



Richland County Business Service Center

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Audit Survey of Business Circumstances

Please complete the survey below to help us better understand the financial nature of your business so we may strive to ensure that your audit is as accurate as possible. Please return this form along with your other financial documents.

Please PRINT LEGIBLY.

Business Information

Business Name: _____

Name as seen by the public: _____

Physical Location of the business: _____

Financial Overview

Do you use a separate accounting person or company? Yes No

If yes, name phone number, and e-mail address: _____

When does the business' financial year begin: Jan. 1 July 1 Other _____

Does the business have a business bank account? Yes, at _____ No

Is this business: owned/operated by more than one member of a family? Yes - # _____ No

Financial Software used: QuickBooks Other _____

None

Operational Overview

Hours of Operation: Sun.: _____ Thurs.: _____

Mon.: _____ Fri.: _____

Tues.: _____ Sat.: _____

Wed.: _____

of FT employees: _____ # of PT employees: _____ # of contractors: _____

Business Expenses Overview

Monthly payroll expense: \$ _____

Monthly rent: \$ _____

Average Monthly Utilities: Water: \$ _____ Electricity: \$ _____
Sewer: \$ _____ Natural Gas: \$ _____

Average Monthly Cost of Goods (cost of products purchased monthly to operate the business):
\$ _____

Sum of other regular monthly costs not listed above: \$ _____

Describe these costs: _____

Total average monthly cost for operating the business: \$ _____

Business Certification

I hereby certify that all information provided in this survey is true and correct to the best of my knowledge.

Signature: _____ Printed Name: _____

Title: _____ Date: _____

For the year Jan. 1–Dec. 31, 2016, or other tax year beginning _____, 2016, ending _____, 20

Your first name and initial _____ Last name _____ See separate instructions.
Your social security number _____

If a joint return, spouse's first name and initial _____ Last name _____
Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____
▲ Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). _____
Presidential Election Campaign
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. You Spouse

Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____

Filing Status

1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above and full name here. ▶ _____
 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ _____
 5 Qualifying widow(er) with dependent child

Check only one box.

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a
 b Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

If more than four dependents, see instructions and check here ▶

d Total number of exemptions claimed

Boxes checked on 6a and 6b _____
No. of children on 6c who:
 • lived with you _____
 • did not live with you due to divorce or separation (see instructions) _____
Dependents on 6c not entered above _____
Add numbers on lines above ▶ _____

Income

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount	15b	
16a	Pensions and annuities	16a	
b	Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	
b	Taxable amount	20b	
21	Other income. List type and amount _____	21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.
 If you did not get a W-2, see instructions.

Adjusted Gross Income

23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶ _____	31a	
32	IRA deduction	32	
33	Student loan interest deduction	33	
34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income ▶	37	

Tax and Credits

38 Amount from line 37 (adjusted gross income)
39a Check [] You were born before January 2, 1952, [] Blind. Total boxes checked
b If your spouse itemizes on a separate return or you were a dual-status alien, check here

Standard Deduction for -

People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.
All others: Single or Married filing separately, \$6,300
Married filing jointly or Qualifying widow(er), \$12,600
Head of household, \$9,300

40 Itemized deductions (from Schedule A) or your standard deduction
41 Subtract line 40 from line 38
42 Exemptions. If line 38 is \$155,650 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instructions
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-
44 Tax (see instructions). Check if any from: a [] Form(s) 8814 b [] Form 4972 c []
45 Alternative minimum tax (see instructions). Attach Form 6251
46 Excess advance premium tax credit repayment. Attach Form 8962
47 Add lines 44, 45, and 46
48 Foreign tax credit. Attach Form 1116 if required
49 Credit for child and dependent care expenses. Attach Form 2441
50 Education credits from Form 8863, line 19
51 Retirement savings contributions credit. Attach Form 8880
52 Child tax credit. Attach Schedule 8812, if required.
53 Residential energy credits. Attach Form 5695
54 Other credits from Form: a [] 3800 b [] 8801 c []
55 Add lines 48 through 54. These are your total credits
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-

Other Taxes

57 Self-employment tax. Attach Schedule SE
58 Unreported social security and Medicare tax from Form: a [] 4137 b [] 8919
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required
60a Household employment taxes from Schedule H
b First-time homebuyer credit repayment. Attach Form 5405 if required
61 Health care: individual responsibility (see instructions) Full-year coverage []
62 Taxes from: a [] Form 8959 b [] Form 8960 c [] Instructions; enter code(s)
63 Add lines 56 through 62. This is your total tax

Payments

If you have a qualifying child, attach Schedule EIC.

