



816-847-0536 Grain Valley Office
816-347-1600 Lee's Summit Office

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2026 Business Year End Letter

October 9, 2026

Dear Client:

It's time to prepare your business for year-end and the upcoming tax season. This letter and the enclosed forms explain what we need from you and when. We also want to bring to your attention process and policy changes we have implemented to help assist in better work flow and manage expectations.

Artificial Intelligence Policy for 2026/27 Filing Season

Artificial intelligence. AI is making its way into accounting and tax work, and we are always looking for ways to use AI to reduce your costs. We know many of you use AI too. AI is wrong frequently, and sometimes very confidently, so be aware you may be receiving incorrect information. We expect accuracy with AI to improve over time. However, as of today, AI is providing incorrect information about half the time, many times because the inputs are incorrect. Because of the feedback we are receiving about answers from AI we are implementing the following policy.

If you have concerns about your return based on something AI told you, we will gladly review those concerns. However, during tax season we have to limit the review to 30 minutes or less, because our busy season (January 1 to April 15) doesn't allow time for extended research. If we determine an adjustment is necessary, we'll adjust the return at no charge. If the concern needs significant research, you may either file the return as prepared and amend later, or place the return on extension so we can research your concerns outside of tax season. If you choose to extend the return, any projected balance due on the return as prepared must be paid with the extension, since we cannot accept responsibility for resulting penalties and interest. If we find the return was prepared correctly, the additional time we spend researching your concern is billed at our standard hourly rates. If we find an error, there is no charge for our time and we will adjust the return accordingly. Questions about this policy? Please call the office and ask for Lorne.

Complete Business Information and why it is Necessary

What "complete" means. For business returns, complete means a full Balance Sheet and Income Statement/Profit & Loss, with all Balance Sheet accounts reconciled and tied out. The Profit & Loss will be reviewed for reasonableness against prior periods. We also need the additional information relevant to your business listed later in this letter, including 1099s your business received (particularly 1099-Ks). The best way to confirm you have everything is to review what you provided in prior years. We will review your Balance Sheet and Income Statement/Profit & Loss when your documents are dropped off. If we find the information is not complete the tax return will be extended and the accounting work necessary to complete the information will be done after tax season. Again, we do not have enough time during busy season to do accounting work. If you would like to have your financials reviewed in advance to determine if you have a complete set of financials, please call our office and schedule an appointment between October 15th and December 1st for your review.

Additional information we will need if applicable to your business

Entity and ownership, estimated payments

- Estimated tax payments made for your 2026 tax year
- Pass-through entity (PTE) tax payments made for 2025, Amount and Date
- Pass-through entity (PTE) tax payments made for 2026, Amount and Date
- W-3, Payroll reports, including officer wages (not needed if we prepared your payroll)
- Any change in ownership: names, ownership percentages, and related financial documents
- Any change to your address or contact information
- Dividends and distributions paid, amount, and date

Assets, property, and loans

- New fixed asset purchases, with acquisition date and cost
- Sales Invoices for vehicles, Settlement Statements for real asset purchases
- Any asset traded in on a new asset (vehicles, machinery, equipment), value allowed on trade
- Fixed assets sold, with sale date and sales price
- Purchase or sale of land or buildings: the settlement statement
- Seller-financed sales: amount financed, term, interest rate, and a copy of the note
- Documentation for new loans or newly purchased properties
- Your updated fixed asset listing (call us for the most recent copy)

Multistate activity

- Information about other states where your business is registered, performs business, or employs workers
- Apportionment of operations, goods sold, services, and employees in other states
- Income earned or services performed in Kansas City, Missouri
- Any employees living or working in Kansas City, Missouri

Year -End Statement Requirements

- We need bank statements for all bank accounts showing 12/31/26 balances
- We need credit card statements for all credit card accounts showing 12/31/26 balances
- We need loan statements or transaction history for all loans showing 12/31/26 balances

Permanent File Information – We may be asking for the following information

- Articles of Incorporation
- Operating Agreements
- Stock Ledgers showing ownership
- Stock Certificates
- Trust Documents
- FEIN Assignment Letters from the IRS
- Power of Attorney to work with the IRS or States on your behalf

If you are an S-Corporation, Partnership, or C-Corporation, please confirm your bank routing and account number with us. A voided check is the easiest way to make sure we receive and input accurate information.

