

Record Retention

Tax returns can generally be audited for up to three years after filing and up to six years if the IRS suspects underreported income. It is wise to keep tax records at least seven years after a return is filed.

Recommended Retention Periods

Bank statements.....	7 years
Cancelled or substitute checks.....	7 years
W-2s, 1099s, 1098s	7 years
Credit card statements & receipts.....	7 years
Employment tax returns	7 years
Expense receipts.....	7 years
Financial statements.....	Permanent
Inventory records.....	7 years
Mileage diaries & logs.....	7 years
Paid invoices.....	7 years
Tax returns.....	Permanent
Depreciation schedules.....	Life of assets + 7 years
Employee records.....	Period of employment + 7 years
Home purchase and Improvement records.....	Ownership period + 7 years
Investment records.....	Ownership period + 7 years
Journal & general ledger.....	Life of business plus + 7 years
Business contracts, minutes & stock records.....	Permanent
Real estate records.....	Ownership period + 7 years
Business loans & loan payments.....	7 years
IRA Annual Reports.....	Permanent