every

FOUNDER TAX CHECKLIST

The First-Year Tax Checklist for Founders

Most first-year tax mistakes are avoidable. Use this checklist to set up right, hit every deadline and keep more of your runway.

SECTION 01

Set up right

- [ ] **Pick the entity that fits your plans.** If you plan to raise, a Delaware C corp is what most investors expect. If you're a profitable solo founder, an S corp can cut self-employment tax, usually once you're near $100K in taxable profit.
- [ ] **Keep your stock records clean.** Qualified small business stock (QSBS) can let founders and investors exclude millions in gains when they sell. It only applies to C corp stock, and the longer you hold it, the more you can exclude.
- [ ] **Register where you actually operate.** If you live and work in California, your company likely owes taxes there from day one, even before payroll. Registering in your first year can exempt you from that year's $800 minimum tax.
- [ ] **Keep business and personal money separate.** Run all company spending through a business bank account and card.
- [ ] **If your founder shares vest, file your 83(b) election within 30 days of your stock grant.** It's a personal filing sent to the IRS. File Form 15620 by certified mail or online, and keep your proof of filing.

SECTION 02

Keep books you can file from

- [ ] **Keep a monthly profit and loss statement and balance sheet**, ideally with a general ledger behind them.
- [ ] **Know what isn't enough.** Bank statements, a spreadsheet of expenses or a folder of receipts won't support a tax return on their own.
- [ ] **Catch up early.** If your books are behind, clean them up before tax season, not during it.

SECTION 03

Put these dates on your calendar

JAN 31	1099s due for each contractor you paid $2,000 or more in 2026 (up from $600). Collect a W-9 before you pay them.
MAR 1	Delaware franchise tax due, every year, profit or not. This one can't be extended.
MAR 15	S corp and partnership returns due (Forms 1120-S and 1065). Extendable to September 15.
APR 15	C corp federal return due (Form 1120). Extendable to October 15, along with most state returns.
ANNUALLY	File a federal return even if you had no revenue or activity.

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SECTION 04

Avoid the expensive surprises

- [ ] **File foreign ownership forms on time.** If you have foreign shareholders or a foreign subsidiary, late Forms 5472 or 5471 can cost $25,000 or $10,000 per instance.
- [ ] **Don't pay a scary Delaware bill as-is.** Delaware's default notice is based on share count alone. Recalculating with the assumed par value method often brings it down to the $450 minimum.
- [ ] **Act fast if you miss a deadline.** Penalties can sometimes be reduced or removed, especially if your filing history is clean. Interest usually still applies.
- [ ] **Don't ignore tax notices.** Send any federal, state or payroll tax notice to your tax provider as soon as it arrives.

SECTION 05

Claim what you're owed

- [ ] **Claim the R&D tax credit if you have US payroll.** Many technical startups and software companies qualify. If you have under $5M in revenue and are within your first five years of revenue, you can apply up to $500K a year of the credit against payroll tax, even with no income tax due.
- [ ] **Claim it on your original return.** The payroll tax offset can't be added later by amending.

SECTION 06

Have this ready when you file

- [ ] Entity details: EIN, legal name and address
- [ ] Your cap table, plus name, address and SSN for anyone who owns 20% or more
- [ ] Your profit and loss statement and balance sheet
- [ ] Payroll records and W-2s, if you're claiming the R&D credit

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