

Record Keeping

Why should you keep records?

- To provide written evidence of your income and expenses.
- To help us, as your Tax Agent, prepare your Income Tax Return.
- To ensure that you are able to claim all your entitlements.
- In case you are asked to provide supporting documentation for your Tax Return.

How long should you keep your records?

Generally, you must keep your written evidence for five years from the date you lodge your tax return, or, if you:

- have claimed a deduction for decline in value (formerly known as depreciation) – five years from the date of your last claim for decline in value
- acquire or dispose of an asset – five years after it is certain that no capital gains tax (CGT) event can happen, so you know you don't need the records to work out a capital gain or loss
- are in dispute with the ATO – the later of five years from the date you lodge your tax return or when the dispute is finalised.

What records should you keep?

You should keep records in these main categories:

- any payments you have received
- any expenses related to payments you receive
- when you have acquired or disposed of an asset – such as shares or a rental property
- any tax deductible gifts, donations and contributions
- any medical expenses.

You may also need to keep records in some other categories, or for other members of your family – for example, if you receive the family tax benefit.

You may decide not to keep particular records – for example, because you expect to claim for only a small amount of business travel. If it turns out that you travel more



than you expected during the year, you may be limited to a smaller claim than if you had kept more records.

So if you're not sure whether or not to keep a record, you should keep it – you can decide whether you need it at tax return time.

If you incur expenses for private purposes, you must have records that show how you worked out the amount of any private use.

Refer to our checklists for individual income tax returns and rental properties for additional records you may need to keep.