

RECORD RETENTION FOR BUSINESSES

In business, good recordkeeping is essential not only for tax reporting purposes but also for the success of the company. The guidelines below give general retention periods for the most common business records. Call us if you'd like more information or assistance with your record retention program.

ACCOUNTING RECORDS	RETENTION PERIOD
Accounts payable	7 years
Accounts receivable	7 years
Audit reports	Permanent
Chart of accounts	Permanent
Depreciation schedules	Permanent
Expense records	7 years
Financial statements (<i>annual</i>)	Permanent
Fixed asset purchases	Permanent
General ledger	Permanent
Inventory records	7 years ¹
Loan payment schedules	7 years
Purchase orders (<i>1 copy</i>)	7 years
Sales records	7 years
Tax returns	Permanent
BANK RECORDS	
Bank reconciliations	7 years
Bank statements	7 years
Cancelled or substitute checks	7 years ²
Electronic payment records	7 years
CORPORATE RECORDS	
Board minutes	Permanent
Business licenses	Permanent
Bylaws	Permanent
Contracts – major	Permanent
Contracts – minor	Life + 4 years
Insurance policies	Life + 3 years ³
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stock transactions	Permanent
EMPLOYEE RECORDS	
Benefit plans	Permanent
Employee files (<i>ex-employees</i>)	7 years ⁴
Employment applications	3 years
Employment taxes	7 years
Payroll records	7 years
Pension/profit-sharing plans	Permanent
REAL PROPERTY RECORDS	
Construction records	Permanent
Leasehold improvements	Permanent
Lease payment records	Life + 4 years
Real estate purchases	Permanent

¹ Permanent for LIFO system

² Permanent for real estate purchases

³ Check with your agent. Liability for prior years can vary

⁴ Or statute of limitations for employee lawsuits

RECORD RETENTION FOR INDIVIDUALS

Good recordkeeping can cut your taxes and make your financial life easier.

How long to keep records is a combination of judgment and state and federal statutes of limitations. Since federal tax returns can generally be audited for up to three years after filing and up to six years if the IRS suspects underreported income, it's wise to keep tax records at least seven years after a return is filed. Requirements for records kept electronically are the same as for paper records. Generally, follow these recommended retention periods for various documents:

RECORD	RETENTION PERIOD
Tax returns (<i>uncomplicated</i>)	7 years
Tax returns (<i>all others</i>)	Permanent
W-2s	7 years
1099s	7 years
Bank deposit slips	7 years
Bank statements	7 years
Cancelled or substitute checks supporting tax deductions	7 years
Charitable contribution records	7 years
Credit card statements	7 years
Dividend reinvestment records	Ownership period + 7 years
Divorce documents	Permanent
Estate planning documents	Permanent
Home purchase and improvement documents	Ownership period + 7 years
Home repair receipts	Warranty period for item
Insurance policies	Life of policy + 3 years [*]
Investment purchase and sales documents	Ownership period + 7 years
IRA annual reports	Permanent
IRA nondeductible contributions Form 8606	Permanent
Loans	Term of loan + 7 years
Mutual fund annual statements	Ownership period + 7 years
Receipts, diaries, logs pertaining to tax return	7 years
Retirement plan annual reports	Permanent
Year-end brokerage statements	Ownership period + 7 years

^{*}Check with your agent. Liability for prior years can vary.

This publication provides only summary information regarding the subject matter at the time of printing. Please call with any questions on how this information may impact your situation.

2024

Tax POCKET GUIDE

Essential Information to Know

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2024 TAX FILING DEADLINES

- **January 16** – Fourth installment of 2023 individual estimated tax is due.
- **January 31** – Due date for employers to furnish W-2 statements to employees, and to file W-2 forms with the Social Security Administration (both paper and electronic forms).
- **January 31** – Due date for payers to provide most 1099-MISC and 1099-NEC forms to recipients and to the IRS.
- **January 31** – Employers must file 2023 federal unemployment tax returns and pay any tax due.
- **February 28** – Payers file most other 1099 forms (except certain 1099-MISC and 1099-NEC forms due January 31) for 2023 tax year with the IRS.*
- **February 28** – Due date for providers to file Form 1095 for 2023 tax year with the IRS.*
- **March 1** – Due date to send Forms 1095 to recipients.
- **March 15** – 2023 calendar-year S corporation income tax returns are due.
- **March 15** – 2023 partnership returns are due.
- **March 15** – Deadline for calendar-year corporations to elect S corporation status for 2024.
- **April 15** – 2023 individual income tax returns are due.
- **April 15** – 2023 annual gift tax returns are due.
- **April 15** – 2023 calendar-year C corporation income tax returns are due.
- **April 15** – Deadline for making 2023 IRA contributions.
- **April 15** – First installment of 2024 individual estimated tax is due
- **April 15** – Extension deadline for farmers and fishermen who did not make 2023 estimated tax payments to file 2023 tax returns and pay taxes in full.
- **June 17** – Second installment of 2024 individual estimated tax is due.
- **September 16** – Third installment of 2024 individual estimated tax is due.
- **September 16** – Due date for extended 2023 S corporation and partnership tax returns.
- **October 15** – Due date for extended 2023 individual and C corporation tax returns.
- **January 15, 2025** – Fourth installment of 2024 individual estimated tax is due.

