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# DOES YOUR RECORDKEEPING NEED IMPROVEMENT?

If pulling your records together for filing your 2013 tax return is more difficult than you'd like it to be, maybe it's time you revamped your recordkeeping system. Here's a quick review of basic recordkeeping needs.

You should keep any records that support the income, deductions, and credits you have reported on your tax return, including W-2s, 1099s, 1098s, cancelled or substitute checks, and receipts. In addition, you should keep bank statements, deposit slips, and investment records.

Keep tax records until the statute of limitations expires. Generally, this is three years from the due date or from the date you filed your return, whichever is later. If you underreport your income by more than 25%, the statute of limitations for any audit increases to six years. If you have filed a fraudulent return or have not filed, there is no statute of limitations. It's advisable to keep documentation for tax returns for seven years and to retain copies of filed returns permanently.

Records used to determine the basis of property, such as your home or investments, should be kept for seven years after you have disposed of the property. You should retain all records relating to IRAs for seven years after all the money has been withdrawn.

Any records pertaining to your estate, such as your will, living will, and power of attorney, should be kept throughout your life and should be updated as necessary to account for any estate tax law changes or family changes. It's advisable to keep records relating to the cost or other basis of all assets in your estate.

Knowing what records to keep and how long to keep them can save you time and money.

The Mangold Group is available to provide professional help with your taxes. Please contact our office at inquiries@mangoldcpa.com or 512-327-0909 if we may assist you.