West Virginia Executive Branch
Privacy Tip

Tax Day is almost here! If you've procrastinated, here's a final Tax Time Tip to assist you in your "away from work" life.
The IRS provides tips for taxpayers at https://www.irs.gov/uac/IRS-Tax-Tips

Tips to Keep Your Tax Records Secure; Protect Yourself from Identity Theft

IRS Security Awareness Tax Tip Number 8, January 11, 2016

If you're still keeping old tax returns and receipts stuffed in a shoe box stuck in the back of the closet, you might want to rethink that approach.

The IRS has teamed up with state revenue departments and the tax industry to make sure you understand the dangers to your personal and financial data. Taxes. Security. Together. Working in partnership with you, we can make a difference.

You should keep your tax records safe and secure, whether they are stored on paper or kept electronically. The same is true for any financial or health records you store, especially any document bearing Social Security numbers.

You should keep always keep copies of your tax returns and supporting documents for several years to support claims for tax credits and deductions.

Because of the sensitive data, the loss or theft of these documents could lead to identity theft and have an economic impact. These documents contain the Social Security numbers of you, your spouse and dependents, old W-2 income and bank account information. A burglar could easily turn your old shoe box full of documents into a tax-related identity theft crime.

Here are just a few of the easy and practical steps to better protect your tax records:

- Always retain a copy of your completed federal and state tax returns and their supporting materials. These prior-year returns will help you prepare your next year's taxes, and receipts will document any credits or deductions you claim should question arise later.
- If you retain paper records, you should keep them in a secure location, preferably under lock and key, such as a secure desk drawer or a safe.
- If you retain you records electronically on your computer, you should always have an electronic back-up, in case your hard drive crashes. You should encrypt the files both on your computer and any back-up drives you use. You may have to purchase encryption software to ensure the files' security.
- Dispose of old tax records properly. Never toss paper tax returns and supporting documents into the trash. Your federal and state tax records, as well as any financial or health records should be shredded before disposal.
- If you are disposing of an old computer or back-up hard drive, keep in mind there is sensitive data on these. Deleting stored tax files will not remove them from your computer. You should wipe the drives of any electronic product you trash or sell, including tablets and mobile phones, to ensure you remove all personal data. Again, this may require special disk utility software.

The IRS recommends retaining copies of your tax returns and supporting documents for a minimum of three years to a maximum of seven years. Remember to keep records relating to property you own for three to seven years after the year in which you dispose of the property. Three years is a timeframe that allows you to file amended returns, or if questions arise on your tax return, and seven years is a timeframe that allows filing a claim for adjustment in a case of bad debt deduction or a loss from worthless securities.

Additional IRS Resources:

- Taxpayer Guide to Identity Theft
- Publication 5027, Identity Theft Information for Taxpayers
- www.irs.gov/identitytheft – Identity Protection: Prevention, Detection and Victim Assistance

Page Last Reviewed or Updated: 10-Jan-2016

Note: Your agency/bureau/department/division may have specific requirements – always check your policies and procedures. If you have questions, contact your Privacy Officer.