

PRESS INFORMATION

For Immediate Release
February 19, 2008

CONTACT: Martha O’Gorman

Chief Marketing Officer
(800) 790-3863 ext. 8022
martha.ogorman@libtax.com

Liberty Tax Service Shows Solid Early Season Growth

New Public Service Initiatives are Underway

(Virginia Beach, VA) In spite of a slower than usual start of the season for the IRS, Liberty Tax Service (www.libertytax.com) reports a robust increase in the number of returns filed and in the amount of revenue generated thus far from the same time period last year. The number of returns filed has increased 18% from 2007, and revenue is up 34% from the same period last year.

Liberty’s impressive early results contradict the early season indicators from IRS. One factor was that taxpayers received their W-2’s later than usual this year. This was in addition to Congress acting late in the year to enact the Temporary Tax Relief Act of 2007. Besides extending the current AMT thresholds with a temporary one year “patch,” some forms were instantly outdated delaying e-filing and paper processing of tax returns for several million taxpayers until February 11th. The good news for the taxpayers is the recent tax rebate package which signals an increase in the number of filers in 2007.

“More Americans have an incentive to file tax returns this year since filing is required to receive a tax rebate check. Because some of the people who need the rebate the most aren’t required to file a return, Liberty Tax Service will prepare their tax returns at no charge as part of our outreach service until March 31st,” according to John Hewitt, CEO of Liberty Tax Service.

These select taxpayers who have no tax liability, and might not file otherwise include low income workers and senior citizens. 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.

About Liberty Tax Service

Liberty Tax Service operates over 2,700 offices in the United States and Canada. Recently the Company launched an online income tax preparation product, www.esmarttax.com.

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 has prepared over 5,000,000 individual income tax returns. 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**).

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 community service and charitable activities, most recently partnering with the March of Dimes (www.Marchforbabies.org). For more information visit our online Press Center at www.libertytax.com.