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2023 Year End Business Client Letter

Another year winds down and another tax return needs to be filed. As always, we like to start with a few reminders of concerning areas we have for business operations. Our primary concern is the new Corporate Transparency Act (CTA) reporting requirement for 2024, for which we have attached an addendum at the end of this letter.

One 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, or if you have employees working out of state you may need to file sales tax and/or income 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.

Finally, please let us remind you of these annual payroll reporting requirements:

- Employee personal use of company vehicles,
- Employer-paid health insurance for employees for W-2 purposes,
- Employer-paid health savings account deposits for W-2 purposes
- Employer-paid childcare expenses for W-2 purposes,
- Employer-paid education plans and term life insurance for W-2 purposes,
- Employer contributions to employee pension plans.

Special File Update Information:

1. ___ Has there been a change in ownership this year? If so, please provide new owner identification information, dates, and percentages.
 2. ___ Have you opened or closed any locations this year-please provide that information as to the physical address.
 3. ___ Please provide us a list with information on your owner's email addresses and cell phone numbers.
 4. ___ Please provide us with your website address: _____
- Additionally, make sure you have considered sales and income tax registration, collection, and filing requirements in other states.

Addendum attached for information needed to prepare your 2023 business income tax return.

Standard year-end information needed for 2023:

1. ___ **Copies** of any new bank **loans** obtained during the year,

2. ___ **Copies** of any new **leases** signed during the year,
3. ___ List by date, amount, and individual of any new investments made into the company this year by the owners,
4. ___ **Copies** of any federal or state **tax correspondence received** during the year,
5. ___ **Copies** of any **equipment purchase** invoices over \$500,
6. ___ Loan payoffs, by loan number, of all business loans on December 31,
7. ___ Copies of your year-end bank reconciliation(s) and bank statements,
8. ___ 12/31/23 Year-End Balances of:
 - o Accounts Receivable \$_____
 - o Cost of Inventory on Hand \$_____
 - o Accounts Payable \$_____
 - o Unpaid 941 Deposit for December \$_____
 - o Unpaid State(s) Withholding deposits for December \$_____
 - o Unpaid Sales tax for December \$_____
 - o Unpaid wages earned through 12/31/23 \$_____
9. ___ The enclosed engagement letter needs to be signed and returned,
10. ___ Year-end summary of business activity-back up, online access, or hard copy (Accounting software back-up, trial balance, etc.),
11. ___ Sales breakdown by state and city if applicable (Call us to determine),
12. ___ **Copies** of all four quarters of **Form 941** and **2023 W-2s** issued to employees.
13. ___ All Forms 1099-K received

The amounts included above and attached represent my company's amounts, as requested.

Signature

Title

Schedule a meeting online: <https://calendly.com/tonyduea>

An Introduction to Beneficial Ownership Information Reporting



In 2021, Congress enacted the Corporate Transparency Act. This law creates a beneficial ownership information reporting requirement as part of the U.S. government's efforts to make it harder for bad actors to hide or benefit from their ill-gotten gains through shell companies or other opaque ownership structures.



U.S. Department of the Treasury
Financial Crimes Enforcement Network
www.fincen.gov/boi

New Federal Reporting Requirement for Beneficial Ownership Information (BOI)

Beginning on January 1, 2024, many companies in the United States will have to report information about their **beneficial owners**, i.e., the individuals who ultimately own or control the company. They will have to report the information to the Financial Crimes Enforcement Network (FinCEN). FinCEN is a bureau of the U.S. Department of the Treasury.

Be sure to review FinCEN's [Small Entity Compliance Guide](#), which provides information to help small businesses comply with this reporting requirement.

Who Has to Report?

Companies required to report are called **reporting companies**. Reporting companies may have to obtain information from their beneficial owners and report that information to FinCEN.



Your company may be a **reporting company** and need to report information about its beneficial owners if your company is:

1. A corporation, a limited liability company (LLC), or was otherwise created in the United States by filing a document with a secretary of state or any similar office under the law of a state or Indian tribe ; or
2. A foreign company and was registered to do business in any U.S. state or Indian tribe by such a filing.

Who Does Not Have to Report?

Twenty-three types of entities are exempt from the beneficial ownership information reporting requirements. These entities include publicly traded companies, nonprofits, and certain large operating companies.



FinCEN's [Small Entity Compliance Guide](#) includes checklists for each of the 23 exemptions that may help determine whether your company qualifies for an exemption. Please review Chapter 1.2 of the Guide for more information.

How Do I Report?

Reporting companies will have to report beneficial ownership information electronically through FinCEN's website: www.fincen.gov/boi

- The system will provide the filer with a confirmation of receipt once a completed report is filed with FinCEN.

When Do I Report?

Reports will be accepted starting on January 1, 2024.

- If your company was created or registered prior to January 1, 2024, you will have until January 1, 2025, to report BOI.
- If your company was created or registered on or after January 1, 2024, and before January 1, 2025, you must report BOI within 90 calendar days after receiving actual or public notice that your company's creation or registration is effective, whichever is earlier.
- If your company was created or registered on or after January 1, 2025, you must file BOI within 30 calendar days after receiving actual or public notice that its creation or registration is effective.
- Any updates or corrections to beneficial ownership information that you previously filed with FinCEN must be submitted within 30 days.

FinCEN cannot accept reports before January 1, 2024.

Where Can I Learn More?



You can find guidance materials and additional information by scanning the QR code or visiting www.fincen.gov/boi

Sign up for [FinCEN updates](#) to receive immediate email updates on Beneficial Ownership.



This pamphlet is explanatory only and does not supplement or modify any obligations imposed by statute or regulation. Please refer to the Beneficial Ownership Information Reporting Regulations, available at www.fincen.gov/boi, for details on specific provisions.