

## Fact Sheet: How Long You Need to Keep Records

This is a common question so we thought we would summarise the issue.

For tax purposes the time you must keep records depends on the type of return you have lodged and the date the return was assessed by the ATO. Therefore, it is not acceptable to say in 2017 you have destroyed your tax records for the 2012 tax year if you have not yet lodged that return. And yes, we have heard that one many times!

Here is the summary along with the statutory periods the ATO can audit your return:

Return Type	ATO Audit Review period	Retention Period
<b>Individual Tax Returns</b>	2 Years	5 years after lodging the return.
<b>Small Business Entities</b>	2 Years	5 years from the latter of the date of the transaction or when the record was prepared.
<b>Companies</b>	4 Years	7 years from the latter of the date of the transaction or when the record was prepared.
<b>All Other Taxpayers</b>	4 Years	5 years from the latter of the date of the transaction or when the record was prepared.
<b>Substantiation and Car Expenses</b>	2 or 4 Years, so work on 4 and be safe	5 years from the latter of the date of the transaction or when the record was prepared.

Note the review periods are subject to a couple of exceptions for matters such as tax evasion or fraud. In those cases, the return can be reopened at any time.

**For more information give me a call in the office on (07) 5448 9600 or drop me a message.**