

PRESS INFORMATION

For Immediate Release
December 20, 2007

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AMT Tax Relief is a Reality, But E-Filing Delays May Be Too, According to Liberty Tax Service

(Virginia Beach, VA) Tax relief is in sight over to 20 million Americans who faced a sudden tax hike because they would have qualified for the Alternative Minimum Tax when filing their 2007 tax return. Currently, four million Americans pay the AMT. That number would have soared to over 20 million taxpayers who would have qualified had tax relief not been addressed by Congress.

However, **e-filing delays may now be a reality**, according to Liberty Tax Service. President Bush is expected to sign the Temporary Tax Relief Act of 2007 that extends the current AMT thresholds with a temporary one year “patch.”

Because this legislation comes so late in the year, e-filing and paper processing of tax returns for everyone may not start until February. Some IRS instruction manuals are now outdated because the IRS publication deadline has passed. IRS computers must be reprogrammed, and twelve IRS forms are affected by the AMT including those for child and dependent care credits. **The resulting delay could be up to seven weeks.** The result: a possible postponement of tax refunds for 15 million taxpayers, including lower and middle class taxpayers who normally file for early refunds.

“Our tax offices are ready to jump-start your return free of charge using your W-2 and tax documentation so your return can be filed as soon as the IRS starts processing returns,” said John Hewitt, CEO and Founder of Liberty Tax Service. “The IRS has pledged to do everything possible to revise forms and update their software as soon as possible, and keep the public updated. **Be aware of scams and unscrupulous claims by any preparation service claiming to process your return before the first acceptance date of the IRS.**”

The irony of the AMT is that it was established by the Tax Reform Act of 1969 to close some loopholes for America’s wealthiest individuals and ensure that they paid their share of federal income taxes. Because the AMT has never been indexed for inflation, more

and more middle-class taxpayers have qualified to pay it every year, often losing deductions for state and local taxes, other deductions, and some tax benefits for having children.

About Liberty Tax Service:

Liberty Tax Service is the fastest growing retail tax preparation company in the industry's history. Founded in 1997 by CEO John T. Hewitt, a pioneer in the tax industry, Liberty Tax Service (www.libertytax.com) has prepared over 5,000,000 individual income tax returns and currently operates over 2,400 offices throughout the United States and Canada.

Liberty Tax Service provides computerized income tax preparation, electronic filing and refund loans. With an emphasis on customer service including audit assistance, a money back guarantee, and free tax return checking, Liberty Tax Service is well known for its strong commitment to its client base.

With 38 years of tax industry experience, Hewitt stands as the most experienced CEO in the tax preparation business, having also founded Jackson Hewitt Tax Service (NYSE: **JTX**).

-30-

Interview CEO John Hewitt about the AMT and its possible impact on the tax filing season.

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