



Business Owners Should Visit www.irs.gov For Help With Tax Actions When Closing A Business

Closing a business is always a difficult decision regardless of the circumstances. With this in mind, the IRS redesigned the “closing a business page” of <http://www.irs.gov> to help business owners navigate the federal tax steps when closing a business.

Small businesses and self-employed taxpayers will find a variety of information on the page including:

- What forms to file
- How to report revenue received in the final year of business
- How to report expenses incurred before closure

The page also details steps all business owners should take when closing.

- File a final tax return and related forms. The type of return to file and related forms depends on the type of business.
- Take care of employees. Business owners with one or more employees must pay any final wages or compensation, make final federal tax deposits and report employment taxes.
- Pay taxes owed. Even if the business closes now, tax payments may be due next filing season.
- Report payments to contract workers. Businesses that pay contractors at least \$600 for services including parts and materials during the calendar year in which they go out of business, must report those payments.
- Cancel EIN and close IRS business account. Business owners should notify the IRS so they can to close the IRS business account.
- Keep business records. How long a business needs to keep records depends on what's recorded in each document.

The page also provides helpful information for business owners declaring bankruptcy, selling their business and terminating retirement plans.

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See How Financially & Mentally Ready You Are To Inevitably Leave Your Business:





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