**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.