Key Year End Dates

Year-End Information reporting

Date	What we need
November 2, 2026	Annual cost of life insurance paid by the business (policies over \$50,000 of coverage per employee) <i>See page 8</i>
November 2, 2026	Annual cost of health insurance paid by the business <i>See page 8</i>
November 2, 2026	Company vehicle mileage (January 1 through October 31, 2026) <i>See page 7</i>
November 10, 2026	W-2 payment amounts, if you take salary or bonuses once a year or want to pay taxes through payroll withholding. <i>See page 8</i>
November 10, 2026	2026 retirement plan contribution, if you contribute once a year. <i>See page 8</i>
January 8, 2027	1099 information, plus W-9s for any new 2026 vendors, <i>See page 9</i>

The dates in the table are dates your information must be in our office for us to have the best chance of completing your filings on time. We will still work on your filings if information arrives after these dates, but we cannot guarantee your work will be finished by the filing deadlines, and therefore information delivered after these dates, we are not responsible for interest and penalties incurred.

Year-End Information

For year-end information reporting, the items below, estimate your full-year 2026 amount from your actual payments January through October. If you know an amount will change in November or December, use the updated amount to provide total annual information.

Why the earlier dates for 2026? The information we are requesting in November has a December 31st deadline. Over the last several years we have noticed that once the holidays begin, everyone is busy and it becomes a struggle to send information to us before the Christmas Holiday, which makes the December 31st deadline nearly impossible to meet.

Life and health insurance (November 2). We need the annual cost of life insurance paid by the business for employees, for policies with coverage above \$50,000 only, and the annual cost of health insurance paid by the business for all employees. Please use the attached forms to report information to us. *See page 8.*

Company vehicle mileage (November 2). We need your mileage to calculate personal use of company vehicles. To keep this consistent, run your annual period from November 1 of the prior year through October 31 of the current year. You must keep written documentation of personal and business mileage. Phone apps such as MileIQ can help, and we recommend recording your ending odometer reading each year. If you drive a personal vehicle for business and want the business to reimburse you, we need the business and personal mileage for that vehicle. Please use the attached form to report information to us. *See page 7.*

W-2 payments (November 10). If you take a salary once a year, take an annual bonus to reach your total salary, or want to pay income taxes through federal and state withholding on your W-2, we need your information by this date so it can be calculated and loaded early. If you'd like to meet with our team to calculate the amount, please schedule time between October 15 and November 10. *See page 8.*

Retirement plan contributions (November 10). If you make contributions only once a year, we need your 2026 contribution amount by this date. Please schedule a meeting between October 15 and November 10 if you'd like help calculating it. See page 8.

1099 information (January 8, 2027). UPDATE: *NOTE IRS HAS CHANGED PAYMENT THRESHOLD. ***** We have been waiting for years for the IRS to update the filing requirements for 1099's, and 2026 is the first year we will see a change. **The filing threshold for many of your 1099's has been increased to \$2,000** from the old \$600 threshold. Please review our detailed instruction letter later in this document for which 1099's this increased threshold applies to.

We need all 1099 information, plus a W-9 for every new vendor in 2026. A W-9 is enclosed for your convenience (See page 10), and you may want to make extra copies to send to any new vendors. Information received after January 8 will be prepared on a best-efforts basis. The IRS deadline for 1099s is February 1, 2027 (January 31 falls on a Sunday). There is no automatic extension for 1099s, and any IRS penalties resulting from late information are your responsibility. See page 8 for information regarding 1099 penalty amounts.

Best practice is to never pay a vendor before getting a W-9: once they've been paid they have no reason to return the W-9, and under exam the IRS could hold you liable for 24% backup withholding on what you paid them, so you would effectively be paying their income taxes

Key Filing Season Dates

Tax return information deadlines

Client type	Complete information due*	Extended-return information due**
S-Corporations and Partnerships	February 15, 2027	July 31, 2027
C-Corporations and calendar-year Trusts	March 15, 2027	August 31, 2027
Individuals	March 15, 2027	August 31, 2027
Non-Profits (Form 990)	April 15, 2027	September 30, 2027

*An extension will be filed if information is received after this date.

**We cannot guarantee completion of the tax return by the extension due date if information is received after this date.

The dates in the table are dates your information must be in our office for us to have the best chance of completing your filings on time. We will still work on your filings if information arrives after these dates, but we cannot guarantee your work will be finished by the filing deadlines, and therefore information delivered after these dates, we are not responsible for interest and penalties incurred.

