

How Long Should You Keep Your Tax Records

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**“Next to being shot at and missed, nothing is quite as satisfying as an income tax refund.”
—F. J. Raymond**

I am constantly asked, “How long do I have to retain my tax records and accompanying schedules?” In fact, this is probably in the top ten questions that I get. Folks are keeping so many records for so long that they no longer seem to have room in their house and feel that they need a bigger home. Can you identify with this?

Accordingly, I think you will find the following chart very helpful in answering this question.

<u>Type of Record</u>	<u>Retention Period</u>
Copies of filed tax returns_____	Until the seas run dry, which forever
Real Estate Record_____	For as long as you own the property and three years thereafter (I will call this the “three year rule”
Tax, legal and accounting correspondence_____	Forever
General ledger and journals_____	Forever
Financial Statements_____	Forever
Corporate Stock records and minutes_____	Forever
Bank statements for the year_____	6 years [i]
Sales records and journals_____	6 years [ii]
Employee expense reports and other travel and _____	6 years [iii]
Entertainment records	
Cancelled checks for business deductions_____	6 years [iv]
Paid Vendor Invoices_____	6 years [v]
Employee Payroll expense records_____	6 years [vi]
Depreciation schedules_____	Three Year Rule
Other Sales of assets such as stocks, bonds, etc._____	Three Year Rule
Automobile purchase documents_____	Three Year Rule
Automobile expenses of gas, insurance etc._____	6 years [vii]

Hopefully, this will make your life less taxing and allow you more

[\[i\]](#) Generally It is the later of when the tax return for the year was filed or the due date

[\[ii\]](#) Ibid

[\[iii\]](#) IBID

[\[iv\]](#) IBID

[\[v\]](#) IBID.

[\[vi\]](#) IBID

[\[vii\]](#) IBID

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