

S Corporation Conversion Planning Workpaper

For educational and professional practitioner use. Use this workpaper to structure the question, preserve relevant facts and evidence, and support professional judgment.

Taxpayer / Entity	
Tax Year / Period	
Practitioner / Reviewer	
Prepared / Updated	

Eligibility and structure

- Verify entity/legal form, owners, classes of equity, tax year, and S eligibility
- Confirm desired effective date and Form 2553 timing
- Identify state elections, registrations, franchise/excise taxes, and PTET considerations

Economics

- Model Schedule C/partnership baseline versus S corporation
- Use a defensible reasonable-compensation range
- Include payroll, professional fees, state taxes, QBI, retirement plan, health insurance, and administration

Implementation

- Set up payroll, bookkeeping, reimbursements, banking, basis tracking, and shareholder documentation
- Confirm election acceptance and annual reasonable-compensation review

Practitioner conclusion / next action

Professional-use notice: Verify current authority, document material assumptions, identify implementation responsibility, and preserve evidence of completion where applicable. © 2026 ARNCO DEVELOPMENT LLC.