

## **H&R Block Pitches In To Help Americans Hit by Katrina Claim a Major Tax Benefit**

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### **Company Offers Free Tax Preparation; Joins President Clinton, Operation HOPE and Others To Boost Awareness Of The Earned Income Tax Credit**

KANSAS CITY, Mo., Feb 16, 2006 (BUSINESS WIRE) -- As part of its ongoing commitment to help hard-working Americans improve their financial lives, H&R Block (NYSE: HRB) is participating in the Earned Income Tax Credit (EITC) Awareness Program just launched by the William J. Clinton Foundation. In collaboration with Operation HOPE, another Clinton Foundation partner, H&R Block is providing free tax preparation through its in-office tax professionals to 5,000 low- to middle-income taxpayers who were impacted by Hurricane Katrina and are eligible for the credit. The program runs from March 1 through April 17, 2006.

"The financial pressures facing working Americans as they attempt to recover from Hurricane Katrina are unprecedented," said Mark A. Ernst, chairman and chief executive officer of H&R Block. "We appreciate the commitment President Clinton has made to assist those who need help the most, and we're proud to be part of this effort."

The EITC is a key federal tax credit available to millions of low- to middle-income taxpayers. It was established in 1975 to help offset the impact of payroll and income taxes on the working poor. Though it can provide up to \$4,400 per working family, many deserving taxpayers do not claim the credit due to a lack of awareness or filing complexity. H&R Block offers all EITC-eligible taxpayers free online self-preparation of their tax returns as a member of the Free Filing Alliance (available at [www.irs.gov](http://www.irs.gov)).

Said President Clinton: "The main idea of the EITC is still the old idea of the American Dream, that if you work hard and play by the rules, you ought to have a decent life and a chance for your children to have a better one. I hope this joint initiative helps more Americans achieve their dreams and reaches those Americans whose lives were shattered by last year's hurricanes."

"We're deeply grateful to the Clinton Foundation, H&R Block and the other organizations that have stepped forward to help the citizens of the Gulf Coast regain their financial footing," said John Hope Bryant, founder, chairman and chief executive officer of Operation HOPE. "I challenge other groups and companies to get onboard and help us overcome the difficulties facing so many of our fellow Americans. This innovative private/public partnership underscores the notion that dignity centered organizations and companies can indeed find a way to do well and to do good, too."

For tax year 2005, the federal government projects 22 million working families nationwide will receive about \$40 billion through the EITC, with each family receiving an average of about \$1,800. About one-in-four EITC recipients have been H&R Block clients in recent years.

Even so, the Governmental Accountability Office has estimated that up to 25 percent of those eligible for the credit fail to claim it. Many of those up to 7 million families do not claim the EITC due to a lack of awareness or the complexity of eligibility requirements and tax forms.

H&R Block is committed to raising awareness about the EITC among low- to middle-income Americans. In recent years, H&R Block has partnered with a number of community organizations to increase participation in the EITC program and to provide financial education and outreach services to working families. These efforts include:

-- City of San Francisco Working Families Credit: H&R Block partnered with the City of San Francisco to fund, sponsor and co-brand a two-year pilot of a local version of the EITC and provide discounted tax preparation services to qualified families. In 2005, eligible families received an estimated payout rate of 10 percent of their federal EITC, equaling about \$240 for families with one dependent and about \$360 for two or more. The partnership continues this year.

-- City of Miami Anti-Poverty Initiative: H&R Block developed a five-year program in partnership with the City of Miami in 2005 to provide community outreach surrounding EITC and discounted tax preparation services to qualified families. The efforts made during the 2005 tax season accounted for just over \$20 million in total refunds, a dramatic increase from the city-wide campaign in 2004, which logged approximately \$1.5 million in refunds.

-- Operation HOPE, Los Angeles: H&R Block worked with Operation HOPE to develop a shared referral system, discounted products and financial literacy services for low-income families. The partnership is slated to last four years and is being implemented through five HOPE Centers and 22 H&R Block offices in South Central Los Angeles.

-- ACORN - H&R Block EITC Outreach: H&R Block and the Association of Community Organizations for Reform Now (ACORN) have jointly developed an outreach campaign in 65 communities designed to help more low-income consumers claim the credit.

-- New York City EITC Coalition - EITC Pilot Project: Beginning in 2005, Block partnered with Service Employees International Union local 1199 and a number of other unions to provide coupons for discounted tax preparation services through a program targeting qualified families. This program continues in 2006.

The Clinton Foundation's EITC Awareness Program was conceived as a grassroots outreach campaign targeting the hotels, apartment complexes, relief sites, disaster assistance centers and other locations where Hurricane Katrina survivors currently are living. In addition to H&R Block, other organizations partnering with the Clinton Foundation in this effort include the ACORN Institute's Katrina Benefits Access Project, Operation HOPE's Project Restore Hope, Deutsche Bank, E\*Trade Financial, The First American Corp., the New York Bankers Association and Microsoft.

#### 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](http://www.hrblock.com).

#### About the Clinton Foundation

The mission of the William J. Clinton Foundation is to strengthen the capacity of people in the United States and throughout the world to meet the challenges of global interdependence. To advance this mission, the Clinton Foundation has developed programs and partnerships in the following areas: Health Security with a focus on HIV/AIDS; Economic Empowerment; Leadership Development and Citizen Service; and Racial, Ethnic and Religious Reconciliation.

While in office, President Clinton doubled the EITC, giving more than 15 million working families a tax cut. In 1998 alone, the EITC lifted more than 4 million people -- and more than 2 million children -- out of poverty.

The Clinton Foundation is committed to continuing this and making sure all eligible Americans are aware of the EITC and how to take advantage of it. Working with ACORN, Operation HOPE, and corporate participants, the Clinton Foundation will support their programs and promote taking advantage of the EITC. For more information, visit [www.clintonfoundation.org](http://www.clintonfoundation.org).

#### About Operation HOPE, Inc.

Operation HOPE, Inc. (HOPE) is America's first nonprofit social investment bank and a national provider of financial literacy and economic empowerment programs. Through ongoing collaborations and long-term partnerships with leading

government, private sector, and community interests, HOPE works to bring self-sufficiency and a sustained spirit of revitalization to America's inner-city communities. At the core of HOPE's mission to eradicate poverty and empower the wealthless is a movement to establish "Silver Rights" or the right to financial literacy, access to capital, and equality of opportunity for the underserved. Three key initiatives work to fulfill HOPE's goals: "Banking on Our Future (BOOF)," HOPE Coalition America (HCA) and HOPE Centers. HOPE Centers are responsible for more than 800 new homeowners and small business owners, over \$125 million in funded loans, and in excess of \$240 million in commitments for homeownership and small business loans. In partnership with the U.S. Department of Homeland Security, the Federal Emergency Management Agency, and a network of private and community partners, HOPE Coalition America is HOPE's disaster recovery and financial reconstruction pre and post emergency division. It has provided free financial counseling and casework services to Americans affected by natural disasters and national emergencies in 125 cities in 35 states to date. HOPE's financial literacy program BOOF, winner of Oprah's Angel Network Award, teaches money management basics to students nationwide through classrooms and online. Taken together, these programs make HOPE the national leader in economic empowerment tools and services for the underserved in America. HOPE and its programs can be found online at [www.operationhope.org](http://www.operationhope.org), [www.bankingonourfuture.org](http://www.bankingonourfuture.org), and [www.hopecoalitionamerica.org](http://www.hopecoalitionamerica.org).

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