

2011 Tax Tips-Part 1

RECORDKEEPING: Here are a few things the IRS wants you to know about recordkeeping.

A. Individual taxpayers should usually keep the following records supporting items on their tax returns for at least **three** years:

1. Bills
2. Credit card and other receipts
3. Invoices
4. Mileage logs
5. Records relating to property
6. Canceled, imaged or substitute checks or any other proof of payment
7. Any other records to support deductions or credits you claim on your return for 3 years

B. If you are a **small business owner**, you must keep all your employment tax records for at least **four** years after the tax becomes due or is paid, whichever is later. Examples of important documents business owners should keep Include:

1. Gross receipts:
 - a. Cash register tapes
 - b. Bank deposit slips
 - c. Receipt books
 - d. Invoices
 - e. Credit card charge slips
 - f. Forms 1099-MISC
2. Proof of purchases:
 - a. Canceled checks
 - b. Cash register tape receipts
 - c. Credit card sales slips
 - d. Invoices
3. Expense documents:
 - a. Canceled checks
 - b. Cash register tapes
 - c. Account statements
 - d. Credit card sales slips
 - e. Invoices
 - f. Petty cash slips for small cash payments
4. Documents to verify your assets:
 - a. Purchase and sales invoices
 - b. Real estate closing statements
 - c. Canceled checks