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**FREE FILE ALLIANCE ANNOUNCES 2007 LAUNCH – FIFTH YEAR OF FREE
TAX PREPARATION SERVICES SERVING AMERICAN TAXPAYERS**

**Incorporates Further Consumer Protections, Including Elimination of Refund
Anticipation Loans (RALs)**

WASHINGTON, DC (January 16, 2007) – The Free File Alliance (www.freefilealliance.com), a voluntary coalition of private sector tax software preparation companies that have a landmark public-private partnership with the Internal Revenue Service to provide free tax preparation services to millions of Americans, announced today that it is beginning its fifth year of operation for the 2007 tax season.

"This public-private partnership has allowed more than 15.4 million taxpayers, most with low and moderate incomes, to file tax returns at no charge over the last four years," said Tim Hugo, the executive director of the Free File Alliance. "This program includes 20 innovative private sector tax preparation companies which provide critical assistance to taxpayers at no charge."

Through the Free File Alliance, the tax software industry will make free services available to 70% of American taxpayers in 2007, including all 95 million taxpayers with an AGI of \$52,000 or less. Taxpayers who would like to take advantage of the program can find the Free File program on the Internal Revenue Service website, www.irs.gov or may go to www.freefilealliance.com. On irs.gov, taxpayers can find the offers made by industry participants and choose the offer that fits their needs. The taxpayer is then transferred to the company's website to prepare and electronic file their taxes.

"The Free File Alliance takes very seriously our commitment to providing free tax preparation services to millions of American taxpayers, particularly those with low and moderate incomes," said Hugo. "Part of that commitment is our pledge to incorporate the latest and best consumer protections, into the Free File taxpayer services. We worked closely with the IRS this year to make the Free File program services as simple, easy to use, and consumer-friendly as possible for the American taxpayer."

The Free File Alliance companies have worked with the IRS every year to improve the program and adhere to a series of consumer-friendly "best practices." Changes made this year include elimination of refund anticipations loans (RALs) and other commercial products from the Free File program.



"This unique partnership between government and private sector companies provides very real and significant benefits to poor and disadvantaged taxpayers," said the Alliance's lawyer Stephen Ryan of McDermott, Will and Emery. "It also keeps government out of tax preparation, protecting taxpayer privacy and promoting private sector innovation and competition."

Earlier this year, taxpayers responding to an IRS survey reported an overwhelming level of satisfaction with the program.

According to the survey, 94 percent said they intend to use Free File again next year, 94 percent said they found Free File very easy or somewhat easy to use and 97 percent said they would recommend Free File to others. Convenience, not the free cost, was the most appealing factor of Free File.

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