

H&R Block Offers Free Online Tax Preparation and e-Filing Through Free-File Alliance; Partnership with IRS Boosts e-Filing Among Manual Do-It-Yourselfers

January 22, 2004 1:01 PM ET

KANSAS CITY, Mo.--(BUSINESS WIRE)--Jan. 22, 2004--In the second year of a unique industry/Internal Revenue Service (IRS) partnership to promote e-filing, H&R Block will again offer free online tax preparation and e-filing for qualifying taxpayers who access H&R Block Online's Standard Edition via the Web site at www.irs.gov. Online users who e-file benefit from a faster refund, increased accuracy and confirmation that the IRS has accepted the return.

As a member of the Free File Alliance, LLC (FFA), H&R Block will offer free federal online tax preparation and e-filing to taxpayers whose adjusted gross income is \$34,000 or less. Adjusted gross income equals gross income less certain allowable deductions.

"The program is positive for the taxpayer, the IRS and H&R Block," said Betsy Stephens, H&R Block's vice president of service integration. "Last year, many taxpayers experienced e-filing for the first time. As a result, the IRS saw an increase in the number of taxpayers who e-filed, and we introduced new users to H&R Block Online."

By removing the cost barrier to trying online tax preparation, the unique partnership supports the IRS' goal of having 80 percent of all federal returns e-filed by 2007. IRS promotional efforts will target do-it-yourself taxpayers who currently do not e-file. This free online offer will only be available to qualifying taxpayers who access it from the irs.gov Web site.

Qualifying taxpayers can use H&R Block Online's Standard Edition, which features a simple, click-through interview that cuts hours off the time it takes to complete a paper return.

"Taxpayers who use online tax preparation can complete their returns in as little as one to two hours as compared with pen-and-paper taxpayers who typically spend up to 12 hours or more completing their tax return," Stephens said.

The Standard Edition interview customizes itself based on each taxpayer's unique tax and financial situation, and H&R Block provides users with relevant advice designed to save money and to help them plan their financial futures. The program automatically completes calculations, fills out the appropriate IRS tax forms and checks for errors.

Additional new features of H&R Block's Online Standard Edition include: Plain Talk Tax Tips, which helps taxpayers understand common but complex tax tips; and the H&R Block Advantage Summary Report, which provides personalized advice and action items based on users' tax and financial situations. Users will also have access to an Express IRA that enables users to instantly open an IRA and fund the account with their tax refund.

Online taxpayers looking for help will have access to free support via e-mail and online self-help resources. Those seeking a deeper level of assistance can have access to the company's other online products and services, including a consultation with an H&R Block tax professional, available for an additional fee.

In addition to the free-filing offer, H&R Block has introduced a wide variety of free, Web-based tax and financial planning tools and information designed to help taxpayers reach their financial goals. Resources at www.hrblock.com include federal tax forms and a variety of calculators that enable users to see the effects of various tax laws on their taxes and finances.

H&R Block is the world's largest e-filer. Last year the company e-filed 14.3 million federal returns.

About H&R Block

H&R Block Inc. (www.hrblock.com) is a diversified company with subsidiaries that deliver tax, financial, mortgage and business products and services. It is the only major company with subsidiaries offering a full range of software, online and in-office tax solutions, combined with personalized financial advice about retirement savings, home ownership, and other opportunities to help clients build a better financial future. As the world's largest tax services company, H&R Block served nearly 21 million clients in the U.S. and 11 countries in 2003. H&R Block Financial Advisors Inc. offers investment services and securities products. With more than 1,000 financial advisors serving clients at more than 400 offices, H&R Block Financial Advisors Inc. is a member

NYSE, SIPC, a registered broker-dealer and a registered investment advisor. H&R Block Inc. is not a registered broker-dealer and is not a registered investment advisor. H&R Block Mortgage Corp. offers a full range of retail mortgage products. Option One Mortgage Corp. provides mortgage services and offers wholesale mortgage products through large financial institutions and a network of 24,000 independent mortgage brokers. RSM McGladrey Business Services Inc. and its subsidiaries serve mid-sized businesses and their owners with tax, accounting and business consulting services, as well as personal wealth management services.

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