



Important Information to Look for When Reviewing Your Tax Return

Federal S Corporation Income Tax Return (1120S)

Federal Income Tax Summary

This shows your ordinary income, deductions, refund or amount due, Schedule K income (or loss), among other things.

Federal Balance Sheet Summary

This shows your ending assets, liabilities & capital

State Income Tax Summary (if applicable)

Shows the same information as 1. Federal Income Tax Summary

Form 1120-S

Here are some items to keep an eye out for on the top half of the page:

- Business name + address
- S election effective date
- Employer identification number
- Date incorporated

**If any of the above information is not presented correctly on your tax return, please let us know immediately so we can correct it prior to filing.*

Here are some items to keep an eye out for on the **bottom half** of the page:

- Line 1a, b & c - Gross receipts or sales, Returns and allowances and Balance, respectively
- Line 3 - Gross profit
- Line 6 - Total income (loss)
- Line 20 - Total deductions
- Line 21 - Ordinary business income (loss)
- Line 25 - Amount Owed (if any)
- Line 26 - Overpayment
- Line 27 - Refunded (if any)



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Federal S Corporation Income Tax Return (1120S)

Schedule K-1

Part II - Information About the Shareholder

- Line D - Shareholder's identifying number
- Line E - Shareholder's name, address, city, state, and ZIP code
- Line F - Current year allocation percentage (shareholder's owner percentage)
- Line G - Shareholder's number of shares (beginning and end of tax year)

Part III - Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

- Line 1 - Ordinary business income (loss)

**If any of the above information is not presented correctly on your tax return, please let us know immediately so we can correct it prior to filing.*

Federal Statements, Page 1

Statement 2, Form 1120S, Line 19, Other Deductions

Ensure the Other Deductions are correct

**If you have any questions concerning the above information, please contact your Tax Adviser for clarification.
We are happy to schedule a call to review your tax return.*



Federal S Corporation Income Tax return (1120S) | Examples

Federal Income Tax Summary

2020

FEDERAL INCOME TAX SUMMARY

PAGE 1

	2020	2019	DIFF
ORDINARY INCOME			
GROSS RECEIPTS LESS RETURNS/ALLOWANCE.....	53,088	3,623	49,465
GROSS PROFIT.....	53,088	3,623	49,465
OTHER INCOME.....	340	0	340
TOTAL INCOME (LOSS).....	53,428	3,623	49,805
ORDINARY DEDUCTIONS			
REPAIRS AND MAINTENANCE.....	2,562	1,197	1,365
RENTS.....	33,971	7,315	26,656
TAXES AND LICENSES.....	823	2,392	-1,569
INTEREST.....	0	24	-24
DEPRECIATION.....	0	13,432	-13,432
ADVERTISING.....	257	0	257
OTHER DEDUCTIONS.....	34,693	8,412	26,281
TOTAL DEDUCTIONS.....	72,306	32,772	39,534
ORDINARY BUSINESS INCOME (LOSS).....	-18,878	-29,149	10,271
REFUND OR AMOUNT DUE			
BALANCE DUE.....	0	0	0
SCHEDULE K - INCOME			
ORDINARY BUSINESS INCOME (LOSS).....	-18,878	-29,149	10,271
SCHEDULE K - ITEMS AFFECTING BASIS			
OTHER TAX-EXEMPT INCOME.....	2,000	0	2,000
NONDEDUCTIBLE EXPENSES.....	63	650	-587
SCHEDULE K - OTHER INFORMATION			
INCOME (LOSS) RECONCILIATION.....	-18,878	-29,149	10,271
SCHEDULE L - BALANCE SHEET			
BEGINNING ASSETS.....	27,116	9,024	18,092
BEGINNING LIABILITIES & EQUITY.....	27,116	9,024	18,092
ENDING ASSETS.....	17,719	27,116	-9,397
ENDING LIABILITIES & EQUITY.....	17,719	27,116	-9,397



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Federal Balance Sheet Summary

2020	FEDERAL BALANCE SHEET SUMMARY	PAGE 1
ENDING ASSETS		
CASH.....		10,525
OTHER CURRENT ASSETS.....		3,595
BUILDINGS AND OTHER ASSETS.....	13,432	
LESS: ACCUMULATED DEPRECIATION.....	(13,432)	
OTHER ASSETS.....		3,599
TOTAL ASSETS.....		17,719
ENDING LIABILITIES & EQUITY		
OTHER CURRENT LIABILITIES.....		2,181
CAPITAL STOCK.....		1,000
ADDITIONAL PAID-IN CAPITAL.....		67,797
RETAINED EARNINGS.....		-53,259
TOTAL LIABILITIES AND EQUITY.....		17,719

State Income Tax Summary (if applicable)

