

GX 604

Appendix 2

Directions Research, Inc. Survey Results & Questionnaire

April 29, 2011





April 29, 2011

Re: TaxAct Study -- Privileged

Below you will find the results of the survey performed on behalf of H&R Block and TaxAct as discussed with legal counsel.

Research Method

A quantitative internet based study was conducted between April 20-April 29, 2011 among respondents who were responsible for the preparation of their taxes in 2011 (for income earned in 2010). In the first mail out, 46, 899¹ email invitations were sent to TaxAct clients based on a random sample pull among all online efile accepted returns and the groups were as follows:

Tape 1

Free Fed/No State	13,881
Paid Fed/No State	4,990
Free Fed/Paid State	11,770
Paid Fed/Paid State	17,195

A second mail out was sent on April 27, 2011 in an effort to increase the quantity for Paid Fed/No State. The second Tape was a random pull for online efile accepted returns of Paid Fed/No State of 24,898 records.

The respondents were classified into four independent groups based on how they filed and how they paid in 2011:

1. Free Federal and no State filing through TaxAct
2. Free Federal and paid State filing through TaxAct
3. Paid Federal and no State filing through TaxAct
4. Paid Federal and paid State filing through TaxAct.

After determining their filing status in 2011, respondents were asked the following 2 questions:

- A. *If you had become dissatisfied with TaxACT's price, functionality or quality, which of these products or services would you have considered using to prepare your federal taxes? (Please select all that apply)*
- B. *Below is the list of choices that you selected from the preceding question. Which one of these would you be most likely to select to prepare your taxes if you had become dissatisfied with TaxACT's price, functionality or quality? (Select one answer)²*

The options that were given reflected the filing status and payments they had made for their 2011 tax preparation.

¹ Of the 46,899 emails sent, 46,129 emails were received and 770 emails bounced.

² The full text of the survey is appended to this document.

6590713.1

Findings**1. Free Federal/No State**

Free Fed/No State	PRICE	All Options	One Most Likely
I would prepare myself without help		44%	34%
TurboTax Free Edition	\$ -	38%	30%
H&R Block at Home Free Edition	\$ -	17%	10%
Free TaxUSA Free Edition	\$ -	13%	8%
Complete Tax Free Basic	\$ -	11%	5%
An Accountant	\$ -	4%	2%
I would use a product on FFA		3%	2%
TaxSlayer Free Edition	\$ -	5%	1%
Jackson Hewitt free Basic	\$ -	4%	1%
Tax\$imple Free Basic	\$ -	2%	0%
Other		7%	6%
Total Respondents		240	240

2. Free Federal/Paid State.

Free Fed/Paid State	PRICE	All Options	One Most Likely
I would prepare myself without help		40%	33%
TurboTax Free Edition	\$27.95	31%	24%
Free TaxUSA Free Edition	\$9.95	24%	20%
H&R Block at Home Free Edition	\$27.95	8%	5%
An Accountant		4%	4%
TaxSlayer Free Edition	\$14.90	6%	3%
I would use a product on FFA		3%	1%
Complete Tax Free Basic	\$34.95	1%	1%
Jackson Hewitt free Basic	\$29.95	1%	0%
Tax\$imple Free Basic	\$24.95	0%	0%
Other		9%	8%
Total Respondents		245	245

6590713.1

3. Paid Federal/No State.

Paid Fed/No State	PRICE	All Options	One Most Likely
TurboTax Basic	\$19.95	35%	29%
I would prepare myself without help		34%	27%
Free TaxUSA Deluxe	\$5.95	14%	13%
An Accountant		10%	9%
H&R Block at Home Basic	\$19.95	9%	4%
TaxSlayer Classic	\$9.95	5%	4%
I would use a product on FFA		3%	2%
complete Tax Deluxe	\$34.95	2%	1%
Jackson Hewitt Deluxe	\$27.95	3%	1%
Tax\$imple Deluxe	\$24.95	0%	0%
Other		11%	10%
Total Respondents		182	182

4. Paid Federal/Paid State.

Paid Fed/Paid State	PRICE	All Options	One Most Likely
I would prepare myself without help		36%	33%
TurboTax Basic	\$56.90	27%	22%
Free TaxUSA Deluxe	\$15.90	20%	16%
TaxSlayer Classic	\$14.90	12%	7%
An Accountant		6%	5%
H&R Block at Home Basic	\$54.90	9%	5%
complete Tax Deluxe	\$69.90	1%	1%
Jackson Hewitt Deluxe	\$57.90	2%	1%
Tax\$imple Deluxe	\$49.90	0%	0%
I would use a product on FFA		2%	1%
Other		9%	8%
Total Respondents		422	422

Regards,



Tina Ruddy
VP/Group Manager

Attachment

TAX ACT STUDY
DR#17119
4/20/2011 – 3:45 P.M. EST

INTRODUCTION

We would like to ask you about your opinions and experiences about different ways to prepare your taxes. There are no right or wrong answers; we value your feedback and opinions. Your responses will be held strictly confidential.

Thank you for your participation.