Incomplete information, or information received after the dates in the table above, will be extended. Extended return information must be received by the extended-return dates in the table to prepare the extended tax return timely.

Tax Return Filings

Why these deadlines? During busy season, our schedule doesn't leave room for accounting work, so incomplete information must be extended in order for us to finish the returns of clients whose information is complete. Returns are processed in the order we receive **complete** information, so if you deliver near the deadline, expect your return near the filing deadline. We will restart work on extended returns in May, in the order information was received.

Appointments

S-Corporation and Partnership appointments are accepted through February 15. C-Corporation, Individual, and Non-Profit appointments are accepted through March 15. Once those appointments are filled, we begin scheduling appointments in May. Please call now to schedule for next filing season: Grain Valley, 816-847-0536; Lee's Summit and Overland Park, 816-347-1600.

We have a satellite office at 4800 College Blvd. (College & Roe), available for interviews on Tuesdays and Thursdays. All scheduling goes through the Lee's Summit office at 816-347-1600. Tax information dropped off at the College & Roe office is picked up on Tuesdays and Thursdays during tax season only, and roughly weekly afterward. You can also submit documents through the secure portal on our website, www.mccpa.com. Call us and we'll set up a portal account at no charge.

Firm Updates

Notices. Because of the volume of erroneous notices sent by local, state, and federal agencies, we will bill for our time responding to them. Many of the notices we see are incorrect, so don't assume the agency is right. We suggest you first try to resolve a notice yourself by calling the agency. If you can't resolve a notice on your own, we are happy to assist you. If a notice results from a preparation error, there is no charge. Please send us a copy of any notice right away, since the response deadline on the notice still applies. Notices received during tax season will be reviewed after April 15 unless IRS action is imminent.

In our experience, resolving an IRS notice commonly takes 12 to 18 months, regardless of whether you are right or wrong, so please set your expectations accordingly.

Record retention. It is your responsibility to maintain adequate records supporting your income and deductions, including logs for business mileage deductions. Save tax records for seven years from the date the return was filed. After seven years the detail records may be destroyed, but we recommend keeping a copy of the return itself indefinitely. We retain our workpaper supporting documentation for three years. The information we retain covers only what is needed to support amounts on the return and does not meet the full IRS documentation requirements. Retention of detailed income and expense records remains your responsibility.

Payment, Engagement Letters, and Return Copies

- **Payment.** We require payment for return preparation and any prior outstanding invoices before we provide copies or e-file your return.
- **Copies.** One copy of your return is included in our standard fee. Each additional copy, paper or electronic, is \$35.00 per copy.
- **How to pay.** We accept Visa, MasterCard, Discover, and American Express. You can pay at www.mccpa.com by credit card or ACH withdrawal.
- **Credit card surcharge.** Beginning December 31, 2026, we will add a 3% surcharge to all credit card transactions. You can avoid the surcharge by paying by cash, check, online ACH, or debit card.

- **Form 8879.** We need a signed Form 8879 (e-file authorization) before filing, including when we mail your return or upload it to the portal.
- **Engagement letter.** Our liability insurance carrier requires one, and we cannot file your return without it signed. You may request a copy in advance, or when you drop off your information, and we're glad to answer questions.
- **Refund status.** Check www.irs.gov and search "refund status." For State refunds you will need to check with the respective State's Department of Revenue web-site.
- **E-filing.** All returns eligible for electronic filing will be filed electronically.
- **Electronic processing of Payments.** Going forward we recommend all payments to the IRS and State agencies be processed electronically. Due to problems with mail delivery through the US Postal Service we believe electronic filing is now the more reliable option. If you choose to mail payments and as a result payments are delayed, mis-applied, or other penalties are incurred and you need our help to resolve your notices, we will bill at standard hourly rates for our time.

Thank you for your continued business this year. We wish you a healthy and prosperous New Year.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Meinershagen". The signature is fluid and cursive, with the first name "John" written in a smaller, more compact script than the last name "Meinershagen".

Meinershagen & Co., LLC
Certified Public Accountants

VEHICLE USAGE

The IRS requires that written records be maintained to document the business use of vehicles. This information is important for the company tax return and employee W-2's.

