

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
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1. Name and Address of Reporting Person* SMITH LOUIS W			2. Issuer Name and Ticker or Trading Symbol H&R BLOCK INC [HRB]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 06/30/2006			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
4400 MAIN STREET			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street) KANSAS CITY MO 64111								
(City)	(State)	(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, without par value	07/03/2006		J ⁽¹⁾		101	A	\$23.915	27,278	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Call Option to Purchase	\$23.86	06/30/2006		A		8,000		06/30/2006	06/30/2016	Common Stock, without par value	\$0	8,000	D	
Call Option to Purchase	\$12.5							06/30/2000	06/30/2009	Common Stock, without par value		12,000	D	
Call Option to Purchase	\$8.0938							06/30/2001	06/30/2010	Common Stock, without par value		12,000	D	
Call Option to Purchase	\$16.1375							06/30/2002	06/30/2011	Common Stock, without par value		12,000	D	
Call Option to Purchase	\$23.075							06/30/2003	06/30/2012	Common Stock, without par value		8,000	D	
Call Option to Purchase	\$21.625							06/30/2004	06/30/2013	Common Stock, without par value		8,000	D	
Call Option to Purchase	\$23.84							06/30/2004	06/30/2014	Common Stock, without par value		8,000	D	
Call Option to Purchase	\$29.175							06/30/2005	06/30/2015	Common Stock, without par value		8,000	D	

Explanation of Responses:

1. Units for dividends paid under the H&R Block Stock Plan for Non-Employee Directors. Each unit has the value of one share of Common Stock.

Remarks:

By: Andrew J. Somora per
Power of Attorney

07/05/2006

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

**LIMITED POWER OF ATTORNEY
(SECTION 16 FILINGS)**

Know all by these presents, that the undersigned, **Louis W. Smith**, hereby constitutes and appoints each of Bret G. Wilson, Brian H. Schmidt, and Andrew J. Somora, signing singly, the undersigned's true and lawful attorney-in-fact to prepare, execute and acknowledge Forms 3, 4 and 5 (including any amendments thereto) with respect to the securities of H&R Block, Inc., a Missouri corporation (the "Company") and deliver and file such forms with the United States Securities and Exchange Commission, any national securities exchanges and the Company, as considered necessary or advisable under Section 16(a) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time; it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney supersedes and replaces all previously executed Powers of Attorney with respect to the matters contained herein. This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4 and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed this 7th day of June, 2006.

/s/ Louis W. Smith
Louis W. Smith

State of Missouri)
County of Jackson)

On the date set forth above, before me appeared **Louis W. Smith**, who is personally known to me as the person who executed the foregoing instrument, and such person duly acknowledged that such person executed and delivered the same for the purposes therein expressed.

/s/ Brenda L. Becker
Notary Public

My Commission Expires: 1/20/08

BRENDA L. BECKER
Notary Public-Notary Seal
STATE OF MISSOURI
Jackson County
My Commission Expires: Jan. 20, 2008