5280 TAX & ADVISORY

S-Corporation Compliance & Planning Checklist

Key items for owners considering or operating an S corporation.

Election & Eligibility

[ ] Confirm eligibility

[ ] Confirm election effective date

[ ] Confirm Form 2553 status

[ ] Review ownership/shareholder eligibility

[ ] Maintain corporate records

Payroll & Compensation

[ ] Determine appropriate shareholder-employee compensation

[ ] Run payroll correctly

[ ] Reconcile payroll

[ ] Review shareholder health-insurance treatment where applicable

[ ] Review payroll filings/deposits

Accounting & Tax

[ ] Separate corporate books/bank

[ ] Track shareholder basis and loans

[ ] Track distributions separately from wages

[ ] Prepare financial statements

[ ] Prepare 1120-S/K-1 information

[ ] Review shareholder estimated taxes

Planning

[ ] Review reasonable compensation annually

[ ] Review retirement opportunities

[ ] Review entity structure

[ ] Review shareholder loans/distributions

[ ] Review state-specific requirements

Timing

For a calendar-year business seeking S corporation treatment for a new year, Form 2553 is generally due no more than 2 months and 15 days after the beginning of the tax year, or during the preceding tax year. Special rules and late-election relief can apply.

Important Notice

Educational use only. This material is not individualized tax, legal, accounting, or financial advice and does not create an engagement. Tax rules, forms, deadlines, and state/local requirements can change. Verify current requirements before filing or making decisions.

Primary References

IRS Form 2553 Instructions

IRS S Corporation Compensation

IRS Publication 509