

Countdown to April 15 -- Don't Miss These Last-Minute Tax Tips

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Still Need to File Your Taxes? H&R Block Offers Tips on What You Should Know

KANSAS CITY, MO, Apr 13, 2010 (MARKETWIRE via COMTEX) --The instruction booklet to complete the 1040 is 175 pages long, and there were nearly 300 changes to the tax code last year. Add a tough economy to the mix and it's no wonder taxpayers put off filing their returns.

For those still needing to file their 2009 taxes, H&R Block (NYSE: HRB) offers a few last-minute tax tips for navigating some of the tax law changes.

Life changes can equal tax savings

Several changes to the tax code this year parallel life changes made by taxpayers. Overall, the changes target five areas:

1. Workers 2. Homebuyers 3. Parents 4. Higher education students 5. In the garage

Workers

Ninety-five percent of taxpayers automatically started taking home more money in their paychecks last year thanks to a change in the IRS federal income tax withholding tables, triggered by the Making Work Pay Credit.

But some taxpayers could be in the "danger zone" of not having enough taxes withheld. These taxpayers have a greater risk of being in the danger zone:

- Married couples with two incomes
- Individuals with multiple incomes
- Retirees who have taxes withheld from a pension or who work and receive Social Security benefits
- Individuals who work and can be claimed as a dependent on someone else's tax return

The credit, which taxpayers claim when filing their 2009 returns, could mean up to \$400 for individuals and \$800 for couples in 2009 and 2010. If taxpayers haven't already, now is the time to review withholding for the rest of 2010.

Homebuyers

More homebuyers will get tax relief thanks to changes and expansions made to the homebuyer credit. These are three major provisions of the credit:

- A tax credit worth up to \$8,000 for first-time homebuyers
- A tax credit worth up to \$6,500 for certain long-term homeowners who purchase a replacement home
- An extended closing deadline for first-time and repeat homeowners of April 30, 2010 (extended from Nov. 30, 2009) and closing deadline before July 1, 2010

Special rules apply to military personnel on active-duty assignment.

Parents

The Recovery Act also expanded the Child Tax Credit, allowing families who don't fully benefit from the nonrefundable Child Tax Credit to begin qualifying for the additional credit if their earned income is more than \$3,000. This change can translate into a

refundable credit of up to \$1,000 for each qualifying child under 17 -- even if the taxpayer has no tax liability.

The Recovery Act also increased the Earned Income Credit for families with at least three or more children, where previously EIC benefits were capped at two children. The credit also increased the beginning of the phase-out for those married filing jointly.

Higher education students

Taxpayers investing in higher education or supporting a dependent in college should be aware of several tax credits and deductions. More taxpayers will be able to qualify for the American Opportunity Tax Credit, with a new, partially refundable \$2,500 tax credit for qualified expenses paid in 2009. Qualified expenses include tuition, and fees and materials required for enrollment and attendance.

Computer, hardware and software costs are now qualified education expenses under Section 529 Education Plans, which are tax-advantaged college savings plans. Previously, eligible expenses included only tuition, room and board, books, supplies and equipment required for attendance.

In the garage

Taxpayers may have received a great deal on a new car in 2009 -- especially if they took advantage of the Cash for Clunkers Program -- and they'll also want to take advantage of a sales tax deduction on their taxes.

Those who purchased a new car, motorcycle or even motor home may be able to deduct the state and local sales and excise taxes paid on their purchases. The vehicles must have been purchased between Feb. 17 and Dec. 31, 2009.

Get a second opinion

Taxpayers who already submitted their 2009 returns but are concerned they weren't prepared correctly can have them reviewed by an H&R Block tax professional for a Second Look(R) Review. Second Look is a professional second opinion where we can certify whether the original return is accurate.

Last year, H&R Block tax professionals found more than \$100 million for our Second Look clients.

Watch the last-minute tax tips video for more information.

The next Countdown to April 15 topic is overlooked credits and deductions and common filing mistakes. Visit the H&R Block Online Press Center for more last-minute tax tips.

Whether clients visit one of the company's more than 11,000 offices nationwide or use H&R Block At Home software or online programs, H&R Block can help taxpayers navigate recent tax law changes and claim all the tax breaks they're entitled. To find the nearest H&R Block office, visit www.hrblock.com or call (800) HRBLOCK.

About H&R Block

H&R Block Inc. (NYSE: HRB) is the world's preeminent tax services provider, having prepared more than 500 million tax returns since 1955. In fiscal 2009, H&R Block had annual revenues of \$4.1 billion and prepared more than 24 million tax returns worldwide, utilizing more than 100,000 highly trained tax professionals. The Company provides tax return preparation services in person, through H&R Block At Home(TM) online and desktop software products, and through other channels. The Company is also one of the leading providers of business services through RSM McGladrey. For more information, visit our Online Press Center.

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