

Client Tax Handoff Checklist

What to flag to your client's CPA when the paperwork is signed, not when the return is due

Forming or restructuring an entity

- ◆ **S corporation election timing:** Form 2553 is due no more than 2 months and 15 days after the start of the tax year the election takes effect. Late-election relief exists (Rev. Proc. 2013-30) but has its own conditions, so tell the CPA the formation date the day you file.
- ◆ **LLC tax classification:** a Form 8832 election can be effective up to 75 days before it is filed and up to 12 months after. After a change by election, another change is generally barred for 60 months.
- ◆ **EIN and registrations:** estates, partnerships, corporations and most trusts need an EIN. Send the CPA the EIN letter and the state registrations so filings and payroll accounts start under the right entity.
- ◆ **Equity issued for services:** a Section 83(b) election must be made within 30 days after the transfer. Flag any restricted-stock or vesting grant at signing.

Trusts and estates

- ◆ **Form 1041:** a domestic estate must file if gross income is \$600 or more or a beneficiary is a nonresident alien. A trust must file with any taxable income, \$600 or more of gross income, or a nonresident alien beneficiary. Calendar-year returns are due April 15.
- ◆ **Form 706:** required when the gross estate plus adjusted taxable gifts exceeds \$15,000,000 (2026 deaths), due 9 months after death with a 6-month extension available. A return filed only to elect portability must also be timely (Rev. Proc. 2022-32 gives limited late relief).
- ◆ **Basis consistency:** when Form 706 is required, Form 8971 and a Schedule A for each beneficiary are due within 30 days, and a beneficiary generally cannot use a basis above the value reported.
- ◆ **Gifts:** the 2026 annual exclusion is \$19,000 per recipient. Tell the CPA about any gift above it, and about gifts to a non-citizen spouse (limit \$194,000 in 2026).

Buy-sell agreements and business sales

- ◆ **Step-up records:** inherited property generally takes a basis equal to fair market value at death (or the alternate valuation date if elected). Send date-of-death appraisals and the entity's balance sheet as of that date.
- ◆ **Installment sale terms:** payments after the year of sale mean the installment method on Form 6252. Depreciation recapture is taxed in the year of sale, and sales to related persons have extra rules. Send the note terms and payment schedule.
- ◆ **Asset sales:** both buyer and seller file Form 8594 with their returns, so send the purchase price allocation (Classes I to VII) before closing, not after.
- ◆ **Basis records:** capital account statements, prior-year K-1s and owner loans for every owner who is selling or being bought out.

Hand-off ready? Tick before you close the file

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| ☐ Entity formation date and EIN sent | ☐ Estate or trust EIN and 1041 owner named |
| ☐ Form 2553 / 8832 timing confirmed | ☐ Date-of-death values and appraisals sent |
| ☐ State registrations listed | ☐ Sale allocation and note terms sent |
| ☐ 83(b) grants flagged within 30 days | ☐ Basis records for each owner |

Questions? Book a free 20-minute discovery call: <https://api.leadconnectorhq.com/widget/booking/hv99mLLsXX6FTJMys8b6> · info@sargiscpa.com · (704) 981-1191.