

DAY CARE TAX ORGANIZER TAX YEAR 2021

Happenings in 2022

Due to the pandemic and public health concerns, all tax and financial services at Prepare + Prosper will be on an appointment only basis. Documents may need to be downloaded, mailed or dropped off to us.

Reminder - **Form 1099-NEC (Non-Employee Compensation)** replaces Form-MISC for compensation to self-employed businesses or services.

Introduction

The Day Care Tax Organizer is based on *Schedule C, Profit or Loss from a Business or Service*. Use this tool to record your income and expenses from your day care operation.

Eligibility for services at P+P

- Total annual household income of \$55,000 or less.
- Sole proprietors, independent contractors, and single member LLC's only.
- We do **not** prepare returns for corporations, partnerships, businesses with employees, taxi drivers, clergy, day traders, returns with income from rental property or any returns with crypto currency transactions.

Tax Documents

Organize your income and expense documents from last year. Examples:

- Tax documents to bring to your appointment: Form 1099-NEC, 1099-K, W-2, any documentation detailing food reimbursements, and last year's tax return and, of course, this organizer. Do not list income from W-2's on the organizer.
- Supporting documentation, you do **not** need to bring to your appointment: Invoices, receipts, bank or credit card statements, and mileage logs, but do keep them for your records.

Fill out the form

- Use your documents to fill out the organizer with only your self-employment income and expenses. The organizer has different sections and not all may apply to your business. Use actual amounts; do not round off.
- If you don't find a category for an expense feel free to write it in the "other" category and let us know what it is.

What to bring to your tax appointment

- The organizer **must be completed before** your tax appointment. We cannot prepare your tax return without this completed form.
- Photo ID for taxpayer and spouse (if filing jointly) and spouse must participate in the process for a joint return.
- Social Security card or Individual Taxpayer Identification Number (ITIN) card/letter for all persons listed on the return.
- Birth dates for all persons listed on the return.
- Income statements or forms: W-2, 1099s, and any other tax document.
- Copy of last year's return - this is important for self-employed taxpayers as it may have needed information about business use of the home, equipment purchases, and more.
- Direct deposit or debit - routing and account information.

Note: We must have proof of your Social Security number (and everyone else on the return) by way of a Soc. Sec. card or ITIN letter, a photo of them, a previous year tax return, or a document from the IRS or Soc. Sec. Administration listing the numbers.

Contact information

Self-Employment Hotline

651-262-2169

Thomas Larson

Self-Employment Manager
thomas@prepareandprosper.org
651-262-2159

Note: Our tax preparation services are in the lower level of the Court West Building. The parking lot is located diagonally across the street from the building. Use access code **1040#** to enter the lot.

Tip: See our website at

www.prepareandprosper.org, for tools such as a mileage log, income and expenses worksheets, tips on making estimated tax payment, a cheat sheet for filling out the organizer. Check out irs.gov for useful tools and videos. Key words; **small biz** and **irsvideos.gov**.

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INFORMATION

Your name: _____

Day care name: _____
 (If no separate business name, leave blank)

Business address, city, state, zip: _____

Business telephone: _____

Business start date m/d/year: _____

INCOME

Form 1099-NEC	\$
Form 1099 K (from 3 rd party payers)	
Total cash, checks, and credit card payments (to you) including tips	\$
Other income - Grants for your business, reimbursement from USDA Child & Adult Care Food Program or any other food reimbursement program	\$
Total Gross Income	\$

TIP: Keep separate business accounts (checking or credit) to simplify your finances and your deposits into these accounts should match, or come close to, your total gross income.

ESTIMATED TAX PAYMENTS

Did you pay estimated tax payments to the IRS or Minnesota Department of Revenue in 2021?	Yes	No
Estimated tax payments are payments in 2021 for tax year 2021. If yes, how much?	IRS \$	MDOR \$

DAY CARE EXPENSES

Advertising	\$	Rent of space or equipment	\$
Health insurance premiums	\$	Repairs & maintenance -equipment	\$
Day care liability insurance	\$	Interest -business loan or credit card	\$
Day care license & inspection fee	\$	Other - specify	\$
Legal & professional fees	\$	Other	\$
Office supplies (paper, toner, etc.)	\$	Other	\$

DAY CARE TAX ORGANIZER TAX YEAR 2021

OTHER EXPENSES			
Professional education - CPR & First Aid, other child care trainings	\$	Child safety equipment	\$
Bank charges	\$	Toys, books, videos, art supplies	\$
Dues or publications for professional organizations	\$	Day care furniture	\$
Telephone - 2 nd line into home only	\$	Field trips	\$
Cell phone annual charges	\$	DC supplies (bibs, diapers, etc.)	\$
Cell phone - business use percent	%	Gifts to children(\$25 limit per child)	\$
(For volunteer use), cell ph deduction amount	\$	Other	\$

TIP: For expenses don't round off; use an exact amount.

EXPENSES: STANDARD MEAL & SNACK RATE 2020

You can use actual expenses for food purchased and served to eligible children or you can use the **Standard Meal & Snack Rate** using the chart below. You **cannot** deduct the cost of food consumed by you or your family. **Eligible children** are minor children receiving family day care in the home. You cannot include children who live in the home where the day care is provided.

To deduct the Stand Meal & Snack Rate you don't need receipts for purchases. Attendance records of children attending the day care are used to calculate the meals and snacks served to them during day care hours.

<p style="text-align: center;">Child 1</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____	<p style="text-align: center;">Child 2</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____	<p style="text-align: center;">Child 3</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____
<p style="text-align: center;">Child 4</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____	<p style="text-align: center;">Child 5</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____	<p style="text-align: center;">Child 6</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____
<p style="text-align: center;">Child 7</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____	<p style="text-align: center;">Child 8</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____	<p style="text-align: center;">Child 9</p> Bkfst ____ X \$1.40 = ____ Snack ____ X \$.78 = ____ Lunch ____ X \$2.63 = ____ Snack ____ X \$.78 = ____ Dinner ____ X \$2.63 = ____ Snack ____ X \$.78 = ____

TIP: To deduct food costs using the Standard Meal and Snack Rate, calculate the days and hours the children attended your day care. Did the child attend your day care Monday to Friday? How many meals per day were consumed? For how many weeks? Attendance records are the key here.

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VEHICLE INFORMATION	
Month/day/year vehicle <u>first used for business</u> : / /	Vehicle type:
Mileage in 2021: business miles _____ commuting miles _____ personal miles _____	
Parking and tolls: \$	Interest paid on car loan: \$
Do you (or your spouse) have another vehicle available for personal use	<input type="checkbox"/> Yes <input type="checkbox"/> No
Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is the evidence in writing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>TIP: If you are taking the business use of the home deduction list business and personal miles. If you are not taking the business use of the home deduction list business, commuting and personal miles. Business mileage is from one work site to another work site. Bring in written documentation of your miles driven.</p>	

EXPENSES: MAJOR PURCHASES			
Item	Month/day/year of purchase	Cost	Business use percentage
	/ /	\$	%
	/ /	\$	%

EXPENSES: USE OF THE HOME FOR DAY CARE BUSINESS	
Daily start and end time of day care operations	AM to PM
Area used for business or storage	square feet
Total area of house or apartment	square feet
Mortgage interest (homeowners)	\$
Real estate taxes (homeowners)	\$
Renter or homeowner insurance premiums	\$
Rent	\$
Repairs and maintenance	\$
Utilities - gas and electric	\$
Utilities - water, sewer, garbage	\$
Homeowners only: A) What was the purchase price of the home? B) What date was the home first placed into business?	A) \$ B) / /