

H&R Block Survey Indicates Surprising Taxpayer Confusion

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Nearly 80 Percent of Respondents Couldn't Identify April 17 As Tax Deadline

KANSAS CITY, Mo.--(BUSINESS WIRE)--March 12, 2007--Nearly 8 in 10 taxpayers don't have the right date circled to remind them when their tax return is due, and almost half don't know how much their telephone could be worth this tax season, according to H&R Block, Inc. (NYSE: HRB).

More than 1,000 taxpayers, ages 22 to 64, shared their tax-season thoughts as part of an H&R Block consumer behavior survey. The results indicate a surprising lack of education about basic tax information and benefits that are available to most taxpayers.

Because the standard April 15 filing deadline falls on a Sunday this year and due to a legal holiday in Washington, D.C., that affects every state, taxpayers have until April 17 to file their tax returns. But only 22 percent of survey respondents identified the right date.

What's more, a taxpayer's phone line - whether it be a landline, mobile or Internet-based - is worth \$30 to \$60 using the IRS standard refund, but 4 in 10 respondents weren't aware of the long-distance telephone excise tax refund, and 46 percent admitted not knowing how much the refund could be worth.

"The need to educate and inform our taxpayers about key tax issues is greater than ever," said H&R Block Tax Professional Jackie Perlman. "Halfway through the tax season, taxpayers should know when their tax return must be filed and what unique benefits they're entitled to claim."

H&R Block asked taxpayers questions that identified common behaviors and opinions about filing taxes:

- Though nearly one-fifth of respondents planned to put off filing until April, more than three-fourths, 78 percent, of taxpayers couldn't identify the right deadline. Forty-two percent of respondents believed the official deadline was April 15. A mere 22 percent had the right deadline.
- While 43 percent planned to claim the telephone tax refund this year, nearly the same percentage, 38 percent, couldn't identify what the refund was. Of those who said they would claim the refund, almost half, 46 percent, admitted they didn't know how much it was worth.
- Being a parent didn't help taxpayers identify the amount of the tax credit available for having a child. Nearly two-thirds of taxpayers, 62 percent, said they didn't know how much the Child Tax Credit is worth, and just 22 percent was able to identify it correctly as \$1,000 per child.
- Though it has the potential to affect more people every year, only a handful of taxpayers are concerned about the impact of the Alternative Minimum Tax (AMT) this year. Less than half, 47 percent, said they were familiar with the "stealth tax," which is triggered by personal exemptions, large numbers of miscellaneous itemized deductions or medical expenses, or by Incentive Stock Option (ISO) plans, and only 4 percent said they were concerned about the tax.

To help combat the risk of mistakes taxpayers may make, H&R Block offers free tax tips, tools and calculators, such as a tax estimator, AMT calculator and DeductionPro, which helps track valuable charitable contributions year-round, at www.hrblock.com.

About H&R Block

H&R Block Inc. (NYSE: HRB) is a leading provider of tax, financial, and accounting and business consulting services and products. H&R Block is the world's largest tax services provider, having prepared more than 400 million tax returns since 1955. The company and its subsidiaries generated revenues of \$3.6 billion and net income of \$287 million from continuing

operations in fiscal year 2006. The company currently operates in three principal business segments: Tax Services (income tax preparation and advice via in-office, online and software solutions); Business Services (accounting, tax and business consulting services for midsized companies); and Consumer Financial Services (investment and financial advisory services and banking services). Headquartered in Kansas City, Mo., H&R Block markets its continuing services and products under two leading brands - H&R Block and RSM McGladrey. For more information visit our Online Press Center at www.hrblock.com/presscenter.

CONTACT: H&R Block
Dan Smith, 816-854-4287
mediadesk@hrblock.com

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