2021 How Long To Keep Financial Records

How Long Should a Client Keep Financial Records?

Income tax records must be kept if they are needed to prove something to the IRS. Typically, a minimum of three years from the date the return was filed. However, certain tax records should be kept longer, maybe even forever, such as tax returns filed and real estate records.

Type and Retention Period

Type of Record	Retention Period
Copies of Tax Returns	**Forever**
Tax and Legal Correspondence	**Forever**
Audit Reports of Tax Authorities	**Forever**
General Ledger	**Forever**
Financial Statements	**Forever**
Contract and Lease Agreements	**Forever**
Real Estate Documents	**Forever**
Corporate Stock Records and Minutes	**Forever**
Bank Statements & Deposit Slips	***6 Years**
Sales Records and Journals	***6 Years**
Other Revenue Records	***6 Years**
Employee Expense Reports, Travel & Entertainment Expense	***6 Years**
Cancelled Checks	***4 Years**
Paid Vendor Invoices	***4 Years**
Employee Payroll Expense Records	***4 Years**
Inventory Records	***4 Years**
Depreciation Schedules	**Tax Life of Asset Plus *4 Years**
Other Capital Asset Records	**Tax Life of Asset Plus *4 Years**
Other Expense Records	**4 Years**
If You Do Not File Returns	**Indefinitely**

*From the later of the tax return due date or filing date.