Employee Name _____

Description of Vehicle (year, make, model) _____

Who owns the vehicle above? Please check one. Business _____ Personal _____

Odometer Reading: 01/01/2026 or other date: _____ mileage: _____

10/31/2026 or other date: _____ mileage: _____

Business mileage mileage: _____ or percentage _____ %

Commuting mileage mileage: _____ or percentage _____ %

Other personal mileage mileage: _____ or percentage _____ %

Total mileage: _____ or percentage _____ %

Estimated fair market value of vehicle _____

Yes No

I have written documentation to support the above mileage figures. _____

Was the vehicle available for personal use during off-duty hours? _____

Do you have another vehicle available for personal use? _____

Did the employer pay the cost of fuel used by this vehicle? _____

I have adequate records or sufficient corroborative evidence to support the above data.

PAYROLL, INSURANCE, AND RETIREMENT PLAN INFORMATION

ANNUAL SALARIES AND BONUSES

Employee name: _____ Salary amount : _____

Employee name: _____ Bonus amount : _____

LIFE INSURANCE PAID BY COMPANY

If you provide group term life insurance to your employee and if the coverage exceeds \$50,000, please provide the amount of premiums paid by the employer for coverage exceeding \$50,000.

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

HEALTH INSURNACE PAID BY COMPANY

Total health insurance premiums paid by the company. Please indicate employees who are also shareholders who own 2% or more of the corporation.

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

If there were no health benefits paid for shareholders, we will need to know this as well.

RETIREMENT PLAN CONTRIBUTION PAID BY COMPANY

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____

Employee name: _____ Annual amount : _____



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October 9, 2026

Friends and Clients:

We would like to provide you with an important reminder and information regarding the upcoming tax season.

In order to comply with the **January 31st, 2027** IRS deadline regarding 1099 reporting requirements, please provide all necessary information to our office no later than **January 8th, 2027**. Please mail or upload the information through our secure client portal. If you do not have access to the client portal, please contact the office to gain access.

1099 REPORTING

With limited exception, every business must file informational returns (Federal Forms 1099) for payments made for services in the ordinary course of business. These payments include but are not limited to:

1. Payments to persons, partnerships, and LLC's of at least \$2,000 for services (i.e. casual labor) in the course of a trade or business accumulated for the entire year. Exclude payments to corporations and LLC's taxed as corporations. This is form 1099-NEC
2. Payments to persons, partnerships, and LLC's of at least \$2,000 for rents, and at least \$10 for royalties in the course of a trade or business accumulated for the entire year. Exclude payments to corporations and LLC's taxed as corporations. This is form 1099-MISC
3. Payments to persons, partnerships, and LLC's of at least \$10 for interest (i.e. interest on officer's loans) in the course of a trade or business accumulated for the entire year. Exclude payments to corporations and LLC's taxed as corporations. This is form 1099-INT
4. Payments to attorneys, including corporations of at least \$600 for services in the course of a trade or business accumulated for the entire year. This is form 1099-NEC

If you are unaware if payments you made were to a corporation, you may request this information from your vendor using form W-9. Included with this letter is a form W-9 for you to make copies of and distribute to your vendors. It is your responsibility to collect the information from the vendors used in your business.

Meinershagen & Co., LLC will prepare all applicable 1099's to comply with IRS guidelines, regardless of when the 1099 information is provided. You will be informed of any 1099's that will be prepared on your behalf. If the 1099 filings are late you may receive a penalty.

The IRS penalty for late filing of a 1099 (after February 1, 2027) is \$60 if filed 30 days late, \$130 if filed 31 days late and until August 1st, and \$340 if filed after August 1st or not at all. The penalty for intentional disregard is \$680 minimum (No Maximum penalty). We will assist in requesting penalty abatement if you file your 1099's late, standard hourly rates will apply.

Thank you for your business and choosing Meinershagen & Co., LLC for your accounting and tax services.

**Request for Taxpayer
Identification Number and Certification**
Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the
requester. Do not
send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. <u>An entry</u> is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	
	2 Business name/disregarded entity name, if different from above.	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate ☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions. ☐	
	5 Address (number, street, and apt. or suite no.). See instructions.	6 City, state, and ZIP code
7 List account number(s) here (optional)		
8 Requester's name and address (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
or	
Employer identification number	

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person	Date
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they