# How Long to Keep Business Records

The IRS record-keeping periods in one simple table.

The IRS ties each record to the period in which your return can still be reviewed. Keep a record for as long as it supports an item on a return.

## IRS RECORD-KEEPING PERIODS

| Situation | Keep records for |
|---|---|
| **Most returns and their support (receipts, invoices, bank statements)** | 3 years from filing |
| **You left out income of more than 25% of the gross income on the return** | 6 years |
| **You claimed a bad debt or a loss on worthless securities** | 7 years |
| **Employment tax records (payroll, W-2s, Forms 941 and 940)** | At least 4 years |
| **Records for property and equipment (cost, improvements, depreciation)** | Until the period ends for the year you sell or dispose of it |
| **You did not file a return, or filed a fraudulent one** | Indefinitely |

## WHAT COUNTS AS A RECORD

- [ ] Sales records: invoices, receipts, deposit slips, 1099-Ks
- [ ] Purchases and expenses: bills, receipts, canceled checks, card statements
- [ ] Bank and credit card statements
- [ ] Payroll records and contractor W-9s
- [ ] Asset purchase and sale documents, and loan agreements

## GOOD PRACTICE (BEYOND THE IRS MINIMUM)

- [ ] Keep filed tax returns, formation documents and your EIN letter permanently
- [ ] Lenders, insurers or your state may ask for records older than the IRS periods
- [ ] Clear scanned copies are fine; back them up in a second place
- [ ] Attach receipts to transactions in QuickBooks or Xero as you go

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