

Earned Income Credit Due Diligence

(Keep for your records)

2016

Name(s) as shown on return

Tax ID Number

Income

Does the income appear to be sufficient to support the taxpayer and qualifying children?

If "No," some additional inquiries might be needed Yes No

Taxpayers with self-employment income:

Not applicable

1. How long have you owned your business? _____

2. Can you provide any documentation to substantiate your business?

- Business cards Business/occupational license (if required)
- Business stationary Other tax returns (sales/excise, employment, etc.)
- Receipts or receipt book (with company header) Advertisements (newspaper, flyer, yellow pages, etc.)

Other (list any other documentation you can provide to substantiate your business):

3. Who maintains the business records? _____

4. Do you maintain separate banking accounts for personal and business transactions? Yes No

a. If "Yes," what form of records were provided?

b. If "No," how do you differentiate between personal and business transactions and monetary assets?

5. Were satisfactory records of income and expense provided? Yes No

a. If "Yes," in what form were these records provided?

- Accounting records Car/truck expenses
- Paid invoices/receipts Ledgers
- Log books Business bank accounts
- Computer records

Other (list any other forms of documentation you can provide to support your business):

b. If "No," how did you determine:

The amount of income? _____

The amount of expense? _____

6. Form 1099-MISC:

a. Do you have any Forms 1099-MISC to support the income? Yes No

b. If not, is it reasonable that the business type would not receive Form 1099-MISC? Yes No

7. Are the expenses consistent with the type of business? Yes No

8. Are the amounts of expense reasonable? Yes No

9. Are any expenses that are typical for this type of business missing? Yes No

10. List any other information you can provide related to your business:

Your signature	Date	Spouse's signature. If joint return, BOTH must sign.	Date
Paid preparer's signature	Date		