Sample article for organizations to use to reach customers/taxpayers
Customize and provide the following article on your website to help individuals and families understand the importance of keeping good records, especially for tax time.

Recordkeeping makes sense, *especially when it comes to your taxes!*

This is a great time to get your personal files in order. Days are longer, schedules are often less busy, and the tax year has not yet ended.

Why keep records?

There are many reasons to keep household records, including keeping track of your expenses, tracking the basis of your house or other property and keeping records for insurance purposes or for getting a loan.

In fact, you must keep records for any amounts claimed on your federal tax returns, so now is a good time to check that you are doing that. Well-organized records make it easier to prepare a tax return and help provide answers if the IRS contacts you. You must keep your records as long as they may be needed for the administration of any provision of the Internal Revenue Code. The IRS reminds taxpayers that all requirements that apply to hard copy books and records apply when you maintain tax books and records with electronic storage systems.

Here are three tips from the IRS about keeping good records.

- The general rule is to keep tax records for three years. However, check out Publication 552, *Recordkeeping for Individuals*, Table 3, Period of Limitations, for specific details.

- Records you should keep include Forms W-2, Forms 1099 or other statements to document income. You should also keep bills, credit card and other receipts, invoices, mileage logs, canceled, imaged or substitute checks, proofs of payment and any other records to support deductions or credits you may claim on your return. Refer to Publication 552, Table 1, *Proof of Income and Expense,* for more information.

- You should keep some documents longer, such as records relating to a home purchase or sale, stock transactions, IRA and business or rental property.

Good records will help you…

- Identify sources of income. You may receive money or property from a variety of sources. Your records can identify the sources of your income. You need this information to separate business from nonbusiness income and taxable from nontaxable income.

- Keep track of expenses. You may forget an expense unless you record it when it occurs. You can use your records to identify expenses that you can claim as a deduction. This will help you determine if you can itemize deductions on your tax return.

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- Keep track of the basis of property. You need to keep records that show the basis of your property. This includes the original cost or other basis of the property and any improvements you made.

Good records will help you explain any item come tax time and arrive at the correct amount of tax with a minimum amount of effort. If you don't have records, you may have to spend time getting statements and receipts from various sources. If you cannot produce the correct documents, you may have to pay additional tax and be subject to interest and penalties.

For more information on what kinds of records to keep, see IRS Publication 552, *Recordkeeping for Individuals*. You may also order it by calling 800-TAX-FORM (800-829-3676).

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NOTE TO EDITOR: Below is more information and links to IRS.gov on keeping tax records.

IRS.gov:

- Publication 583 (1/2007), *Starting a Business and Keeping Records*
- Publication 552 (02/2010), *Recordkeeping for Individuals*
- Publication 463, *Travel, Entertainment, Gift, and Car Expenses*
- Five Tips for Great Recordkeeping
- Topic 305: Recordkeeping

YouTube Videos – To embed a video about Recordkeeping, click for English or Spanish