

How long should I keep my tax return and records?

"A friend is one who takes you to lunch even if you're not tax deductible"

— Jack Benny

Generally, we recommend keeping tax returns *indefinitely* as well as anything filed with government entities. Yet, if you wish to thin out your filing cabinet, this may help:

- You should keep copies of your financial records even when no longer needed for tax purposes. You may find insurance companies, medical companies, employers, and creditors often ask for documents from years past.
- You should keep detailed records of your assets and investment purchases. If you end up having a taxable disposition, having these records can save tax dollars. You should keep these records to figure any depreciation, amortization, depletion, and anything to help you figure a gain or loss on disposed property.
- A conservative records storage policy suggests that you keep all records for 3 full years after filing tax returns. At 4 years, you could start to destroy detail and duplicative documents (sales invoices, accounting program posting records, supporting documents). After 7 years, you should be able to destroy all records, except items mentioned in 1 and 2. For a more complete policy, contact us for a free detailed storage policy.

Keep in mind- Retaining your tax records can be made paperless and easy by using scanner and electronic documents, such as the PDF format.



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