

## **H&R Block Inc. and Income Dynamics Inc. Announce Marketing Alliance**

December 5, 2001 4:08 PM ET

KANSAS CITY, Mo., Dec 5, 2001 (BUSINESS WIRE) -- H&R Block Inc. (NYSE: HRB):

ItsDeductible™ Provides TaxCut™ Users Convenient Way to Value

Charitable Donations

H&R Block Inc. (NYSE:HRB) and Income Dynamics Inc. today announced an alliance that allows users of TaxCut® software to more easily and accurately determine the actual value of their non-cash charitable contributions and maximize their deductions for tax purposes.

"We expect that this year -- more than ever before -- taxpayers are making donations to charitable organizations and relief funds," said Chrys Sullivan, TaxCut senior product manager. "This product allows our customers to determine the appropriate value of their gifts so that they can get the maximum tax benefit from their generous donations."

TaxCut customers will have the opportunity to purchase ItsDeductible™ software in the TaxCut online store ([www.taxcut.com/itsdeductible/tc.html](http://www.taxcut.com/itsdeductible/tc.html)) at a special discounted rate. ItsDeductible allows users to determine and track the proper "fair market value" of item donations, maximizing taxpayer savings. The software also tracks out-of-pocket expense donations, mileage donations and monetary donations.

According to Internal Revenue Service statistics, each year more than 20 million people who itemize on their income tax returns report giving donations of clothing, furniture, household goods and other non-cash items to charity. Many of these taxpayers underestimate the value of their contribution by as much as \$1,700 or more per year because they do not know how to assign accurate fair market values to their donation.

"Many Americans overlook valuable tax deductions because they do not know the true value of their donations," said Carey Rademacher, co-creator of ItsDeductible. "By offering this service to TaxCut customers, we are providing a valuable tool that could increase the amount of deductions individuals can legally take, saving them additional money on their tax return."

"The average person pays \$526 more in taxes than they need to because they fail to correctly value their donations. The IRS allows you to deduct the actual fair market value for donated items. By using ItsDeductible to value donations, users are guaranteed to save at least \$300 on their taxes or ItsDeductible will refund their money."

H&R Block will offer TaxCut users the ItsDeductible software at the reduced rate of \$19.95 for the 2001 tax season. The offer also includes free Lifetime Audit Protection, a \$10 value. The software regularly retails for \$29.95.

About Income Dynamics, Inc.

Income Dynamics is the nation's premier provider of fair market valuations to the corporate and consumer marketplace. Using patent-pending Intelligent Indexing™ technology, combined with a nationwide network of manual data collection, Income Dynamics has developed systems to collect, organize and present millions of records in order to provide values and pricing information for companies and consumers. Their core product, ItsDeductible™ (patent pending), allows taxpayers to accurately value their non-cash donations and receive the full deduction to which they are legally entitled.

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

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