

H&R Block to Reduce or Eliminate Credit Card 'Convenience Fees' to Help Taxpayers Pay Balances Quickly and Save Money; Collaboration with LINK2GOV Means Low-Cost and No-Cost Options When Paying Federal Taxes in Full

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KANSAS CITY, Mo., Feb 17, 2006 (BUSINESS WIRE) -- H&R Block (NYSE:HRB) announced that its clients can now use their credit and debit cards to pay their federal income tax bill, many without being charged additional "convenience fees" by the payment processor. Through the use of specific credit and debit cards, some fees will be eliminated, and others will be discounted or rebated. These convenience fee offers will assist the taxpayer in H&R Block offices and online.

In 2005, almost 15 percent of American taxpayers owed a balance upon filing their tax return(1). The use of credit and debit cards to pay the IRS is growing; the IRS received 1.4 million credit card payments last year(2). However, when taxpayers use a credit or debit card to pay a balance due, card processors typically charge an additional 2.49 percent convenience fee.

When H&R Block clients visit an office to file their tax return and find they have a balance due, the standard card-company convenience fee is eliminated if they choose to pay by a Visa(R) check card. If clients choose to pay with a Visa credit card, the standard fee is reduced to 1.99 percent.

Low-cost and no-cost options are also available for online federal tax payments, thanks to the arrangement among PAY1040.com, powered by LINK2GOV, H&R Block and the payment card associations. The same Visa offers are available to clients who use H&R Block's TaxCut Online programs through special links arranged with Visa(3). In addition, for TaxCut Online clients who pay their balances using a MasterCard(R) debit card, the 2.49 percent convenience fee is eliminated. If a client uses a MasterCard credit card, the taxpayer will receive a convenience fee rebate on the first \$350 of the tax payment. The MasterCard offers are available to H&R Block's TaxCut Online clients only(4). More information about the special offers for TaxCut Online is available at www.hrblock.com/goto/taxpayment.

"While every taxpayer obviously prefers a refund, the reality is that many Americans owe taxes at the end of the year, so it's important that we help make paying in full as efficient and low-cost as possible," said Tim Gokey, president of Tax Services for H&R Block. "Our collaboration with the credit card companies and LINK2GOV, an IRS-approved payment processor, helps our clients reduce or eliminate fees that would add costs. We're proud to offer our clients a more convenient, less expensive way to pay in full."

H&R Block encourages taxpayers to pay balances timely, and there are many incentives for paying by credit or debit card. Tax payments can be processed while the client is in the H&R Block office, or when logged onto the Internet using TaxCut Online. The process eliminates worries about late fees or penalties resulting from lost or delayed checks. Depending on the card, taxpayers may be able to earn miles, points or other rewards by paying with a credit or debit card. With their credit cards, they can pay their taxes on a schedule that is right for them, spreading out payments and better managing their cash flow.

Tax payments paid by credit or debit card are processed by LINK2GOV Corp., an IRS-approved payment processor. The payments are processed immediately, and payers are issued a confirmation number upon receipt. In addition to Visa and MasterCard, H&R Block clients can also make tax payments using their American Express(R) and Discover(R) cards.

Interested clients should discuss the low-cost or no-cost payment options with their H&R Block tax professional, or visit www.hrblock.com/goto/taxpayment.

About H&R Block

H&R Block is a leading provider of tax, financial, mortgage, 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 \$4.4 billion and net income of \$636 million in fiscal year 2005 from operations in four principal business segments: tax preparation and advice via in-office, online and software solutions; investment and financial advisory services; retail and wholesale mortgage services; and tax/accounting/business consulting services for mid-sized companies. Headquartered in Kansas City, Mo., H&R Block markets its services and products under three leading brands: H&R Block, Option One and RSM McGladrey. For more information, visit our Online Press Center at www.hrblock.com.

(1) IRS Taxpayer Usage Study, Weekly Report 15, Aug. 26, 2005

(2) IRS electronic press kit

(3) Visa offers expire April 19, 2006

(4) MasterCard offers expire October 16, 2006

SOURCE: H&R Block

H&R Block

Janine Smiley, 816-932-4871

jsmiley@hrblock.com

or

Fleishman-Hillard

Jennifer Foster, 816-512-2248

fosterj@fleishman.com