



PRESS INFORMATION

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LIBERTY TAX COVERS LAST MINUTE FILING OPTIONS FOR TAXPAYERS

(Virginia Beach, VA) The countdown is running for one of life’s ultimate deadlines. Liberty Tax Service reminds taxpayers that the filing deadline for 2007 taxes will be **Tuesday, April 15th, 2008**. April 15th is also the deadline for starting or contributing to an existing IRA retirement account. As taxpayers face the federal tax filing deadline, those who owe taxes have some choices. Liberty Tax Service will offer extended hours during the final days of the tax filing season.

IT’S TIME TO FILE TAXES OR AN EXTENSION REQUEST

IRS will grant an automatic six-month filing extension to taxpayers who timely file an extension request. No reason for the request needs to be provided. Individual taxpayers will file **Form 4868**, *Application for Automatic Extension of Time to File U.S. Individual Income Tax Return*, by April 15th and receive a filing extension until October 15th. Corporations and Partnerships will file **Form 7004**, *Application for Automatic 6 Month Extension of Time to File Certain Business Income Tax, Information, and Other Returns*, to receive a six-month extension.

“However, an extension of time to file a tax return still does not constitute an extension of time to pay any tax liability. Penalties and interest accrue from April 15th, if the tax liability has not been paid.” said John Hewitt, CEO and Founder of Liberty Tax Service.

INSTALLMENT PLANS FOR THOSE WHO OWE

What can someone do who owes the IRS money but can’t pay the full amount by April 15th? Taking out a bank loan may be the least costly option. Another option is to ask the IRS for permission to make monthly installment payments. If you are not currently on an IRS installment plan, complete **Form 9465**, *Installment Agreement Request*, and attach it to your return. To limit penalty and interest charges, you should pay as much of the tax due as possible when sending in your return.

Taxpayers who have already mailed or electronically filed their returns can mail **Form 9465** to the appropriate IRS Service Center. The IRS usually approves or denies installment requests within 30 days of receipt. However, if your request is dated later than March 31, it may take longer.

The IRS will approve or deny the request by sending out a written response. If the request is approved, the IRS will charge a fee that will be deducted from the first installment payment and will send instructions on how to make the monthly installment payments. These payments must be made on time, and the taxpayer must agree to meet all future tax liabilities. An option to ensure timely payments is to have the funds directly debited from a bank account. By checking Line 13 of the **Form 9465**, the IRS will send the required direct debit enrollment form.

Taxpayers can charge their taxes owed to MasterCard, VISA, Discover or American Express Card. They can also pay on the internet by going to www.pay1040.com, www.officialpayments.com, or call 1-888-PAY1040 (1-888-729-1040) or 1-800-2PAY-TAX (1-800-272-9829). A convenience fee applies.

IRA DEADLINE IS ALSO APRIL 15th

Taxpayers still have until April 15th to open a traditional Individual Retirement Arrangement (IRA) that may help them lower their tax liability for this year. Liberty Tax Service reminds you that for taxpayers covered by a pension plan at work, the modified adjusted gross income limit for deducting traditional IRA contributions has increased. A couple filing married filing jointly whose income is between \$83,000 and \$103,000 can take a partial deduction this year. Single taxpayers (including head of household filers) making between \$52,000 and \$62,000 can take a partial deduction. The contribution limit for 2007 is \$4,000 (\$5,000 if age 50 or older).

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.

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**).

