

MORTGAGE

TAKEAWAY

THANKS

When It's Safe to Shred Your Tax Records

In most cases, the IRS has three years after the due date of your return (or the date you file it) to do an audit. You should keep some records even longer than that, and it's a good idea to hold on to your tax returns indefinitely. Here's a guide to what you can toss and when.

AFTER THREE YEARS

Form W-2s (you can shred pay stubs after you've checked them against your W-2s)

Form 1099s (capital gains, dividends, interest on investments)

Form 1098s (if you deducted mortgage interest)

Canceled checks and receipts for charitable contributions

Records relating to:

- Eligible expenses for withdrawals from health savings accounts and 529 college-savings plans
- Contributions to a tax-deductible retirement-savings plan, such as a traditional IRA

AFTER SIX YEARS

Receipts for business income and expenses, if you're self-employed

SPECIAL SITUATIONS

Records of contributions to a nondeductible IRA:

three years after the account is depleted

Investing records showing purchases in a taxable account:

three years after you've sold the investments

Home-purchase documents and receipts for home improvements:

three years after you've sold the home

Records relating to:

- Loss from worthless securities: three years after you've claimed the loss on your return
- Loss from bad debt: three years after you've claimed it