64 Federal income tax withheld from Forms W-2 and 1099
65 2016 estimated tax payments and amount applied from 2015 return
66a Earned income credit (EIC)
b Nontaxable combat pay election
67 Additional child tax credit. Attach Schedule 8812
68 American opportunity credit from Form 8863, line 8
69 Net premium tax credit. Attach Form 8962
70 Amount paid with request for extension to file
71 Excess social security and tier 1 RRTA tax withheld
72 Credit for federal tax on fuels. Attach Form 4136
73 Credits from Form: a [] 2439 b [] Reserved c [] 8885 d []
74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments

Refund

Direct deposit? See instructions.

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid
76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here
b Routing number
c Type: [] Checking [] Savings
d Account number
77 Amount of line 75 you want applied to your 2017 estimated tax

Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions
79 Estimated tax penalty (see instructions)

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? [] Yes. Complete below. [] No
Designee's name Phone no. Personal identification number (PIN)

Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation Daytime phone number
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Print/Type preparer's name Preparer's signature Date Check [] if self-employed PTIN
Firm's name Firm's EIN
Firm's address Phone no.

**SCHEDULE C
(Form 1040)**

**Profit or Loss From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2016
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► **Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.**
► **Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.**

Name of proprietor		Social security number (SSN)
A Principal business or profession, including product or service (see instructions)	B Enter code from instructions	
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN), (see instr.)	
E Business address (including suite or room no.) ► City, town or post office, state, and ZIP code		
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2016? If "No," see instructions for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2016, check here <input type="checkbox"/>		
I Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No		
J If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1		
2 Returns and allowances	2		
3 Subtract line 2 from line 1	3		
4 Cost of goods sold (from line 42)	4		
5 Gross profit. Subtract line 4 from line 3	5		
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6		
7 Gross income. Add lines 5 and 6	7		

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8			18 Office expense (see instructions)	18		
9 Car and truck expenses (see instructions).	9			19 Pension and profit-sharing plans	19		
10 Commissions and fees	10			20 Rent or lease (see instructions):			
11 Contract labor (see instructions)	11			a Vehicles, machinery, and equipment	20a		
12 Depletion	12			b Other business property	20b		
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13			21 Repairs and maintenance	21		
14 Employee benefit programs (other than on line 19)	14			22 Supplies (not included in Part III)	22		
15 Insurance (other than health)	15			23 Taxes and licenses	23		
16 Interest:				24 Travel, meals, and entertainment:			
a Mortgage (paid to banks, etc.)	16a			a Travel	24a		
b Other	16b			b Deductible meals and entertainment (see instructions)	24b		
17 Legal and professional services	17			25 Utilities	25		
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28			26 Wages (less employment credits)	26		
29 Tentative profit or (loss). Subtract line 28 from line 7	29			27a Other expenses (from line 48)	27a		
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30			27b Reserved for future use	27b		
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31						
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12 , (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.				32a <input type="checkbox"/> All investment is at risk.			
				32b <input type="checkbox"/> Some investment is not at risk.			

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: **a** Cost **b** Lower of cost or market **c** Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? Yes No
 If "Yes," attach explanation

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation . . .	35	
36 Purchases less cost of items withdrawn for personal use	36	
37 Cost of labor. Do not include any amounts paid to yourself	37	
38 Materials and supplies	38	
39 Other costs	39	
40 Add lines 35 through 39	40	
41 Inventory at end of year	41	
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ / /

44 Of the total number of miles you drove your vehicle during 2016, enter the number of miles you used your vehicle for:
a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use?. Yes No

47a Do you have evidence to support your deduction? Yes No

b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.

