

**Send a friend to us. We'll thank you both with cash!**  
**\$5 for you. \$10 for your friend!**

Easy-to-follow instructions:

1. Give one of the forms below to a friend and make copies to refer more friends.\*
2. Have your friend go online to [hrblock.com/friend](http://hrblock.com/friend) to prepare his taxes.
3. For each friend you refer who files his taxes through H&R Block, we'll send both of you a check.

Thanks for choosing H&R Block and referring your friends.

**Act today and get paid!**

\*Refer a Friend Terms and Conditions: For each person you refer to H&R Block that is a new H&R Block customer and purchases qualifying online products or services between 1/1/2005 and 4/15/2005 using your unique Web address provided to you by H&R Block, you and your referred person are eligible to receive awards as follows: \$5.00 to you and \$10.00 to your friend when that friend purchases H&R Block's do-it-yourself Young Adult, Standard or Premium tax preparation service; or \$10.00 to you and \$20.00 to your friend when that friend purchases either H&R Block's Signature or Online Drop-off tax preparation service. You are limited to five referrals total (a maximum of \$50.00), and you will receive only one referral award per federal tax return prepared using H&R Block that you refer. Offer valid only for new H&R Block referrals and not for any person that used H&R Block online or office tax preparation software or services for their prior year tax return. Checks for the award amounts will be mailed to you approximately 6 weeks after 4/15/2005. This offer may not be combined with any other gift or referral offer. H&R Block associates are not eligible to receive referral awards. Valid only in the United States. Offer expires 4/15/2005.



**H&R BLOCK®**

**Do your taxes online with H&R Block.**

**As a new online client you'll get \$10! Your friend who gave you this form will get \$5!**

**Do It Yourself**

1. Visit [hrblock.com/friend](http://hrblock.com/friend).
2. Choose your online tax program.
3. File your taxes through [hrblock.com/friend](http://hrblock.com/friend) and **get paid!**

**Please mail \$5 to:**

CYNAN D DE LEON  
325 LAKECHIME DRIVE  
SUNNYVALE  
CA 94089

**Your Tax Pro:**

Client ID F4E20907717D445B91E3EC0AA6B653E0

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prepared for:  
**CYNAN D. DE LEON**

date prepared:  
03/30/2005

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## Today's Savings

- In simple terms, the Marginal Tax Rate is the tax rate you pay on your last dollar of taxable income. It's the highest federal tax bracket that affects your tax calculation. The Effective Tax Rate is the percentage of your total income that you paid in taxes. For 2004, your Marginal Tax Rate is 15% and your Effective Tax Rate is 8%.

## Filing, Refund and Balance Due Information

<b>Tax Return</b>	<b>efile / Mail To</b>	<b>Refund / (Balance Due)</b>	<b>Summary</b>	
Federal	See the Filing Checklist for mailing instructions.	(\$308.00)	Refund/(Bal Due)	(\$308.00)

## Looking Ahead - Opportunities and Advice

- **Save Regularly:**

You don't need to build a big nest egg all at once. Most banks and financial institutions offer automatic savings programs, and many employers offer automatic payroll deductions to fund a savings account. Such programs are an easy way to get started because they let you automatically save as little as \$25 a month.

- **Save for retirement or a home with a Roth IRA:** You may want to consider opening a Roth IRA (Individual Retirement Arrangement), in which you can contribute up to \$4,000 (\$4,500 if age 50 or older) for the 2005 tax year. Unlike traditional IRA contributions, Roth contributions aren't tax deductible, but you can make qualified withdrawals of your contributions without paying taxes or penalties. (Non-qualified withdrawals of earnings will be subject to penalty and tax.) After the account has been funded for at least five years, you may be able to make a qualified withdrawal of up to \$10,000 tax-and-penalty free (lifetime limit) from a Roth IRA for the purchase of a first home. Make sure you understand all the qualification restrictions before opening a Roth IRA. If you would like to open a Roth IRA, contact your financial institution. If you would like more information about how to buy a home, contact a lender or call H&R Block Mortgage's First-Time Homebuyer Program at 1-866-30-HOME-1..

- **Start Saving Now:**

The sooner you start saving, the more time you'll have for your nest egg to grow. If you set aside just \$50 each month at an interest rate of 4%, you would have nearly \$3,400 after five years. Keep doing this for 25 years, and you'll have nearly \$26,000. Put the same money aside in a tax-deferred account such as an IRA, and you'll get even more bang for your bucks.

- **A dependent doesn't have to be a child or relative:**

You can claim anyone who lives in your home, has less than \$3,200 in income from taxable sources, and receives at least 50% of his or her support from you. If a dependent is related to you (by blood, marriage or adoption), he or she doesn't even have to live with you.

