

Tax records retention schedule

One line per record type. Write the tax year and the date you may discard it in the margin, and keep the filed return on top of each year's folder.

Client or engagement

Keep for good

- ☐ Filed federal returns: Form 1040 with every schedule
The copy as filed, plus the e-file acceptance or mailing proof
- ☐ State returns as filed
Same year folder as the federal return
- ☐ Records for any year with no return filed
No limitation period runs, so nothing in that year expires
- ☐ Records for any year a fraudulent return was filed
No limitation period runs for that year either
- ☐ State period for each year
Your state may keep a return open longer: note its period next to the federal one

Three years from the filing date

- ☐ Wage and income forms: W-2, 1099-NEC, 1099-MISC, 1099-K
Count from the April due date if you filed early
- ☐ Interest and dividend forms: 1099-INT, 1099-DIV
Keep with the return they were reported on
- ☐ Retirement and benefit forms: 1099-R, SSA-1099
Longer if the 1099-R shows a rollover that sets basis
- ☐ Deduction proof: Form 1098, Form 1098-T, donation letters
Plus the receipts and canceled checks behind each deduction
- ☐ Receipts and bank or card statements for deductible costs
Only the ones that support a line on the return

Longer periods for special years

- ☐ Records for a refund claim filed after the return
3 years from filing or 2 years from payment, the later one
- ☐ Records for a year with income left off the return
6 years when the omission is over 25% of gross income shown
- ☐ Proof of a worthless security or a bad debt
7 years from filing the return that claimed the loss

- ☐ Household or business payroll file, if you are an employer
Minimum 4 years from the later of due date or payment

Until the asset is sold, then the sale year's period

- ☐ Home closing disclosure or settlement statement and deed
Sets the basis used to figure gain when you sell
- ☐ Invoices for home improvements
Roof, additions, systems: anything added to basis
- ☐ Brokerage trade confirmations and Form 1099-B basis statements
For every lot you still hold
- ☐ Form 4562 depreciation schedules for rental or business assets
Until the return for the year of sale is out of its period
- ☐ Form 8824 papers for property received in a like-kind exchange
Old and new property, until the new one is sold
- ☐ Inherited property: date-of-death value or appraisal
The basis you use when you sell it
- ☐ Gifted property: the donor's purchase papers and basis
Donor's adjusted basis, value on the gift date, any gift tax paid

Until the carryover or basis is used up

- ☐ Form 8606 and the Forms 5498 behind it
Until every IRA distribution is made
- ☐ Capital loss, charitable or net operating loss carryover worksheets
Until the last year that uses them is closed
- ☐ Prior-year returns that created the carryover
Your preparer needs the original figures