

Fuming Over Fuel Costs? H&R Block's Tips Could Save You Cash

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Make Summer Mileage Work For You; Keeping Tabs On Travel Can Pay Off

KANSAS CITY, Mo.--(BUSINESS WIRE)--May 21, 2007--With gas topping \$3 a gallon, motorists already are thinking how best to ease the pinch at the pump this summer. A hint from H&R Block (NYSE: HRB): There's relief in the tax code if you know where to look.

It's probably no surprise that the best advice is to limit fuel consumption. But for those who can't - or won't - restrict how much they'll fill 'er up this summer, not knowing what tax benefits are available is like burning money twice.

"Americans don't seem to be ready to curb our driving habits, but that doesn't mean we have to idle by and waste our paychecks," said Maggie Doedtman, H&R Block's advice delivery manager. "With gas prices through the roof, it pays to know what benefits are out there."

To start with, some work-related costs are deductible if employers don't reimburse them. If a taxpayer is required to travel somewhere other than their primary place of employment, for example, those expenses can be claimed. The commute to and from a second job (one taken to pay for gas, no doubt!) also can be written off.

With a little planning, even summer vacations can be money-savers. If a taxpayer explores job opportunities as part of their itinerary, they can claim certain costs as they fit into other categories. A computer engineer vacationing in Silicon Valley, for instance, can claim mileage to and from a high-tech job interview.

The cost a taxpayer incurs to move for a new job can be deducted, too, depending on the distance between the new home and the new job. So can miles driven for medical or charitable purposes. Documentation is required whenever a taxpayer is claiming a mileage deduction, and keeping detailed records can prevent major headaches should the IRS have a question later.

"Travel costs can add up fast, especially with the price of gas increasing," Doedtman said. "Claiming mileage deductions makes sense, but keeping track of your trips with a log is important so you can substantiate the benefits you'll receive."

Claiming mileage deductions isn't the only option. If the time's right for a new vehicle, taxpayers fed up with the high price of gasoline would do well to consider alternative-fuel vehicles. A dollar-for-dollar credit up to \$3,000 is available for hybrid vehicles, depending on the make, model and number sold. Other credit amounts are available for other alternative-fuel vehicles.

Even getting rid of an old car could qualify taxpayers for a tax benefit. If a vehicle is donated to a charitable organization, the amount the charity later sells the vehicle for (or the fair market value if the vehicle is instead kept and used by the organization) can be claimed as a charitable deduction.

More information about vehicle- and fuel consumption-related credits and deductions is available at www.hrblock.com. In addition, taxpayers can visit one of more than 4,000 H&R Block offices open year-round to speak with a tax professional about available tax benefits and how to claim them.

About H&R Block

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