

S Corporations Tax Responsibilities Checklist

Federal Tax Responsibilities

Obtain an Employer Identification Number from the IRS for the S Corp.

File a federal tax return (Form 1120S) for the S Corp each year.

File payroll tax returns and remit federal tax deposits on payments made to employees. At the end of the year, prepare Form W-2 for each employee.

File Form 1099-MISC each year to report payments made to independent contractors, attorneys, health care professionals, and for rent.

State and Local Tax Responsibilities

Register the S corp in each state where the S corp conducts business.

Obtain a business registration or business license in each city where the S corp conducts business.

Collect sales tax from customers (if required), and file sales tax returns.

File payroll tax returns with state agencies.

Withhold state income tax on income allocated to shareholders who reside outside the state where the S corp operates.

Pay any state S corp taxes or fees.

Personal Tax Responsibilities of the Shareholders

File federal tax return each year reporting the shareholder's share of income from the S corp.

File state tax returns each year. Shareholders might also need to file tax returns in other states if the S corp conducts business in other states.

Pay estimated tax (federal and state) throughout the year on income related to the S corp.