

H&R Block Survey Reveals Americans to Use Rebates, Refunds to Pay Bills

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40% Say the Government Should Spend Rebate Money Elsewhere

KANSAS CITY, Mo.--(BUSINESS WIRE)--March 24, 2008--Nearly 70 percent of American taxpayers plan to use their rebates to pay bills or buy necessities, according to a new survey from H&R Block (NYSE:HRB). And nearly the same number - 65 percent - said they would also use their tax refunds in the same way.

H&R Block asked 1,001 taxpayers about their plans for their rebate checks, part of the government's economic stimulus plan, as well as questions about other tax-related issues. Breaking down the numbers, 45 percent of respondents said they would use the rebate to pay bills; 21 percent plan to spend it on something they need like groceries or car repairs; 18 percent said they would invest the money; and only 16 percent said they'd use the rebate to splurge on something they want such as jewelry, electronics or a vacation.

Taxpayers' plans for their refunds were nearly identical. Again, 45 percent planned to use the money to pay bills, while 17 percent planned to use their refunds for groceries, home repairs or other needed items. Fifteen percent said they planned to invest the money, and only 7 percent said they would spend it on something they want.

"The survey feedback clearly indicates that American taxpayers are counting on their rebates and refunds to help make ends meet this year," said Tim Gokey, H&R Block's president of Tax Services. "It's important for Americans to remember that the only way to receive a rebate is to file a tax return this year."

H&R Block's survey also revealed some taxpayer uncertainty surrounding the economic stimulus package, with 36 percent of the respondents unsure whether they qualified for the rebate. In addition, 75 percent of the survey participants did not expect or were unsure if the rebate would be calculated as part of their 2008 tax return next year.

"The rebate is an advance credit that taxpayers will receive in 2008 as long as they file a return and meet the eligibility standards. Most single taxpayers are eligible to receive a rebate of \$600, with \$1,200 for married couples. If you're due a higher payment, you'll get the remainder next year when you file your taxes," Gokey said. "The good news, however, is that if you receive a higher rebate than you should, you do not have to pay it back."

While Americans will find their rebates helpful, more than 40 percent indicated they'd prefer the government use the money from the \$168 billion economic stimulus program elsewhere, such as reducing the national debt (37 percent), improving health care services (32 percent), shoring up Social Security (17 percent), or improving education (15 percent).

Even Americans who typically are not required to file an income tax return must file this year if they want to receive their rebate. "However, these people may also be eligible for other tax credits worth hundreds of dollars in addition to the rebate," Gokey said. "In fact, more than half of our clients last year who were not required to file received a refund of more than \$500 when they did file. That's proof that it really does pay to consult a tax professional."

Credits such as the Earned Income Tax Credit and the Child Tax Credit are commonly available to Americans who aren't required to file because they don't owe any tax. Because these credits are refundable, meaning they can reduce a person's tax liability below \$0, the credits also are a source of income.

Taxpayers who would like additional information about the economic stimulus package can visit digits.hrblock.com. H&R Block is offering a special discounted \$35 professional tax preparation service for those people who would not normally have to file a federal tax return. The company also offers TaxCut Online for as little as \$14.95 for do-it-yourself filers. H&R Block's more than 13,000 offices are open seven days a week through tax season to serve taxpayers' needs.

About H&R Block

H&R Block Inc. (NYSE: HRB) is the world's preeminent tax services provider, having served more than 400 million clients since 1955 and generating annual revenues of \$4 billion in fiscal year 2007. H&R Block provides income tax return preparation and related services and products via a nationwide network of approximately 13,000 company-owned and franchised offices and through TaxCut(R) online and software solutions. The company also provides business services through RSM McGladrey and certain consumer financial services. For more information visit our Online Press Center at www.hrblock.com.

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