TAX RECORDS- WHAT TO KEEP?

3 YEARS

Generally, the IRS recommends keeping copies of tax returns and supporting documents at least three years.

Some documents should be kept up to seven years in case a taxpayer needs to file an amended return or if questions arise. Keep records relating to real estate up to seven years after disposing of the property.

7 YEARS

HEALTH CARE STATEMENTS

Health care information statements should be kept with other tax records. Taxpayers do not need to send these forms to IRS as proof of health coverage. The records taxpayers should keep include records of any employer-provided coverage, premiums paid, advance payments of the premium tax credit received and type of coverage. Taxpayers should keep these — as they do other tax records — generally for three years after they file their tax returns.

KEEP RECORDS SAFE

Whether stored on paper or kept electronically, the IRS urges taxpayers to keep tax records safe and secure, especially any documents bearing Social Security numbers. The IRS also suggests scanning paper tax and financial records into a format that can be encrypted and stored securely on a flash drive, CD or DVD with photos or videos of valuables.

KEEP GOOD RECORDS

Taxpayers who need tax information can request a free transcript for the past three tax years. The 'Get Transcript' tool on IRS.gov is the fastest way to get a transcript.

If taxpayers are still keeping old tax returns and receipts stuffed in a shoebox in the back of the closet, they might want to rethink that approach. Keep tax, financial and health records safe and secure whether stored on paper or kept electronically. When records are no longer needed for tax purposes, ensure the data is properly destroyed to prevent the information from being used by identity thieves.

Read More on IRS.gov

Information sourced from IRS.gov.