*April 1 if filing electronically

Call for details or for assistance with any tax filing. Also be aware that tax changes can occur at any time. As needed, contact us for current rates and rules.

2024 INDIVIDUAL TAX RATES — TAXABLE INCOME

TAX RATE	SINGLE	JOINT*	HEAD OF HOUSEHOLD
10%	\$1 – 11,600	\$1 – 23,200	\$1 – 16,550
12%	11,601 – 47,150	23,201 – 94,300	16,551 – 63,100
22%	47,151 – 100,525	94,301 – 201,050	63,101 – 100,500
24%	100,526 – 191,950	201,051 – 383,900	100,501 – 191,950
32%	191,951 – 243,725	383,901 – 487,450	191,951 – 243,700
35%	243,726 – 609,350	487,451 – 731,200	243,701 – 609,350
37%	Over 609,350	Over 731,200	Over 609,350

*Amounts for married separate are one-half of joint amounts.

2024 DEDUCTIONS AND EXCEPTIONS

Standard Deduction

Single	\$14,600
Joint returns and surviving spouses	\$29,200
Married filing separately	\$14,600
Head of household	\$21,900

The standard deduction is increased by \$1,550 for a married taxpayer 65 or older or blind (\$3,100 if both 65 and blind); by \$1,950 for a single taxpayer 65 or older or blind (\$3,900 if both 65 and blind).

2024 FICA TAX RATES

TAX	MAXIMUM TAX RATE	MAXIMUM WAGE BASE	MAXIMUM TAX
Social Security	6.20%	\$168,600	\$10,453.20
Medicare	1.45%*	No limit	No ceiling

The Federal Insurance Contributions Act (FICA) tax is a combination of a Social Security tax and a Medicare tax. The Social Security tax is assessed on wages up to \$168,600; the Medicare tax is assessed on all wages.

For 2024, self-employed individuals pay a 15.3% Old Age, Survivors and Disability Insurance (OASDI) tax, which is similar to the FICA tax, on the first \$168,600 of self-employment income.

*A 0.9% Medicare surtax is assessed on all wages or self-employment income in excess of \$200,000 for singles, \$250,000 for joint returns, and \$125,000 for married couples filing separately.

2024 CORPORATE TAX RATE

C corporations

- Flat 21% corporate tax rate. Includes personal service corporations.
- No alternative minimum tax for small and medium corporations.

Passthrough entities

(S corporations, partnerships and sole proprietors)

- Taxed as ordinary income.
- Deduction of up to 20% of qualified business income available to qualifying businesses. Not available for C corporations. Deduction may be reduced above the following thresholds: Joint - \$383,900; All Others - \$191,950

2024 INCOME PHASEOUT LEVELS

ITEMIZED DEDUCTIONS

- \$750,000 new acquisition indebtedness interest limit.
- \$10,000 property/state income & sales tax limit.
- Personal and casualty losses limited to presidentially declared disaster.
- Wager loss limitation applies to gambling and related expenses.
- Medical expense threshold is 7.5%.

ALTERNATIVE MINIMUM TAX EXEMPTION

Single and head of household	\$85,700
Joint returns and surviving spouses	\$133,300
Married filing separately	\$66,650
Estates and trusts	\$29,900

CHILD TAX CREDIT

Single and head of household	(\$2,000 per child) Starts at \$200,000
Joint	Starts at \$400,000
Married filing separately	Starts at \$200,000

CREDIT FOR OTHER DEPENDENTS

\$500/dependent for those not qualified for CTC

IRA DEDUCTIBILITY (with company pension)

Single and head of household	\$77,000 – 87,000
Joint - When spouse is covered by an employer plan	\$123,000 – 143,000
Joint - When spouse is not covered by an employer plan	\$230,000 – 240,000
Married filing separately	\$0 – 10,000

ROTH IRA ELIGIBILITY

Single and head of household	\$146,000 – 161,000
Joint	\$230,000 – 240,000
Married filing separately	\$0 – 10,000
Conversion of traditional IRA to a Roth IRA	No income limit

COVERDELL EDUCATION SAVINGS ACCOUNT

Single, head of household and married filing separately	\$95,000 – 110,000
Joint	\$190,000 – 220,000

AMERICAN OPPORTUNITY (HOPE) CREDIT

Single and head of household	\$80,000 – 90,000
Joint	\$160,000 – 180,000
Married filing separately	\$0

LIFETIME LEARNING CREDIT

Single and head of household	\$80,000 – 90,000
Joint	\$160,000 – 180,000

COLLEGE BOND INTEREST EXCLUSION

Single and head of household	\$96,800 – 111,800
Joint	\$145,200 – 175,200

INTEREST ON EDUCATION LOANS

Single and head of household	\$80,000 – 95,000
Joint	\$165,000 – 195,000

*Adjusted or modified adjusted gross income