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THREE OUT OF FOUR CANADIANS FAIL THE H&R BLOCK TAX QUIZ

Lack of tax knowledge could mean missed credits and money left on the table

Calgary, AB –February 14, 2011 – Canadians may be leaving money on the table at tax time because they do not have a good understanding of what can be claimed on their tax returns. Less than 25 per cent of Canadians provided the right answers when asked questions about their tax returns, according to a recent survey by Leger Marketing for H&R Block Canada.

“No matter how you decide to prepare your tax return, you need an understanding of which credits and deductions you can claim and how to report them accurately,” says Cleo Hamel, senior tax analyst, H&R Block Canada. “No one wants to pay the government more tax than absolutely necessary, so Canadians should make sure their return includes all their deductions and credits.”

Tax Quiz failings include:

- 82% of Canadians do not know how much a \$1,000 RRSP contribution would save them in federal tax, assuming a taxable income of \$50,000.
- Six out of 10 Canadians with children in the household are unaware that the lower-income spouse claims the childcare expenses.
- 40% of married or common-law Canadians do not realize that they each need to file their own return, with the other spouse’s information included.
- Only a quarter of Canadians answered correctly that they should file an Alberta return if they moved from Ontario to Alberta in June 2010 to take a new job.
- Three in four Canadians with children in the household do not realize that they are not entitled to claim any tuition or education credits unless their child transfers them.
- Only 27% of Canadians correctly said that healthcare premiums paid to the group plan at work are a medical expense.

“Medical expenses are reduced by a percentage of your net income, so the more receipts you have, the greater chance you will be able to claim them,” explains Hamel. “Healthcare premiums paid to a group plan and travel medical insurance are both considered medical expenses, so they can add to your totals. But you need to know you can claim them first.

“If you think you have missed a deduction or credit, you can have a free Second LookSM. An H&R Block tax professional will review your previous returns for free to ensure you claimed everything you are entitled to. If you missed something, we can help you file an adjustment to fix the error.”

The survey was completed on-line from January 24th, 2011 to January 27th, 2011 using Leger Marketing’s online panel, *LegerWeb*, with a sample of 1,525 Canadians, 18 years of age or older.

A probability sample of the same size would yield a margin of error of +/- 2.5%.

About H&R Block Canada

H&R Block Canada has been preparing taxes for more than 45 years and is Canada’s leading tax preparation firm. Headquartered in Calgary, Alberta, the company serves Canadian taxpayers in more than 1,100 offices across the country. H&R Block Canada Inc. is a subsidiary of H&R Block, Inc., a diversified company with subsidiaries providing a wide range of financial products and services. Additional information about H&R Block Canada is available at 1-800-HRBLOCK or visit www.hrblock.ca for more tax tips.

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