SCREENING

[ASK ALL]

QA. Which of the following statements best describes your level of involvement in the preparation of your income taxes? Would you say you...? **(Select one answer)**

1. Do all of the income tax preparation for your household
2. Share equally in the income tax preparation for your household
3. Do very little or no income tax preparation for your household **(THANK AND TERMINATE)**

QB. Have you prepared your taxes this year, meaning the tax return that was due April 18, 2011, for income earned in 2010 using TaxACT? **(Select one answer)**

1. Yes
2. No -- **TERMINATE**

QC. Omitted

QD. What version of TaxACT tax preparation did you use for your **federal** 2010 tax return? **(Select one answer)**

- 01 TaxACT Free Edition
- 02 TaxACT Deluxe
- 03 TaxACT Ultimate Bundle (Deluxe + State)
- 99 Don't know -- **TERMINATE**

QE. Did you file a **state** tax return through TaxACT this year for income earned in 2010? **(Select one answer)**

1. Yes
2. No

PRICING SECTION

(ASK Q.1A-1B IF Q.D=01 AND Q.E=2.)

1A. If you had become dissatisfied with TaxACT's price, functionality or quality, which of these products or services would you have considered using to prepare your federal taxes? *(Please select all that apply)*

- a. An accountant (Please Specify:)
- b. CompleteTax Free Basic – Some limitations apply \$0
- c. FreeTaxUSA Free Edition \$0
- d. H&R Block at Home Free Edition - Some limitations apply \$0
- e. Jackson Hewitt Free Basic - Some limitations apply \$0
- f. Tax\$imple Free Basic - Some limitations apply \$0
- g. TaxSlayer Free Edition - Some limitations apply \$0
- h. TurboTax Free Edition - Some limitations apply \$0
- i. I would use a product offered through the IRS's FFA website (Please Specify Company:)
- j. I would prepare taxes myself without help
- k. Other (Please Specify:)

(ASK Q.1B FOR ALL RESPONSES SELECTED AT Q.1A. IF ONLY ONE ITEM SELECTED AT Q.1A, AUTOMARK.)

1B. Below is the list of choices that you selected from the preceding question. Which one of these would you be most likely to select to prepare your taxes if you had become dissatisfied with TaxACT's price, functionality or quality? *(Select one answer)*

(ASK Q.2A-2B IF Q.D=02 OR 03 AND Q.E=2.)

2A. If you had become dissatisfied with TaxACT's price, functionality or quality, which of these products or services would you have considered using to prepare your federal taxes? *(Please select all that apply)*

- a. An accountant (Please Specify:)
- b. CompleteTax Deluxe \$34.95
- c. FreeTaxUSA Deluxe \$5.95
- d. H&R Block at Home Basic \$19.95
- e. Jackson Hewitt Deluxe \$27.95
- f. Tax\$imple Deluxe \$24.95
- g. TaxSlayer Classic \$9.95
- h. TurboTax Basic \$19.95
- i. I would use a product offered through the IRS's FFA website (Please Specify Company:)
- j. I would prepare taxes myself without help
- k. Other (Please Specify:)

(ASK Q.2B FOR ALL RESPONSES SELECTED AT Q.2A. IF ONLY ONE ITEM SELECTED AT Q.2A, AUTOMARK.)

2B. Below is the list of choices that you selected from the preceding question. Which one of these would you be most likely to select to prepare your taxes if you were to become dissatisfied with TaxACT's price, functionality or quality? *(Select one answer)*

(ASK Q.3A-3B IF Q.D=01 AND Q.E=01.)

6590722.1

TaxAct Study

4/20/2011

3A. If you had become dissatisfied with TaxACT's price, functionality or quality, which of these products or services would you have considered using to prepare your federal and state taxes?
(Please select all that apply)

- a. An accountant (Please Specify:)
- b. CompleteTax Free Basic– Some limitations apply to federal \$34.95
- c. FreeTaxUSA Free Edition \$9.95
- d. H&R Block at Home Free Edition– Some limitations apply to federal \$27.95
- e. Jackson Hewitt Free Basic – Some limitations apply to federal \$29.95
- f. TaxSimple Free Basic – Some limitations apply to federal \$24.95
- g. TaxSlayer Free Edition – Some limitations apply to federal \$14.90
- h. TurboTax Free Edition– Some limitations apply to federal \$27.95
- i. I would use a product offered through the IRS's FFA website (Please Specify Company:)
- j. I would prepare taxes myself without help
- k. Other (Please Specify:)

(ASK Q.3B FOR ALL RESPONSES SELECTED AT Q.3A. IF ONLY ONE ITEM SELECTED AT Q.3A, AUTOMARK.)

3B. Below is the list of choices that you selected from the preceding question. Which one of these would you be most likely to select to prepare your taxes if you had become dissatisfied with TaxACT's price, functionality or quality? (Select one answer)

(ASK Q.4A-4B IF Q.D=02 OR 03 AND Q.E=1.)

4A. If you had become dissatisfied with TaxACT's price, functionality or quality, which of these products or services would you have considered using to prepare your federal and state taxes?
(Please select all that apply)

- a. An accountant (Please Specify:)
- b. CompleteTax Deluxe \$69.90
- c. FreeTaxUSA Deluxe \$15.90
- d. H&R Block at Home Basic \$54.90
- e. Jackson Hewitt Deluxe \$57.90
- f. TaxSimple Deluxe \$49.90
- g. TaxSlayer Classic \$14.90
- h. TurboTax Basic \$56.90
- i. I would use a product offered through the IRS's FFA website (Please Specify Company:)
- j. I would prepare taxes myself without help
- k. Other (Please Specify:)

(ASK Q.4B FOR ALL RESPONSES SELECTED AT Q.4A. IF ONLY ONE ITEM SELECTED AT Q.4A, AUTOMARK.)

4B. Below is the list of choices that you selected from the preceding question. Which one of these would you be most likely to select to prepare your taxes if you had become dissatisfied with TaxACT's price, functionality or quality? (Select one answer)

Thank you for your time. We appreciate your input. Have a nice day!