



Invoices and how long to keep them

Invoices are the only way document tax deductible expenses, avoid being charged with bills that may have already been paid or act as proof of purchase of a product guarantee. There are minimum periods to keep invoices which vary from six months to five years, depending on the type of service in question.

Six months

All invoices related to food, lodging, gas, water, electricity, internet and telephone must be kept for half a year. If you receive an invoice whose service goes back more than the last six months, you do not have to pay for that service. However, if you want to file these expenses with the IRS, the time limit increases to four years.

One year

Whenever you have work done on your home, you must keep all invoices associated with the services for at least one year. This period is equivalent to the time you have to submit a claim to the workman who performed the service in case there are problems.

If the job constitutes a capital improvement to the property which you eventually intend to offset against capital gains, the invoice retention period increases to up to 12 years.

Two years

Whenever you buy an appliance, furniture or a mobile phone, you should keep the bill for two years, equivalent the guarantee period of the product concerned.

Three years

Invoices for tests or other medical services should be kept for three years. This is the deadline for public institutions to charge you for any missed payments. After this period, the right to demand payment prescribes and you can no longer be held responsible.



Five years

Household expense bills, such as condo payments, rent or contracting services should be kept for five years.

Deductions for IRS and e-invoice

If you have expenses that you want to include in your IRS return, such as education or health expenses, or bills that can be included in the e-invoice portal, such as food or lodging expenses, you should keep your invoices for four years to avoid problems in the event of a tax inspection. Minimally, it is prudent to keep them at least until the settlement of the tax. Finanças can demand proof of payment for up to four years.

Companies

With the changes made to the law in 2014, companies must keep all IRC support documents for 12 years, compared to the 10 years that were in force before. For the expenses that are used to calculate VAT, the respective invoices must also be kept for 10 years.

© - *All rights reserved*

27 September 2018