

TaxCut from H&R Block Guides Do-It-Yourselfers Through Tax Law Changes; TaxCut Software Combines Expertise With Innovative Features to Save Consumers Time and Money

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KANSAS CITY, Mo.--(BUSINESS WIRE)--Nov. 27, 2001--With 440 new tax law changes enacted this year, do-it-yourself tax preparers are likely to miss some important new credits or deductions that could save them money.

TaxCut® from H&R Block (NYSE:[HRB](#) - [news](#)), which was released today, makes understanding the tax changes fast and simple, ensuring that taxpayers take advantage of every possible opportunity to save time and money.

Recognizing that taxpayers will face increased complexity due to tax law changes, this year TaxCut offers the largest number of new tools, specialized advice services, and financial management features ever.

The new Tax Law Assistant feature clearly explains how tax law changes will affect each individual user. The information is not only personalized for each user, but also outlines the impact of tax law changes for the next five years.

For do-it-yourselfers who wish an H&R Block professional could look over their shoulder to offer tax preparation guidance, TaxCut offers the next best thing with the Professional Review feature. Users simply send their return electronically to an H&R Block tax advisor who will review the return and answer any questions before the taxpayer files.

“TaxCut is the only software solution for the do-it-yourself tax preparer backed by the knowledge of H&R Block and its more than 90,000 tax professionals,” said Mark A. Ernst, president and chief executive officer. “H&R Block provides users with the software tools to maximize tax savings and plan their financial future using our exclusive financial management tools.”

The tax law's new “Saver's Credit” provides extra incentive for taxpayers to open an IRA, and TaxCut's new IRA Advisor and Express IRA services help users determine which IRA investment is best for them. More importantly, Express IRA offers a seamless, paperless way to open an IRA, using part or all of the taxpayer's refund to automatically fund the account.

“The new Saver's Credit becomes effective in 2002, providing taxpayers a credit of up to 50 percent of their IRA contribution, depending on their filing status and adjusted gross income,” said Ernst. “That's a credit that many Americans should take advantage of, but the reality is that fewer than 40 percent of U.S. households have an IRA. Our Express IRA makes saving for your future -- and taking advantage of a valuable tax credit -- fast and easy.”

Also new this year, TaxCut's Auto Entry feature lets users automatically import W-2 wage data and 1099 financial data directly from participating financial institutions and payroll providers into the appropriate TaxCut forms. Auto Entry saves users valuable time and can prevent costly data entry errors.

TaxCut Remains Best Value in Tax Preparation Software

TaxCut leads the way in value, providing low, no-rebate prices at retail outlets and online at www.taxcut.com. TaxCut customers benefit from the convenience of a no-rebate price on the TaxCut Basic and TaxCut Deluxe products, which contain everything necessary to prepare and file the federal return. TaxCut Deluxe sells for \$24.95 -- and the purchase of this product includes one free TaxCut State program and one free e-filed federal return, both after mail-in rebates. TaxCut Basic edition -- which also contains new tax law and financial planning features -- retails for \$14.95.

Partnering with Microsoft® Money for the second year, TaxCut offers users a great value in both tax preparation and personal financial management software. This year, customers who purchase TaxCut get Microsoft's award-winning Money Standard software for free up to \$34.95 with a mail-in rebate. The \$34.95 value also is good toward the purchase of Money 2002 Deluxe.

Financial Management Tools Give Taxpayers Access to Additional Tax Benefits

For many taxpayers, tax season is also the time of year to evaluate personal finances. In addition to new IRA tools, TaxCut offers free access to customized education and retirement financial planning tools. The Education Financial Planner and the Retirement Financial Planner provide users with a tailored, Web-based financial planning tool that uses data exported securely from the user's

personal tax return. Individuals can immediately see if they are over- or under-funded for retirement and college savings, and can use the tool to create ``what-if" scenarios for future savings.

Most taxpayers understand that owning a home provides one of the greatest tax benefits. TaxCut's Mortgage Advisor helps users understand how purchasing or refinancing a home can personally affect their tax situation by calculating potential savings and identifying tax advantages.

TaxCut's financial management tools also make it easy to immediately implement tax savings. The new Refund AutoInvestor allows users the option of placing their refund directly in an investment account with H&R Block Financial Advisors in one seamless, paperless process.

New TaxCut Features Provide Value-Added Services to Taxpayers

Additional highlights of the 2001 version of TaxCut include:

- ENHANCED! E-filing -- E-files federal and state returns accurately with a new e-file error check and e-file summary report. With TaxCut Deluxe, users can electronically file their first federal return free with mail-in rebate. Taxpayers receive refunds in as little as seven to 10 days.
- NEW! Color-coded imports -- Ensures there is no mistake about what data has been imported from what source. TaxCut's new color-coding scheme helps users identify and differentiate data imported from last year's tax return, personal financial software such as Microsoft Money, or from the Auto Entry import feature.
- NEW! Seamless Imports -- Eliminates data entry and imports tax and financial data from last year's software programs -- whether it is TaxCut, TurboTax®, Quicken® or Microsoft Money®.
- ENHANCED! Ask A Tax Advisor -- Provides tax advice via phone, chat or e-mail from H&R Block's nationwide network of tax professionals by routing customers to their nearest local tax professional. New to the Ask a Tax Advisor service this year is the ability to route inquiries to a nearby professional.

TaxCut Offers the Most Comprehensive Package at the Best Value

Taxpayers will find TaxCut at low, no-rebate prices every day -- making it the best value for do-it-yourselfers.

-- TaxCut Basic for Windows	\$14.95
-- TaxCut Deluxe for Windows	\$24.95
-- TaxCut State	\$19.95
-- TaxCut Deluxe for Macintosh	\$24.95
-- TaxCut Platinum Home and Business	\$49.95

About H&R Block

H&R Block Inc. is a diversified company with subsidiaries providing a wide range of financial products and services. In 2001, H&R Block served 19.2 million taxpayers -- more than any tax or accounting firm -- through its more than 10,400 offices located in the United States, Canada, Australia and the United Kingdom. Investment services and securities products are offered through H&R Block Financial Advisors Inc., member NYSE, SIPC. H&R Block Inc. is not a registered broker-dealer. H&R Block Mortgage Corporation and Option One Mortgage Corporation offer a wide range of home mortgage products. RSM McGladrey Inc. is a national accounting, tax and consulting firm with more than 100 offices nationwide, as well as an affiliation with 550 offices in 75 countries as the U.S. member of RSM International. Quarterly results and other information are available on the company's Web site at www.hrblock.com.

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