

PRESS INFORMATION
For Immediate Release

CONTACT: Martha O’Gorman
Chief Marketing Officer
(800) 790-3863 ext. 8022
martha.ogorman@libtax.com

Liberty Tax Offers Free Amending of Returns for Hurricane Ike Disaster Victims in Texas and Louisiana

(Virginia Beach, VA) Taxpayers in federal disaster areas can take advantage of unique tax code circumstances that pertain to property losses, and Liberty Tax Service will help. Liberty Tax Service will provide free amending of tax returns for taxpayers in the federal disaster areas of Texas and Louisiana due to Hurricane Ike. Those suffering property losses in these areas may amend their 2007 tax return to take the loss. This action will enable them to get a possible return refund sooner from property losses instead of waiting until they file their 2008 tax return. Federal aid and loans may also be available for residents and businesses in those areas deemed federal disaster areas.

“Declaring casualty and theft losses can be a confusing process,” said John Hewitt, CEO and founder of Liberty Tax Service. “Taxpayers must declare casualty losses in the year they suffered them unless they are in an area determined by the President to warrant federal disaster assistance.”

Casualty and theft losses for personal property can be claimed as the result of destruction from unanticipated weather events such as wildfires, hurricanes, tornadoes, or from burglaries and break-ins, by filing **Form 4684, *Casualties and Thefts*. Section A.** If the property is not completely destroyed, determine the loss by figuring the decrease in fair market value minus any insurance reimbursements. Then subtract another \$100 for each casualty or theft that occurred during the year. A total of all casualty and theft losses must be further reduced by 10% of the taxpayer’s adjusted gross income. These limits do not apply to business and income producing property, such as rental property, which is claimed on **Form 4684, Section B.** Taxpayers who have incurred property losses should file insurance claims promptly. Only losses not covered by insurance should be claimed on **Form 4684.**

If the property is rental property, or other business property that is completely destroyed, the deductible casualty loss amount is the adjusted basis in the property minus insurance or other reimbursement. If the property isn’t completely destroyed, the deductible casualty loss is the lesser of either the decrease in the fair market value, or the adjusted basis of the property before the loss.

Renters may qualify to declare a casualty loss for damaged furniture and property in their residence.

The IRS has postponed filing and payment deadlines until January 5, 2009 for the federal disaster areas affected by Hurricane Ike. .

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 6,000,000 individual income tax returns and currently operates over 2,700 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. The company has offered free return preparation for workers affected by numerous layoffs. In addition, Liberty Tax offers annual appreciation weeks to honor service professionals with free preparation in March.

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).