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Contact: Al Rickard
703-402-9713
arickard@associationvision.com

All Is Not Lost If You've Lost Tax Records

ALEXANDRIA, VA, February 28, 2013 – Fire, flood, tornados, or your own unorganized closet: Any number of disasters can mean you can't find tax documents when it's time to file.

The National Society of Accountants (NSA) offers this list of important documents you should track and what to do if they should ever be destroyed or lost.

Documents You May Need

- Personal data such as Social Security numbers and dates of birth for yourself, spouse and dependents; a child-care provider's tax ID or Social Security number; and any changes to address, job title, phone number, etc.
- Employment and income data such as forms W-2, K-1 and 1099; Employer Identification Numbers (EINs); alimony received and the Social Security number of the payor; and W2-G, 1099-MISC, 1099-G, 1099-SSA, 1099-INT, 1099-DIV and 1099-B.
- Homeowner/renter data, such as forms 1098, 1099-S, 1099-A, 1099-C or HUD-1; final escrow closing statements; property taxes paid; rent paid during the tax year and the landlord's name, address and phone number; and lists and receipts for moving expenses.
- Deductible items, such as forms 1098-E, 1098-T; alimony paid, including the amount paid and the name and Social Security number of the recipient; vehicle license fees from DMV renewals; letters from charities for cash contributions or a detailed log for non-cash contributions with the value of items donated, date donated, amount originally purchased for and date of original purchase; mileage logs and copies of reimbursements from employers; miscellaneous deduction receipts for such items as uniforms, union dues, investment expenses and job-hunting expenses; child-care expenses; and medical expense receipts.

- Business, farm and rental information, such receipts or documentation for business-related expenses, inventory reports and payables and receivables ledgers; receipts for all major purchases such as machinery, equipment and furniture; business, farm or rental income and expenses; auto mileage logs; and documentation for self-employed health insurance premiums.
- Taxes paid, such as estimated tax payments with the date and amount of each tax payment made; and state taxes paid.

It's quite a list, and working with a tax preparer can help ensure protection of these and other records or speed their recovery if they're lost.

How to Retrieve Lost Documents

Despite your best efforts, documents are sometimes destroyed or lost. What do you do? Here's some advice:

Earnings Statements – Copies of many wage statements can be secured from your employer. If you've misplaced your W-2, for instance, request another copy from your employer's HR department as soon as possible (you may have to fill out a form to request the replacement). If you don't receive your replacement W-2 even after reminding your employer, contact the IRS (800/829-1040) and have them prompt the company. You can also substitute [IRS Form 4852](#) and refer back to your last pay stubs to fill in needed information.

Originals of the Form 1099 can go missing even easier than the W-2. You receive a 1099 from any company that paid you more than \$600 during the tax year – and given the current economy's love of freelance and contract work, some taxpayers may have more than a few 1099s to collect. Banks also send 1099s if account holders earn a certain amount in annual interest; many banks permit downloading 1099s from their customer service Web sites, and local branches also often issue copies.

Past Tax Returns – Last year's tax return may be one of the easiest documents to recover. If you used a tax preparer, you can request it from that person. Or you can request a free transcript of your return (exact copies are \$57) from the IRS by filing Form 4506 or 4506-t, by using the Service's online "Order a Transcript" system (<http://www.irs.gov/Individuals/Order-a-Transcript>) or by calling the IRS (800-908-9946).

Student Tax Forms – Students' tax forms, such as 1098-T forms or Tuition Statements, can be replaced. Schools often allow students to download an extra copy, and many will have a copy of your 1098-T online. Lenders are the best source for 1098-E Forms or the Student Loan Interest Statement, though if you paid less than \$600 in interest, you will not be sent a 1098-E.

Stock Statements – Almost all holdings companies can help provide, via online, records of stock statements and cost-basis calculations (cost basis is an historical analysis and calculation to determine if a taxpayer who sold stock recognized a taxable gain or a loss in the sale). If you need a past stock price, Yahoo has an online research tool at <http://biz.yahoo.com/r/>.

Credit Card and Other Receipts – Receipts are the bread-and-butter documentation of a tax year's deductions, especially for the self-employed and taxpayers who have a supplemental business besides their regular job. Receipts – which come in a maddening variety of shapes and sizes of paper – also seem to be the trickiest to completely pull together come tax time.

Technology and the Internet have made it much easier to recover receipts. If you can't find a receipt for a certain expense, for example, see if you can use bank and credit card statements to prove the expense. The statements should show as many details as possible (recipient's name, date, the amount) to maximize the validation of the expense as a deduction.

Some businesses also may be willing to issue copies of receipts. Most banks can also quickly mail copies of past checks if you know the approximate date, if not the actual check number, of the expense.

If you paid the expense using a debit card, check with your bank to see if they offer a receipt-replacement feature with your card. A growing number of banks offer this largely unknown service to cardholders.

Good Future Moves

Start working now to make next year's document collection easier by preserving records with technology, knowing what to keep and what to toss, and consider hiring an experienced tax preparer who can archive your records for future reference.

- Digitize receipts, tax returns and other important documents such as mortgage documents, property tax statements and acknowledgment letters from charities. Scan the documents as they come in and, if you're worried about security on your hard drive, store the scanned documents on a thumb drive or a storage site such as Manilla.com or Dropbox.com. Most home tax-prep software also offers a feature for saving returns digitally. You can also snap photos of receipts with a smartphone, and some apps can then sort them as IRS-accepted images.
- Keep, among other documents, all tax returns; records of your home's purchase price and major home improvements for three years after you sell the home; records of stock and mutual fund purchases for as long as you own the stocks or participate in the mutual funds; Form 8606 (reporting non-deductible IRA

contributions); and supporting tax documents for three years (six years if you have self-employment income). Also keep files with information on contributions and withdrawals from IRAs and 401(k) plans -- especially documents regarding nondeductible contributions, such as copies of IRS Form 8606, to avoid paying too much tax on withdrawals.

- Toss most supporting tax documents (such as receipts) after three years; monthly bank and brokerage statements after you receive the year-end statements; ATM receipts and bank-deposit slips after they're matched up with the monthly statement; pay stubs after matching them with W-2s. Shred all documents thrown out.
- Sign up for online banking and bill paying, both of which create an electronic record of paid bills and banking documents.

To find a tax professional in your area, visit <http://connect.nsacct.org/FindaProfessional>.

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