detailed spreadsheet to help small business owners track income, categorize expenses, and summarize quarterly/year-end data.

Includes tabs for:

- Monthly income and expenses
- Quarterly summaries
- Expense categories aligned with IRS Schedule C

 [Template Link:](#)

Mileage Log Template (Google Sheet)

Tracks vehicle mileage for IRS-compliant deductions. Great for Uber drivers, realtors, and self-employed professionals.

Fields include:

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- Date, starting/ending odometer
- Business purpose
- Route notes
- Auto-calculates total mileage

 [Template Link:](#)

Pro Tip:

Consider bundling all three into a downloadable toolkit or offering them as part of your tax prep service onboarding email for clients. You can also add your logo and branding to each file to strengthen client trust and visibility.

Final Thoughts & Contact Info

Being prepared is half the battle. Let Mac Neal LLC support you every step of the way.

Whether you're filing as an individual or managing the complexities of a growing business, our goal is to make tax season feel less like a burden and more like an opportunity. With proper planning, organized documentation, and the right team in your corner, you can take control of your finances with confidence.

This guide was created to empower you with clarity, not confusion—to help you stay ahead of deadlines, understand your deductions, and make smart financial decisions year-round.

Have questions? Need help filing? Want to automate your bookkeeping? We're here.

Contact Mac Neal LLC

- Email: info@macnealllc.com
- Website: www.macnealllc.com
- Phone: 619-410-7978

Thank you for trusting us with your journey. We look forward to helping you thrive.

Mac Neal LLC – Expert tax & financial solutions. Empowering individuals and small businesses nationwide.