

# RETENTION OF PERSONAL TAX RECORDS

These records may have to be produced if the Internal Revenue Service (state or local taxing authority) were to audit your return or to seek to assess or collect a tax. In addition, lenders or other private parties may require that you produce copies of your tax returns as a condition to lending money, approving a purchase, or otherwise doing business.

The following checklists provide **suggestions** for the length of time records should be kept. Use common sense in determining which records are important to keep for tax purposes.

Keep for 3 Years
<ul style="list-style-type: none"> <li>• Deductible loan interest records</li> <li>• IRA Records</li> <li>• Records on vacation homes, partnerships, rental real estate</li> </ul>

**Note:** If fraud is involved with a tax return, there is no time limit. Also, if income is under-reported and the understatement is more than 25% of reported income, the 3-year limitation period becomes a 6-year limitation.

Keep for 6 Years or More	Location
<ul style="list-style-type: none"> <li>• Accident Reports</li> <li>• Brokerage &amp; Fund Transactions (Sale of Assets)</li> <li>• Business Receipts over \$75</li> <li>• Insurance Policies</li> <li>• Keogh Statements</li> <li>• Loan Records</li> <li>• Major Purchase Receipts</li> <li>• Sale &amp; purchase agreements on property; list of improvements (may want to consider keeping these documents for life since taxable gain on the sale of a home can be rolled over successively into new homes)</li> <li>• Stock Option Agreements</li> <li>• Tax Records (alimony payments, charitable contributions, copies of tax returns, medical bills, partnership agreements property tax records, 1099's)</li> <li>• Travel &amp; Entertainment Records (daily log book and receipts)</li> <li>• Partnership statements (K-1 's)</li> </ul>	At Home
<ul style="list-style-type: none"> <li>• Certificates of deposit</li> <li>• House records (deed, title insurance policy, receipts, cancelled checks for capital improvements)</li> <li>• Partnership Statements (K-1's)</li> </ul>	In Safe Deposit Box

Keep for Life	Location
<ul style="list-style-type: none"> <li>• Birth Certificates</li> <li>• Death Certificates</li> <li>• Income Tax Returns (Pages 1 &amp; 2)</li> <li>• List of Financial Assets/Financial Advisers</li> <li>• Medical Records</li> <li>• Powers of Attorney</li> <li>• Sale &amp; Purchase Agreements on Property; List of Improvements</li> <li>• Trust Agreements</li> <li>• Wills</li> <li>• W-2 Statements</li> </ul>	At Home
<ul style="list-style-type: none"> <li>• Alimony Agreement</li> <li>• Custody Agreement</li> <li>• Depreciation Records</li> <li>• Divorce Decree</li> <li>• Investment Tax Credit Records</li> <li>• IRA Records (statements, Withdrawal Records, Forms 8606)</li> <li>• List of Financial Assets/Financial Adv.</li> <li>• Military Papers</li> <li>• Naturalization Papers</li> <li>• Prenuptial Agreement</li> <li>• Photos of Valuables</li> </ul>	In Safe Deposit Box