



FREE CHECKLIST · FOR BUSINESS OWNERS BEHIND ON FILING

# The Back-Taxes Catch-Up Checklist

Exactly what to gather to file past-due returns and get right with the IRS — without the panic.

Millions of business owners have unfiled returns. The IRS has a process for catching up, and the sooner you start, the more options you have. Work through this checklist one section at a time — you do not need everything before you begin.

## WHY START NOW

Filing, even when you can't pay, is almost always better than not filing. The penalty for **not filing** is 10 times higher than the penalty for not paying, and payment plans only become available once your returns are in.

## Step 1 — Find out what the IRS already knows

- ☐ Request your **wage and income transcripts** for each unfiled year  
Free at IRS.gov ("Get Transcript") or by filing Form 4506-T. These show every W-2, 1099, and 1098 reported under your Social Security number.
- ☐ Request your **account transcripts** for the same years  
These show whether the IRS filed a substitute return for you (an "SFR") and any balances or notices on file.
- ☐ Pull any IRS letters or notices you've received  
CP59, CP516, CP518, or collection notices — the notice number is in the top right corner.

## Step 2 — Confirm which years you actually need to file

- ☐ List every year you did not file (personal and business)
- ☐ Ask us or the IRS which years are required to get back in good standing  
In most cases the IRS looks for the last six years of returns — you may not need to file every missing year.

## Step 3 — Rebuild your income records, year by year

- ☐ Bank statements for every business account, each missing year  
Your bank can usually provide up to 7 years of statements — request them early; this is the slowest step.
- ☐ Merchant / card processor summaries (Square, Stripe, PayPal, Venmo)
- ☐ 1099s received (compare against your wage and income transcript)
- ☐ Invoices, contracts, or job records that show income by year

## Step 4 — Rebuild your deductions

- ☐ Bank and credit card statements, highlighted for business expenses
- ☐ Loan documents and equipment purchase records  
Big purchases may be deductible through depreciation, even years later.



- ☐ Mileage estimates from job logs, calendars, or route history
- ☐ Home office details (square footage) if you worked from home

### Step 5 — File, oldest year first

- ☐ Prepare and file each return, starting with the oldest year
- ☐ Attach current-year withholding or estimated payments so the freshest year stays clean

### Step 6 — Deal with the balance, with options in hand

- ☐ Review payment options before agreeing to anything  
Installment agreements, currently-not-collectible status, penalty abatement for first-time offenders, and offers in compromise all exist — but they only open up after you file.
- ☐ Ask about **first-time penalty abatement** — many owners qualify and never request it

#### GET HELP CATCHING UP

We help business owners catch up on back taxes without judgment — most of our clients were years behind when they first called. Book a confidential consultation at [westfinancialservicesllc.com](https://westfinancialservicesllc.com).