2020	CALIFORNIA INCOME TAX SUMMARY	PAGE 1	
	2020	2019	DIFF
CALIFORNIA NET INCOME			
ORDINARY INC. FROM TRADE OR BUSINESS.....	-18,878	-29,149	10,271
CA FRANCHISE TAX DEDUCTED.....	823	800	23
CA DEPR. AND AMORT. ADJUSTMENTS.....	-896	13,321	-14,217
OTHER ADDITIONS.....	2,000	0	2,000
TOTAL INCOME BEFORE DEDUCTIONS.....	-16,951	-15,028	-1,923
NET INCOME AFTER STATE ADJUSTMENTS.....	-16,951	-15,028	-1,923
TAXES			
NET INCOME (LOSS) FOR STATE PURPOSES.....	-16,951	-15,028	-1,923
NET INCOME FOR TAX PURPOSES.....	-16,951	-15,028	-1,923
TAX.....	800	800	0
BALANCE.....	800	800	0
TOTAL TAX.....	800	800	0
PAYMENTS			
ESTIMATED TAX PAYMENTS.....	800	800	0
TOTAL PAYMENTS.....	800	800	0
REFUND OR AMOUNT DUE			
TAX DUE.....	0	0	0
OVERPAYMENT.....	0	0	0
AMOUNT TO BE REFUNDED.....	0	0	0
TOTAL AMOUNT DUE.....	0	0	0



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Schedule K-1

Schedule K-1 (Form 1120-S)

Department of the Treasury Internal Revenue Service

2020

For calendar year 2020, or tax year

beginning / / ending / /

Final K-1

Amended K-1

671120

OMB No. 1545-012

Shareholder's Share of Income, Deductions, Credits, etc.

See separate instructions.

Part I Information About the Corporation	
A	Corporation's employer identification number
B	Corporation's name, address, city, state, and ZIP code
C	IRS Center where corporation filed return E-FILE
Part II Information About the Shareholder	
D	Shareholder's identifying number
E	Shareholder's name, address, city, state, and ZIP code
F	Current year allocation percentage 100 %
G	Shareholder's number of shares Beginning of tax year 200 End of tax year 200
H	Loans from shareholder Beginning of tax year \$ End of tax year \$

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items		
1	Ordinary business income (loss)	13 Credits
	-18,878.	
2	Net rental real estate income (loss)	
3	Other net rental income (loss)	
4	Interest income	
5a	Ordinary dividends	
5b	Qualified dividends	14 Foreign transactions
6	Royalties	
7	Net short-term capital gain (loss)	
8a	Net long-term capital gain (loss)	
8b	Collectibles (28%) gain (loss)	
8c	Unrecaptured section 1250 gain	
9	Net section 1231 gain (loss)	
10	Other income (loss)	15 Alternative minimum tax (AMT) item
11	Section 179 deduction	16 Items affecting shareholder basis
		B 2,000
12	Other deductions	C 63
		17 Other information
		AC 53,428
		V* STMT
18	<input type="checkbox"/> More than one activity for at-risk purposes*	
19	<input type="checkbox"/> More than one activity for passive activity purposes*	

*See attached statement for additional information.

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 1120-S. www.irs.gov/Form1120S Schedule K-1 (Form 1120-S) 2021 SHAREHOLDER 1





Federal S Corporation Income Tax return (1120S) | Examples

Federal Statements | Page 1

2020	FEDERAL STATEMENTS	PAGE 1
STATEMENT 1 FORM 1120S, LINE 5 OTHER INCOME		
INSURANCE PROCEED.....	\$	340.
	TOTAL	<u>\$ 340.</u>
<div style="border: 2px solid red; padding: 5px; display: inline-block;"> STATEMENT 2 FORM 1120S, LINE 19 OTHER DEDUCTIONS </div>		
BANK CHARGES.....	\$	197.
CLEANING SERVICES.....		9,679.
CONTINUING EDUCATION.....		574.
DECOR.....		240.
DUES AND SUBSCRIPTIONS.....		170.
INSURANCE.....		630.
INTERNET.....		101.
LEGAL AND PROFESSIONAL.....		5,160.
MEALS.....		64.
OFFICE EXPENSE.....		1,304.
OUTSIDE SERVICES.....		205.
PHOTOGRAPHY.....		150.
REIMBURSEMENTS.....		592.
SOFTWARE.....		3,625.
SUPPLIES.....		6,678.
TRAVEL.....		798.
UNIT COSTS.....		364.
UNIT IMPROVEMENTS.....		498.
UTILITIES.....		3,664.
	TOTAL	<u>\$ 34,693.</u>
STATEMENT 3 FORM 1120S, SCHEDULE K, LINE 17D OTHER ITEMS AND AMOUNTS		
GROSS RECEIPTS FOR SECTION 448(C).....	\$	53,428.
STATEMENT 4 FORM 1120S, SCHEDULE M-2, COLUMN A, LINE 5 OTHER REDUCTIONS		
DISALLOWED MEALS AND ENTERTAINMENT.....	\$	63.
	TOTAL	<u>\$ 63.</u>