

**CLIENT RECORD KEEPING LETTER**

Dear Client:

In response to many requests of what tax records should be kept and how long, we have prepared the following list for your reference based on Federal laws.

**INCOME TAX RETURNS AND SUPPORTING DOCUMENTS** - Keep at least four years and preferably six if space is not critical. Once this period has elapsed, the documents can be discarded, but the returns themselves, which do not take much space, should be retained indefinitely.

**RESIDENTIAL PROPERTY RECORDS** - All escrow statements (purchase and sale) plus receipts for improvements should be kept for at least four years after property is sold. Refinance papers should also be retained.

**PURCHASE RECEIPTS FOR STOCKS, BONDS, MUTUAL FUNDS** - These should also be kept for at least 4 years after the asset is sold. This would include record of stock dividends, splits, and reinvested dividends.

**DEPRECIATION RECORDS** - For any rental real estate or depreciable business property you own, keep records of the property's cost, date acquired, and the schedule of depreciation claimed in previous years. This record should be kept until four years after the disposition of the property.