

## Tax-Record Retention Guidelines for Clients

| <u>TYPE OF RECORD</u>                                                                                                            | <u>RETENTION TIME</u>                                                       |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Copies of tax returns as filed                                                                                                   | Forever                                                                     |
| Previous IRS Audit-settlement                                                                                                    | Forever                                                                     |
| Real-estate ownership records                                                                                                    | Forever                                                                     |
| Contracts and Leases                                                                                                             | Forever                                                                     |
| Divorce Papers                                                                                                                   | As long as you have alimony or child-dependent deductions, plus three years |
| Stock-basis records                                                                                                              | Six years after sale                                                        |
| All records relating to income, revenue or gains, such as W-2's, 1099's broker statements, bank statements, sales, ledgers, etc. | Six Years                                                                   |
| Records pertaining to asset-sale gain/loss computations (for investment real estate, collectibles, etc.)                         | Six years after sale                                                        |
| Expense reports for reimbursed expenses                                                                                          | Six Years                                                                   |
| Proof of deductible personal expenses (canceled checks, receipts for charitable contributions, etc)                              | Three years                                                                 |
| Business-expense records (vendor invoices, receipts, etc)                                                                        | Three years                                                                 |
| Depreciable-asset records and cost-of-goods-sold computations                                                                    | Three years, or forever if you use LIFO accounting                          |

\*The retention period starts with the date you file the return or the due date, whichever is