

**DX0364**

Prepared at Request of Counsel

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, 46,899<sup>1</sup> 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 of response for the Paid Fed/No State category. 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)**<sup>2</sup>*

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

<sup>1</sup> Of the 46,899 emails sent, 46,129 emails were received and 770 emails bounced.

<sup>2</sup> The full text of the survey is appended to this document.

## Findings

### 1. Free Federal/No State

<b>Free Fed/No State</b>	<b>PRICE</b>	<b>All Options</b>	<b>One Most Likely</b>
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%
<b>Total Respondents</b>		<b>240</b>	<b>240</b>

### 2. Free Federal/Paid State.

<b>Free Fed/Paid State</b>	<b>PRICE</b>	<b>All Options</b>	<b>One Most Likely</b>
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%
<b>Total Respondents</b>		<b>245</b>	<b>245</b>

## 3. Paid Federal/No State.

<b>Paid Fed/No State</b>	<b>PRICE</b>	<b>All Options</b>	<b>One Most Likely</b>
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 complete Tax Deluxe	\$34.95	3%	2%
Jackson Hewitt Deluxe	\$27.95	2%	1%
TaxSimple Deluxe	\$24.95	3%	1%
Other		0%	0%
<b>Total Respondents</b>		<b>11%</b>	<b>10%</b>
		<b>182</b>	<b>182</b>

## 4. Paid Federal/Paid State.

<b>Paid Fed/Paid State</b>	<b>PRICE</b>	<b>All Options</b>	<b>One Most Likely</b>
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 complete Tax Deluxe	\$54.90	9%	5%
Jackson Hewitt Deluxe	\$69.90	1%	1%
TaxSimple Deluxe	\$57.90	2%	1%
I would use a product on FFA	\$49.90	0%	0%
Other		2%	1%
<b>Total Respondents</b>		<b>9%</b>	<b>8%</b>
		<b>422</b>	<b>422</b>

Regards,



Tina Ruddy  
VP/Group Manager

Attachment