

## **Last Baby of the Year Delivers Valuable Tax Breaks**

December 19, 2008 3:59 PM ET

KANSAS CITY, MO, Dec 19, 2008 (MARKET WIRE via COMTEX News Network) -- It may be the first baby of the year who grabs the media headlines but it's the last baby of the year who yields the tax savings. Babies born before the stroke of midnight this New Year's Eve could save their parents thousands on their 2008 returns.

"Mere minutes can mean major tax savings this New Year's Eve," said Amy McAnarney, executive director of The Tax Institute at H&R Block (NYSE: HRB). "Babies born on Dec. 31 provide parents with a retroactive tax exemption for all of 2008. To get that same tax break, parents of babies born after midnight on Jan. 1 will have to wait until they file their 2009 taxes -- in 2010."

In addition to an exemption worth \$3,500 in 2008, new parents may qualify to claim two other credits that could further reduce this year's tax liability.

The Child Tax Credit is worth as much as \$1,000 per child, regardless of whether taxpayers file as a single or jointly. To qualify, parents must have earned income of at least \$8,500. And, even parents without any tax liability may be eligible for this refundable credit.

The Earned Income Tax Credit is available to lower-income workers. The amount of the credit varies with income, the number of qualifying children and whether a single or joint return is filed. EITC is also a refundable credit so it can reduce a taxpayer's liability below \$0, resulting in a refund.

For future years, taxpayers who pay someone to look after their baby while they work or look for work may qualify for the Child Care Credit. Income limitations apply to this tax benefit so a tax or financial professional should be consulted about individual tax situations.

For more information about the tax benefits of having a child or for other year-end tax tips, visit [www.hrblock.com](http://www.hrblock.com).

### About H&R Block

H&R Block Inc. (NYSE: HRB) is the world's preeminent tax services provider, having served more than 400 million clients since 1955 and generating annual revenues of \$4.1 billion in fiscal year 2008. H&R Block provides income tax return preparation and related services and products via a nationwide network of approximately 13,000 company-owned and franchised offices and through TaxCut(R) online and software solutions. The company also provides business services through RSM McGladrey. For more information visit our Online Press Center at [www.hrblock.com/press](http://www.hrblock.com/press).

### For Further Information:

Gene King  
816-854-4287

SOURCE: H & R Block