Tax accounting cheat sheet

The terms, the common forms, and the US filing calendar on 1 page.

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The terms

Gross income. All income, before any deductions.

Adjusted gross income. Gross income minus specific adjustments. Many limits depend on AGI.

Taxable income. AGI minus the standard or itemized deduction.

Deduction. An amount subtracted from income before tax is computed.

Credit. An amount subtracted from the tax itself.

Withholding. Tax an employer takes from each paycheck and sends to the IRS.

Estimated tax. Quarterly payments on income that has no withholding.

Self-employment tax. Social Security and Medicare tax on self-employment profit.

Marginal rate. The rate paid on the last dollar of income.

Effective rate. Total tax divided by total income.

Basis. The amount you paid for an asset. Sale price minus basis is the gain or loss.

Capital gain. Profit from the sale of an asset. After 1 year of ownership, the lower long-term rates apply.

Ordinary income. Wages, business profit, and interest, taxed at the regular brackets.

Pass-through. A business whose profit is taxed on the owners' personal returns.

Safe harbor. Pay 90% of this year's tax, or 100% of last year's, during the year. This prevents the underpayment penalty. High earners must pay 110%.

The common forms

`W-2`	Wages and withholding, from employer to employee.
`W-4`	Tells the employer how much to withhold.
`W-9`	Gives a payer your taxpayer ID before they pay you.
`1099-NEC`	Contractor pay, reported by the payer.
`1099-MISC`	Rents, prizes, and other miscellaneous payments.
`1099-K`	Card and payment-app receipts, from the processor.
`1099-INT`	Interest income, from the bank.
`941`	Quarterly payroll tax return.
`940`	Annual federal unemployment return.
`Sch. C`	Sole proprietor profit or loss, filed with the 1040.
`Sch. SE`	Self-employment tax, filed with the 1040.
`1065`	Partnership return. Sends a K-1 to each partner.
`1120-S`	S corporation return. Sends a K-1 to each shareholder.
`1120`	C corporation return. The entity pays its own tax.
`K-1`	Each owner's share of a pass-through's profit.

The filing calendar

Jan 15
Q4 estimated tax for the prior year.

Jan 31
W-2s go to employees and the SSA. 1099-NECs go to contractors and the IRS.

Mar 15
Partnership and S corp returns. K-1s go to owners.

Apr 15
Individual and C corp returns. Q1 estimated tax.

Jun 15
Q2 estimated tax.

Sep 15
Q3 estimated tax. Extended partnership and S corp returns.

Oct 15
Extended individual and C corp returns.

The dates are for calendar-year filers. A deadline on a weekend or federal holiday moves to the next business day.

Deduction or credit

A deduction decreases your taxable income. A credit decreases your tax directly.

$1,000 deduction at a 22% rate
`saves $220`

$1,000 credit
`saves $1,000`

Remember

Your marginal rate sets the value of a deduction. Your effective rate shows what you actually paid.