IRS TAX TIP 2001-16

RECORD KEEPING

WASHINGTON – You can avoid headaches at tax time by keeping track of your receipts and other records throughout the year. Good record keeping will help you remember the various transactions you made during the year, which may help you out on your taxes.

Records help you document the deductions you've claimed on your return. You'll need this documentation should the IRS select your return for examination. Normally tax records should be kept for three years, but some documents reflecting home purchase or sales or stock transactions should be kept longer.

While the IRS does not require you to keep records in any special manner, you should keep any and all documents that may have an impact on your federal tax return. Such items would include bills, receipts, invoices, mileage logs, canceled checks, or any other proof of payment, and any other records to support any deductions or credits you claim on your return.

Good recordkeeping throughout the year saves you time and effort at tax time when organizing and completing your return. If you hire a paid professional to complete your return, the records you have kept will assist the preparer in quickly and accurately completing your return.

For more information on what kinds of records to keep, see Publication 552, "Recordkeeping for Individuals," on from the IRS Web site at www.irs.gov, under "Forms and Pubs." Or access Pub. 552 directly at http://www.irs.gov/prod/forms_pubs/pubs/p552toc.htm.

You may also find recordkeeping information in Publication 17, "Your Federal Income Tax For Individuals," also available on the IRS Web site, at any local IRS office, or by calling toll-free 1-800-829-3676.