How long must I keep it?

Tax payers!

Federal tax laws require you to maintain your books of account or records to support amounts reported on tax returns. The general rule is that such books and records must be kept as long as they may be relevant to your claim for a tax credit or refund or to an IRS attempt to assess additional tax for the year in question.

The specific rules relating to the length of time such books and records must be kept are quite detailed. However, we recommend the following document retention periods as general guidelines. In some cases, the retention period recommended may be for nontax reasons -- for example, real estate records should be kept forever for environmental liability exposure reasons.

Type of Record	Retention Period			
	Forever	6 years	3 years	At least tax life of asset plus 3 years
Copies of tax returns as filed	X			
Tax and legal correspondence	X			
Audit reports	X			
General ledger and journals	X			
Financial statements	X			
Contracts and leases	X			
Real estate records	X			
Corporate stock records and minutes	X			
Bank statements and deposit slips*		X		
Sales records and journals*		X		
Other records relating to revenue*		X		
Employee expense reports & records relating to travel & entertainment expenses*		X		
Canceled checks*			X	
Paid vendor invoices*			X	
Employee payroll expense records*			X	
Inventory records**			X	
Depreciation schedules				X
Other capital asset records				X
Other records relating to expenses*				X

* From the later of the tax return due date or filing date. (All records related to a return should be kept for at least six years if there is any concern the IRS could show a significant understatement of gross income on the return.)

** Longer if you use LIFO

Remember, these are general guidelines. If you have any questions, please call us!