

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.

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	2 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.

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2017 Tax POCKET GUIDE

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2017 TAX FILING DEADLINES

- ☐ **January 17** – Due date for the fourth installment of 2016 individual estimated tax.
- ☐ **January 31** – Due date for employers to furnish W-2 statements to employees, and to file Forms W-2 with the Social Security Administration (both paper and electronic forms).
- ☐ **January 31** – Due date to provide Form 1099 information statements to recipients.*
- ☐ **January 31** – Due date for payers who report non-employee compensation in box 7 of Form 1099-MISC to file Forms 1099-MISC with the IRS.
- ☐ **January 31** – Employers must file 2016 federal unemployment tax returns and pay any tax due.
- ☐ **February 28** – Payers must file information returns such as 1095s and most 1099s (except certain Forms 1099-MISC due January 31) with the IRS.**
- ☐ **March 1** – Farmers and fishermen who did not make 2016 estimated tax payments must file 2016 tax returns and pay taxes in full.
- ☐ **March 2** – Applicable large employers (generally employers with 50 or more full-time employees in the previous year) must furnish Forms 1095-C to employees.
- ☐ **March 15** – 2016 calendar-year S corporation income tax returns are due.
- ☐ **March 15** – 2016 partnership returns are due.
- ☐ **March 15** – Deadline for calendar-year corporations to elect S corporation status for 2017.
- ☐ **April 18** – Individual income tax returns for 2016 are due.***
- ☐ **April 18** – 2016 annual gift tax returns are due.***
- ☐ **April 18** – 2016 calendar-year C corporation income tax returns are due.***
- ☐ **April 18** – Deadline for making 2016 IRA contributions.***
- ☐ **April 18** – First installment of 2017 individual estimated tax is due.***
- ☐ **June 15** – Second installment of 2017 individual estimated tax is due.
- ☐ **September 15** – Third installment of 2017 individual estimated tax is due.
- ☐ **October 16** – Deadline for filing 2016 individual tax returns on extension from the April deadline.
- ☐ **January 16, 2018** – Fourth installment of 2017 individual estimated tax is due.

*Deadline for 1099-B and consolidated statements is February 16.

**March 31 if filing electronically.

***Deadline extended one day due to Emancipation Day.

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

2017 INDIVIDUAL TAX RATES – Taxable Income

TAX RATE	SINGLE	JOINT*	HEAD OF HOUSEHOLD
10% \$	1-9,325	\$ 1-18,650	\$ 1-13,350
15%	9,326-37,950	18,651-75,900	13,351-50,800
25%	37,951-91,900	75,901-153,100	50,801-131,200
28%	91,901-191,650	153,101-233,350	131,201-212,500
33%	191,651-416,700	233,351-416,700	212,501-416,700
35%	416,701-418,400	416,701-470,700	416,701-444,550
39.6%	Over 418,400	Over 470,700	Over 444,550

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

2017 DEDUCTIONS AND EXEMPTIONS

Standard Deduction

Single	\$ 6,350
Joint returns & surviving spouses	\$ 12,700
Married filing separately	\$ 6,350
Head of household	\$ 9,350

The standard deduction is increased by \$1,250 for a married taxpayer aged 65 or older or blind (\$2,500 if both 65 and blind); by \$1,550 for a single taxpayer aged 65 or older or blind (\$3,100 if both 65 and blind).

Personal Exemption \$ 4,050

No personal exemption is allowed to an individual who is eligible to be claimed as a dependent on another taxpayer's return.

2017 FICA TAX RATES

TAX	MAXIMUM TAX RATE	MAXIMUM WAGE BASE	MAXIMUM TAX
Social Security	6.20%	\$127,200	\$7,886
Medicare	1.45%*	No limit	No ceiling

FICA tax is a combination of a social security tax and a Medicare tax. The social security tax is assessed on wages up to \$127,200; the Medicare tax is assessed on all wages.

Self-employed individuals pay a self-employment tax which is the equivalent of FICA tax. For 2017, they will pay a 12.4% OASDI tax (the old age, survivors, and disability insurance tax) on the first \$127,200 of self-employment income. A 2.9%* Medicare tax is imposed on all net 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 marrieds filing separately.

2017 CORPORATE TAX RATES**

Tax Rate	Taxable Income	Tax Rate	Taxable Income
15%	\$ 1-50,000	34%	\$ 335,001-10,000,000
25%	50,001-75,000	35%	10,000,001-15,000,000
34%	75,001-100,000	38%	15,000,001-18,333,333
39%	100,001-335,000	35%	over 18,333,333

**Personal service corporations pay a flat 35%.

2017 TAX BENEFIT INCOME* – Phase-out Level

ITEMIZED DEDUCTIONS

Single	Starts at \$ 261,500
Joint returns & surviving spouses	Starts at \$ 313,800
Married filing separately	Starts at \$ 156,900
Head of household	Starts at \$ 287,650

PERSONAL EXEMPTION

Single	\$ 261,500 – 384,000
Joint returns & surviving spouses	\$ 313,800 – 436,300
Married filing separately	\$ 156,900 – 218,150
Head of household	\$ 287,650 – 410,150

CHILD CREDIT

Single and Head of household	Starts at \$ 75,000
Joint	Starts at \$ 110,000
Married filing separately	Starts at \$ 55,000

IRA DEDUCTIBILITY (with company pension)

Single/Head of household	\$ 62,000 – 72,000
Joint	\$ 99,000 – 119,000
When spouse has company pension	\$ 186,000 – 196,000
Married filing separately	\$ 0 – 10,000

ROTH IRA ELIGIBILITY

Single and Head of household	\$ 118,000 – 133,000
Joint	\$ 186,000 – 196,000
Married filing separately	\$ 0 – 10,000
Conversion of traditional IRA to a Roth IRA	No income limit

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	\$ 56,000 – 66,000
Joint	\$ 112,000 – 132,000
Married filing separately	\$ 0

COLLEGE SAVINGS BOND INTEREST EXCLUSION

Single and Head of household	\$ 78,150 – 93,150
Joint	\$ 117,250 – 147,250
Married filing separately	\$ 0

INTEREST ON STUDENT LOANS

Single and Head of household	\$ 65,000 – 80,000
Joint	\$ 135,000 – 165,000
Married filing separately	\$ 0

*Adjusted or modified adjusted gross income.