



PRESS INFORMATION

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Liberty Tax Covers the Economic Stimulus Package and Other Tax Issues for Active Military and Veterans

(Virginia Beach, VA) Active military serving in combat zones have an advantage when it comes to collecting their economic stimulus tax rebate checks. They can either include their nontaxable combat pay on their 2007 or 2008 income tax returns to help their eligibility, according to Liberty Tax Service. The tax stimulus package means rebates for most taxpayers, including people who would not normally file a tax return.

Low income workers, or those who receive Social Security benefits or veterans’ disability compensation, pension or survivors benefits received from the Department of Veterans Affairs in 2007 will be eligible to receive a payment of \$300 (\$600 on a joint return) if they had at least \$3,000 of qualifying income. Those serving in combat zones in the branches of the military, National Guard, and the Reserves always have an extension of 180 days after leaving the combat zone to file their income taxes. However, to be eligible for the tax rebate, a federal return must be filed by October 15th, 2008.

“Combat pay may be included in the earned income amount used to figure an earned income credit for 2007 and 2008, said John Hewitt, Founder and CEO of Liberty Tax Service. The maximum earned income credit for two or more qualifying children is \$4,716 and for one child it is \$2,853. For a taxpayer who does not have a qualifying child, the maximum earned income credit is \$428.

Some disabled veterans may amend their tax returns to claim Compensated Work Therapy (CWT) benefits. Liberty Tax Service reminds you that refunds may be in order for up to 19,000 disabled American veterans due to a recent court decision on their Compensated Work Therapy benefits. The U.S. Tax Court recently ruled that payments made to disabled veterans through the CWT program are not taxable, but can now be classified as benefits. Disabled veterans who have been taxed for these CWT program benefits can amend their returns for tax years 2004, 2005, or 2006 by filing **Form 1040X**. Payments were issued on **Form 1099** to disabled veterans from the Department of Veterans Affairs for the CWT program since 1965. The goal of the CWT program is to help disabled veterans who can’t work learn new career skills in partnership with private businesses.

Liberty Tax Service is honoring military families and veterans with Military Appreciation Days at participating locations. From March 31st to April 6th, military and veterans who are first time Liberty Tax customers can receive free tax preparation.

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 2,700 offices throughout the United States and Canada. Call 866-871-1040 to be directly connected to the nearest office.

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 39 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**).