

## H&R Block Announces Programs to Help Taxpayers Claim EITC, Other Benefits for Low-Income Families

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### \$30 Billion in Government Benefits Claimed Through H&R Block in 2007

KANSAS CITY, Mo.--(BUSINESS WIRE)--Feb. 11, 2008--H&R Block (NYSE: HRB), which filed more Earned Income Tax Credit (EITC) claims than any other tax preparer in 2007, today announced programs to help ensure low-income workers who are eligible for EITC and other government benefits are claiming them.

An estimated \$1.5 billion in EITC benefits was left unclaimed last year, and the IRS reports that 20 percent of taxpayers who qualify don't claim the credit, which can be worth more than \$4,700 per family. H&R Block helped more than 4.5 million taxpayers claim \$10 billion in EITC benefits in 2007, accounting for nearly a quarter of all claims. Overall, H&R Block tax professionals helped clients claim nearly \$30 billion in income tax refunds, federal, state and local tax credits, and other government benefits last tax season.

"The EITC is among the most complicated provisions in the tax code, and audit rates for this credit are among the highest for any group, so getting help from a qualified tax preparer is important to ensure an accurate tax return," said Tim Gokey, group president of H&R Block Retail Tax Services. "Other key benefits - like food stamps or children's health insurance - can add more than \$9,000 to a family's income. They are widely overlooked, so we're committed to raising awareness about these important benefits."

The EITC offsets income tax as a work incentive for low-income Americans. Because the credit is refundable, it also is an income source in cases where there is no tax liability. Income level, filing status and the number of eligible children determine the amount of the credit. In addition to the EITC, H&R Block tax professionals are educating clients about the potential tax implications of economic stimulus proposals being debated in Congress.

"About 35 million Americans who did not file an income tax return in 2007 would be eligible to receive tax rebates under one plan," Gokey said. "Many of them are also eligible for unclaimed tax benefits like the EITC or the refundable child credit."

H&R Block's government benefit outreach programs include:

- Alerting H&R Block clients to their possible eligibility for means-tested government benefits and providing contact information for government agencies through a Block Advantage statement provided with each tax return. Block Advantage also includes tax planning tips and financial advice. Food Stamp officials report calls "skyrocketed" by over 300% after H&R Block's referrals began in 2003.
- Partnering with community-based organizations, such as the United Way, Operation HOPE, the Mabuhay Alliance, and the Association of Community Organizations for Reform Now (ACORN) to promote EITC through outreach and education campaigns in 60 cities.
- Enabling most EITC-eligible taxpayers to prepare tax returns free through H&R Block's Free File Alliance program at [www.irs.gov](http://www.irs.gov). H&R Block's offer is available to all taxpayers who are 50 or younger and who earned less than \$54,000 in 2007.
- Providing tax preparation software to 100 Volunteer Income Tax Assistance (VITA) sites nationwide in 2008. In addition, the company continues to provide free tuition to the H&R Block Income Tax Course to volunteer tax preparers and supervisors.

- Joining San Francisco officials for the fourth year to implement the city's Working Families Tax Credit. In 2007, more than 11,000 San Francisco families claimed more than \$1.1 million in WFC benefits. H&R Block contributed matching funds to launch the program in 2004-5.
- Using H&R Block offices to enroll California residents in the California Alternate Rates for Energy (CARE) Program, which discounts rates for public utilities by 20 percent. An estimated 700,000 families are eligible for the program.
- Providing low- or no-cost professional tax preparation in offices of 16 non-profit organizations in New York City.
- Tripling the College Enrollment Research Project, in which H&R Block tax professionals assist clients in completing Free Application for Federal Student Aid (FAFSA) forms during the tax preparation interview.
- Making all clients aware of low-income government benefits, as well as state-wide enrollment assistance for Kansas residents eligible for initiatives such as Food Stamps, Low-Income Home Energy Assistance and Children's Health Insurance programs.
- Partnering with ACORN and Beehive.org to provide free tax preparation software and financial education to low- and moderate-income Americans.

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#### About H&R Block

H&R Block Inc. (NYSE: HRB) is the world's largest tax services provider, having prepared more than 400 million tax returns since 1955. The company and its subsidiaries reported revenues of \$4.0 billion and net income from continuing operations of \$374.3 million in fiscal year 2007. The company has continuing operations in three principal business segments: Tax Services (income tax return preparation and related services and products via in-office, online and software solutions); Business Services (accounting, tax and business consulting services primarily for mid-sized companies); and Consumer Financial Services (brokerage services, investment planning and related financial advice along with full-service consumer banking). Headquartered in Kansas City, Mo., H&R Block markets its continuing services and products under two leading brands - H&R Block and RSM McGladrey. For more information visit our Online Press Center at [www.hrblock.com](http://www.hrblock.com).

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