The federal tax laws require taxpayers to maintain books of account or records to support amounts reported on tax returns. The general rule is that such books and records must be kept as long as they may be relevant to a taxpayer's claim for a tax credit or refund or to an IRS attempt to assess additional tax for the year in question.

The specific rules relating to the length of time such books and records must be kept are quite detailed. However, we recommend the following document retention periods as general guidelines. In some cases, the retention period recommended may be for nontax reasons – for example real estate records should be kept forever for environmental liability exposure reasons.

Type of Record	Retention Period
Copies of tax returns as filed	Forever
Tax and legal correspondence	Forever
Audit reports	Forever
General ledger and journals	Forever
Financial statements	Forever
Contracts and leases	Forever
Real estate records	Forever
Corporate stock records and minutes	Forever
Bank statements and deposits slips	6 years*
Sales records and journals	6 years*
Other records relating to revenue	6 years*
Employee expense reports and records Relating to travel and entertainment expenses	6 years*
Canceled checks	3 years*
Paid vendor invoices	3 years*
Employee payroll expense records	3 years*
Inventory records	3 years**
Depreciation schedules	At least tax life of asset plus 3 years
Other capital asset records	At least tax life of asset plus 3 years
Other records relating to expense	3 years*

* From the later of the tax return due date or filing date. (All records related to a return should be kept for at least six years if there is any concern the IRS could show as significant understatement of gross income on the return.)

** Longer if you use LIFO

Remember, these are general guidelines. If you have any question, please don't hesitate to call.