

H&R Block Shows Taxpayers How to Save Money and Time With Eight Tips

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KANSAS CITY, MO, Jan 10, 2012 (MARKETWIRE via COMTEX) --Every year, taxpayers forfeit more than one billion dollars of their money to the government. Missed tax credits and deductions, choosing the wrong filing status, not filing at all and other errors all keep taxpayers from getting all they are due in tax refunds.

With recent tax law changes and the extension of the payroll tax holiday, taxpayers may wonder how these things affect their 2011 tax returns. H&R Block (NYSE: HRB) is offering eight tips to help taxpayers navigate the 2012 tax season.

"Marriage, divorce, having a child, even going back to college -- these life changes can bring about tax savings," said Kathy Pickering, executive director of The Tax Institute at H&R Block. "Every year, taxpayers are leaving money on the table by not claiming all of the credits and deductions to which they are entitled."

Some of those changes taxpayers should take into account impact workers, homeowners, college students and many others.

1. Payroll tax holiday has been extended for two months -- While it doesn't impact the tax return, it certainly impacts everyday financial decisions. The 2-percent payroll tax holiday, which amounts to a temporary pay raise for many workers, was extended for two months through Feb. 29. Unless Congress extends this tax cut through the rest of 2012, the employees' portion of Social Security contributions will return to the 2010 amount of 6.2 percent of wages for 160 million workers. This would mean almost a \$1,000 decrease in take-home pay for someone earning \$50,000 over the full year.
2. Millions may be eligible to claim casualty losses -- There were many natural disasters in 2011, including Hurricane Irene, tornadoes in the Midwest and Texas wildfires, resulting in a record-breaking number of federal disaster areas. Claiming a casualty loss as an itemized tax deduction could mean significant tax savings for millions of taxpayers in a federal disaster area. Losses in a federally declared disaster area in 2011 can be claimed on either an amended 2010 return or a 2011 return.
3. Education credit extended -- One of the most overlooked credits is the American Opportunity Credit, which was extended through 2012. This credit allows eligible taxpayers to claim up to \$2,500 for each of the first four years of college for each student. Through 2012, the Tuition and Fees Deduction provides a reduction in taxable income of up to \$4,000, and the Lifetime Learning Credit is worth up to \$2,000 per return for post-secondary degree programs. These education benefits cannot be combined for the same student, so taxpayers should choose the one that is most beneficial. Also, with today's average college graduate having more than \$25,000 in student loan debt, they should remember to deduct student loan interest.
4. Energy credits have been reduced -- Taxpayers may claim energy-efficiency tax credits for up to 10 percent of the cost of eligible home improvements, but the maximum lifetime credit is now \$500 instead of \$1,500. If taxpayers already claimed credits equal to or greater than \$500 in previous years, then they cannot claim the credit on a 2011 return.
5. Credit for hybrid vehicles has expired -- Though the tax credit for hybrid vehicles expired, taxpayers may claim a credit for 2011 for neighborhood vehicles, conversion kits and plug-in electric drive vehicles, such as the Chevy Volt and Nissan Leaf.
6. New cost basis reporting requirements in effect -- Beginning this year, the IRS now requires brokers to report the cost basis, as well as the sale of stocks and securities. Use the cost basis reported by the broker to help calculate the amount of capital gains taxes owed on a 2011 return.
7. Adoption credit is fully refundable -- The Adoption Credit can be claimed for qualified expenses up to \$13,360 for 2011. The IRS will refund any amount of the credit that exceeds the adoptive parents' tax liability.
8. Tax deadline is April 17 -- Because April 15 is a Sunday and Washington, D.C., will observe Emancipation Day on April 16, the deadline to file federal tax returns is April 17. Most deadlines for filing state returns are also April 17; however some states may differ. Be sure to check with a local H&R Block on state deadlines.

H&R Block's tax professionals provide guaranteed tax return preparation services at retail tax offices open year-round and through Block Live(SM), the only face-to-face online tax preparation experience available in the industry. Because understanding

taxes is an integral part of managing personal finances, H&R Block keeps the conversation going with clients all year via blogs, tweets and Facebook status updates. For more information or to schedule an appointment, call 800-HRBLOCK or visit www.hrblock.com.

About H&R Block H&R Block Inc. (NYSE: HRB) has prepared more than 575 million tax returns worldwide since 1955, making it the country's largest tax services provider. In fiscal 2011, H&R Block had annual revenues of \$3.8 billion and prepared more than 24.5 million tax returns worldwide, including Canada and Australia. Tax return preparation services are provided in company-owned and franchise retail tax offices by approximately 100,000 professional tax preparers, and through H&R Block At Home(TM) digital products. The H&R Block Bank provides affordable banking products and services. For more information, visit the H&R Block Online Press Center.

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