48 Total other expenses. Enter here and on line 27a	48	

**SCHEDULE C-EZ
(Form 1040)**

**Net Profit From Business
(Sole Proprietorship)**

OMB No. 1545-0074

2016
Attachment
Sequence No. **09A**

Department of the Treasury
Internal Revenue Service (99)

▶ **Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.**
▶ **Attach to Form 1040, 1040NR, or 1041. ▶ See instructions on page 2.**

Name of proprietor

Social security number (SSN)

Part I General Information

**You May Use
Schedule C-EZ
Instead of
Schedule C
Only If You:**

- Had business expenses of \$5,000 or less,
- Use the cash method of accounting,
- Did not have an inventory at any time during the year,
- Did not have a net loss from your business,
- Had only one business as either a sole proprietor, qualified joint venture, or statutory employee,

And You:

- Had no employees during the year,
- Do not deduct expenses for business use of your home,
- Do not have prior year unallowed passive activity losses from this business, and
- Are not required to file **Form 4562**, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, to find out if you must file.

A Principal business or profession, including product or service

B Enter business code (see page 2)

C Business name. If no separate business name, leave blank.

D Enter your EIN (see page 2)

E Business address (including suite or room no.). Address not required if same as on page 1 of your tax return.

City, town or post office, state, and ZIP code

F Did you make any payments in 2016 that would require you to file Form(s) 1099? (see the Instructions for Schedule C)

Yes No

G If "Yes," did you or will you file required Forms 1099?

Yes No

Part II Figure Your Net Profit

1	Gross receipts. Caution: If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see <i>Statutory employees</i> in the instructions for Schedule C, line 1, and check here	<input type="checkbox"/>	1	
2	Total expenses (see page 2). If more than \$5,000, you must use Schedule C		2	
3	Net profit. Subtract line 2 from line 1. If less than zero, you must use Schedule C. Enter on both Form 1040, line 12 , and Schedule SE, line 2 , or on Form 1040NR, line 13 , and Schedule SE, line 2 (see page 2). (Statutory employees do not report this amount on Schedule SE, line 2.) Estates and trusts, enter on Form 1041, line 3		3	

Part III Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

- 4** When did you place your vehicle in service for business purposes? (month, day, year) ▶
- 5** Of the total number of miles you drove your vehicle during 2016, enter the number of miles you used your vehicle for:
- a** Business **b** Commuting (see page 2) **c** Other
- 6** Was your vehicle available for personal use during off-duty hours? **Yes** **No**
- 7** Do you (or your spouse) have another vehicle available for personal use? **Yes** **No**
- 8a** Do you have evidence to support your deduction? **Yes** **No**
- b** If "Yes," is the evidence written? **Yes** **No**

Instructions

Future developments. For the latest information about developments related to Schedule C-EZ (Form 1040) and its instructions, such as legislation enacted after they were published, go to www.irs.gov/scheduleez.



Before you begin, see General Instructions in the 2016 Instructions for Schedule C.

You can use Schedule C-EZ instead of Schedule C if:

- You operated a business or practiced a profession as a sole proprietorship or qualified joint venture, or you were a statutory employee, and
- You have met all the requirements listed in Schedule C-EZ, Part I.

For more information on electing to be taxed as a qualified joint venture (including the possible social security benefits of this election), see *Qualified Joint Venture* in the Instructions for Schedule C. You can also go to IRS.gov and enter “qualified joint venture” in the search box.

Line A

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of product or service.

Line B

Enter the six-digit code that identifies your principal business or professional activity. See the Instructions for Schedule C for the list of codes.

Line D

Enter on line D the employer identification number (EIN) that was issued to you and in your name as a sole proprietor. If you are filing Form 1041, enter the EIN issued to the estate or trust. Do not enter your SSN. Do not enter another taxpayer’s EIN (for example, from any Forms 1099-MISC that you received). **If you do not have an EIN, leave line D blank.**

You need an EIN only if you have a qualified retirement plan or are required to file an employment, excise, alcohol, tobacco, or firearms tax return, are a payer of gambling winnings, or are filing Form 1041 for an estate or trust. If you need an EIN, see the Instructions for Form SS-4.

