

- **Closing a Business Checklist**

There are typical actions that are taken when closing a business. You must file an annual return for the year you go out of business. If you have employees, you must file the final employment tax returns, in addition to making final federal tax deposits of these taxes.

The annual tax return for a partnership, corporation, S corporation, limited liability company or trust includes check boxes near the top front page just below the entity information. For the tax year in which your business ceases to exist, check the box that indicates this tax return is a final return. If there are Schedule K-1s, repeat the same procedure on the Schedule K-1.

You will also need to file returns to report disposing of business property, reporting the exchange of like-kind property, and/or changing the form of your business. If you do not have a pre-printed envelope in which to send your taxes, refer to the Where to File page for a list of addresses. Below is a list of typical actions to take when closing a business, depending on your type of business structure:

Checklist

- **Make final federal tax deposits**
 - o **Electronic Federal Tax Paying System (EFTPS) OR Form 8109-B**
- **File final quarterly or annual employment tax form.**
 - o **Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return (PDF)**
 - o **Form 941, Employer's Quarterly Federal Tax Return (PDF)**
 - o **Form 943, Employer's Annual Tax Return for Agricultural Employees (PDF)**
 - o **Form 943-A, Agricultural Employer's Record of Federal Tax Liability (PDF)**
- **Issue final wage and withholding information to employees**
 - o **Form W-2, Wage and Tax Statement (PDF)**
- **Report information from W-2s issued.**
 - o **Form W-3, Transmittal of Income and Tax Statements (PDF)**
- **File final tip income and allocated tips information return.**
 - o **Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips (PDF)**
- **Report capital gains or losses.**
 - o **Form 1040, U.S. Individual Income Tax Return (PDF)**
 - o **Form 1065, U.S. Partnership Return of Income (PDF)**
 - o **Form 1120 (Schedule D), Capital Gains and Losses (PDF)**
- **Report partner's/shareholder's shares.**
 - o **Form 1065 (Schedule K-1), Partner's Share of Income, Credits, Deductions, etc. (PDF)**
 - o **Form 1120S (Schedule K-1), Shareholder's Share of Income, Credits, Deductions, etc.**
- **File final employee pension/benefit plan.**
 - o **Form 5500, Annual Return/Report of Employee Benefit Plan (PDF)**
- **Issue payment information to sub-contractors.**
 - o **Form 1099-MISC, Miscellaneous Income (PDF)**
- **Report information from 1099s issued.**
 - o **Form 1096, Annual Summary and Transmittal of U.S. Information Returns (PDF)**
- **Report corporate dissolution or liquidation.**
 - o **Form 966, Corporate Dissolution or Liquidation (PDF)**
- **Consider allowing S corporation election to terminate.**
 - o **Form 1120S, Instructions (PDF)**
- **Report business asset sales.**
 - o **Form 8594, Asset Acquisition Statement (PDF)**
- **Report the sale or exchange of property used in your trade or business.**
 - o **Form 4797, Sales of Business Property (PDF)**

References/Related Topics

- **Canceling an EIN – Closing Your Account**
 - **Closing a Business**
 - **Contact local and state agencies.**

 - **Publication 3207, The Small Business Resource Guide, provides help on closing a business and links to other relevant sources. Order a FREE CD-Rom via the web.**
 - **Visit the Small Business Administration (SBA) Web site for a map to help you locate the relevant SBA resources closest to you. The SBA also provides advice on closing a business.**
- Don't forget to file any state forms necessary to close the company**