

As IRS Increases Enforcement, H&R Block Steps Up to Assist Taxpayers With Audit Support Services

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31,000 Taxpayers to Expect New Form of IRS Audit Correspondence in October

KANSAS CITY, MO, Sep 30, 2008 (MARKET WIRE via COMTEX News Network) -- In 2007, 1 in 97 tax returns were examined by the IRS, up from 1 in every 202 in 2000. That number is likely to rise again this year as the IRS steps up its efforts to close the \$290 billion tax gap by increasing audit activity. In fact, starting in October, an additional 31,000 taxpayers will receive CP 2057 "soft notice" letters from the IRS. Soft notices will likely be sent in situations where the IRS received an information document showing income that appears to be under reported on the tax return.

As the number of audits continues to grow, more taxpayers need guidance. H&R Block's (NYSE: HRB) Audit Services program helps taxpayers navigate an audit. In fact, on many of the audits H&R Block assisted, clients saw a cost savings compared to what the taxing authority originally had indicated.

"The audit experience is complex, confusing and often frustrating for the typical taxpayer," said H&R Block Tax Institute Executive Director Amy McAnarney. "H&R Block has some of the most well-trained audit-authorized tax professionals in the nation who are equipped to handle the most complex tax situations."

Impacted taxpayers range from individuals to home-based business owners to large businesses and everyone in between. No one is exempt. The IRS reported that audits of filers with income \$1 million or more increased by 84 percent while audits of those with income of \$100,000 or more also increased by more than double digits.

McAnarney cautions taxpayers who want to "go it alone" in dealing with an audit. "Once you receive a notice from the IRS, it's imperative to contact your tax or financial professional," she said. "The matter may be as simple as filing an amended return or sending supporting documentation. But in more serious situations, time is of the essence. Any delays could result in additional penalties and fees for the taxpayer."

H&R Block tax offices provide tax help and advice throughout the year, drawing on more than 50 years of tax preparation experience. Many of those tax offices are open year-round.

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 \$4.4 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 and certain consumer financial services. For more information visit our Online Press Center at www.hrblock.com.

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