Single-member LLCs. If you are the sole owner of an LLC that is not treated as a separate entity for federal income tax purposes, enter on line D the EIN that was issued to the LLC (in the LLC’s legal name) for a qualified retirement plan, to file employment, excise, alcohol, tobacco, or firearms returns, or as a payer of gambling winnings. **If you do not have such an EIN, leave line D blank.**

Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

Line F

See the instructions for Schedule C, line I, to help determine if you are required to file any Forms 1099.

Line 1

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Form 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference. You must show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Don’t offset this amount by any losses.

Line 2

Enter the total amount of all deductible business expenses you actually paid during the year. Examples of these expenses include advertising, car and truck expenses, commissions and fees, insurance, interest, legal and professional services, office expenses, rent or lease expenses, repairs and maintenance, supplies, taxes, travel, the allowable percentage of business meals and entertainment, and utilities (including telephone). For details, see the instructions for Schedule C, Parts II and V. You can use the optional worksheet below to record your expenses. Enter on lines **b** through **f** the type and amount of expenses not included on line **a**.

If you claim car or truck expenses, be sure to complete Schedule C-EZ, Part III.

Line 3

Nonresident aliens using Form 1040NR should also enter the total on Schedule SE, line 2, if you are covered under the U.S. social security system due to an international social security agreement currently in effect. See the Instructions for Schedule SE for information on international social security agreements.

Line 5b

Generally, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the Instructions for Form 2106.

Optional Worksheet for Line 2 (keep a copy for your records)

a	Deductible meals and entertainment (see the instructions for Schedule C, line 24b)	a		
b	-----	b		
c	-----	c		
d	-----	d		
e	-----	e		
f	-----	f		
g	Total. Add lines a through f . Enter here and on line 2	g		



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Red Flags for Audits

Revenues

1. businesses with revenues outside the normal revenue range of similar type businesses
2. businesses earning gross revenues with exact amounts to nearest hundred dollars or greater
 - a. businesses reporting exact \$100,000's of more interest than lesser revenues
3. business talks too much and gives conflicting stories
4. businesses requesting refunds
5. new businesses (businesses less than three years old)
6. businesses earning less gross revenue than previous year
7. businesses with zeros of zero income followed by a sudden appearance of income
8. businesses claiming deductions
9. businesses claiming an exemption
10. businesses with a negative net income
11. change in physical location from a PO Box to a street name/number outside Richland County
12. businesses paying fees not commiserate with their net income
13. businesses with more than one business license at one business location
14. business owners with more than one business

Industries

15. Bars
16. Bingo parlors
17. Cell phone companies renting space on towers
18. Contractors
19. Money lenders
20. Ambulance companies

21. Residential Landlords
22. Mobile home parks
23. Car dealerships
24. Funeral homes
25. Holding, Investment, and Development companies

Red Flags from CA Municipal Revenue & Taxation Assoc. (CMRTA)

1. Gross Revenue drop
2. Gross Revenue variance
3. Gross Revenue flat
4. Gross Revenue /sales tax mismatch
5. Gross Revenue rounded
6. Rental Gross Revenue over controlled rents
7. Rental Gross Revenue /square footage mismatch
8. Gross Revenue below office rent
9. Gross Revenue below payroll
10. Gross Revenue /City vendor 1099 mismatch
11. Gross Revenue variance with similar businesses
12. Contractor/sub payment mismatch
13. Payment not commensurate with Gross Revenue
14. Selected industries
15. Periodic
16. New businesses
17. Random
18. In conjunction with TOT (LAT) audit
19. Related entity being audited
20. Refund
21. Poor payment history
22. Referral by other department
23. Claim of deduction
24. Claim of exemption
25. Negative net income
26. Moved from PO Box to outside county
27. More than one license per location
28. Improperly classified