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How Long to Keep Records

Keep most records for 3 years from the date you filed your original return or 2 years from the date you paid the tax, whichever is later, if you file a claim for credit or refund after you file your return.

Keep employment records for four years.

Keep records for 7 years if you file a claim for a loss from a bad debt.

Keep records related to depreciable assets as long as you keep the assets.

Keep records related to asset sales for three years after the sale.

Keep records related to land for as long as you own the land and seven years after the sale of land.

For general matters the IRS must audit within 3 years.

If there has been a substantial (25% or more) understatement of income the IRS has 6 years to audit.

If you do not file a tax return, or have filed but willfully failed to report income, the IRS can go back as far as they want!

This resource is derived from materials developed by the University of Arkansas School of Law Agricultural Tax Training as part of the Agricultural Financial, Tax and Asset Protection (AgFTAP) partnership with the University of Arkansas Southern Risk Management Education Center and others.