- **Paying the minimum on credit cards can cost you:**

Paying the minimum balance on your credit card each month costs more than you think. If you have a \$1,000 balance with a credit card that charges 18%, it will take over 7.5 years to pay off if you make \$20 payments each month. It will cost you over \$800 in interest. Pay just \$30 more than the minimum due each month, and it will only take four years and cost \$310 in interest. If you need help, you may contact the National Foundation for Credit Counseling at <http://www.nfcc.org> or by calling 1-800-388-2227.

- **Check on inheritance taxes:**

If you inherit money or property from someone's estate, your inheritance is generally free of taxes. However, you may be taxed on funds you inherit from a traditional IRA or a 401(k). If you inherit a home and sell it, only the difference between the value when you inherited it and when you sold it is taxable. Any gain before you inherited it is not taxed. You may need to talk with a financial or tax advisor to find out which part of your inheritance, if any, is subject to federal or state taxes.

- **Keep Track of Your Charitable Contributions:**

Even though you didn't itemize your deductions this year-and might not next year-it could pay to keep track of your cash and non-cash contributions to charity. That's because Congress is considering a new tax rule that will let every taxpayer take a tax deduction for charitable donations-even if you don't itemize your deductions. If that does become law, you'll be glad you kept track of what you gave to charity.

For more information about tax, mortgage and financial services call 1-800-HRBLOCK or visit [hrblock.com](http://hrblock.com).

## Looking Ahead - Occupation Advice

**Cynan, you've told us that you are a Student. Here are some things you should consider that might help you save on your taxes and plan your finances. (If you are not self-employed, only business expenses that exceed the limits described below may be deductible.)**

- Scholarships you receive are sometimes taxable and sometimes not - it depends on how you use the scholarship funds.
  - Amounts used for tuition, books, and required fees are not taxable
  - Amounts used for room and board are taxable
  - Fellowship amounts and amounts you receive for services performed (under a work-study program, for example) are taxable as wages
- Have you taken out student loans that you're personally required to repay? The interest on these loans is deductible whether you itemize or not if you meet certain tests:
  - Your filing status is any filing status except married filing separately
  - No one else claims an exemption for you on his or her tax return
  - You used the loan only to pay tuition, fees, room and board or other necessary expenses
  - The education expenses were paid or incurred within a reasonable period of time before or after the loan
  - You were enrolled at least half-time in a program leading to a degree, certificate, or other recognized educational credential
- Interested in claiming the Hope or lifetime learning credit or the tuition and fees deduction? As long as no one else claims an exemption for you on his or her return, you can claim such tax benefits for tuition and fees you paid from your own funds, including the proceeds of loans you're required to repay yourself.
- If you're hiring yourself out to type research papers, tutor other students, etc., you're considered to be self-employed as well as being a student. If so, keep track of any and all expenses associated with these jobs - the expenses are usually deductible directly against the income you're receiving.
- Self-employed or not, if you're working in addition to going to school, you're eligible to contribute to an IRA on your own behalf. There are two types of IRAs, each of which has its own rules and benefits:
  - If you don't participate in a retirement plan at work other than Social Security or railroad retirement, you can contribute to a traditional IRA and deduct all of your contributions - no matter how much money you earn! Funds will be taxed when you take withdrawals from the account
  - Contributions to a Roth IRA aren't deductible, but you can withdraw those contributions at any time, for any reason, without penalty. And if you've had the account for more than five years, you can take qualified withdrawals without paying tax on the earnings you withdrawWe encourage you to contribute to your retirement right now - maybe even before you've gotten your first real job - because the sooner you start saving, the longer your savings have to grow.
- You may be able to claim your education expenses as a business deduction, provided the expenses:
  - Maintain or improve skills required for your present work
  - Meet a requirement of your employer or the law to keep your salary, status or job
  - Serve a business purpose of your employer
- Getting ready to join the full-time workforce or use your education at a different job? If you're looking for a job in your current occupation (summer internships count!), you may be able to deduct your out-of-pocket costs for resume writing and printing, traveling to interviews, postage to mail resumes, long-distance telephone calls and other costs of finding and landing your new job.

**An H&R Block tax professional is available year-round to provide you with information about these opportunities.**

For more information about tax, mortgage and financial services call 1-800-HRBLOCK or visit [hrblock.com](http://hrblock.com).

This H&R Block Advantage document provides suggestions that may help you improve your tax and financial situation. Its contents should be considered in conjunction with information you receive from other sources that are familiar with your specific circumstances.

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## 2004 Tax Return Summary

### Federal Year over Year Comparison

<b>INCOME</b>	<b>Year 2004</b>	<b>Year 2003</b>	<b>Change(\$)</b>
Wages, salaries, tips	\$23,236	\$13,846	\$9,390
Total income	\$23,236	\$13,846	\$9,390
<b>ADJUSTED GROSS INCOME</b>			
Total income less total adjustments	\$23,236	\$13,846	\$9,390
<b>TAXABLE INCOME</b>			
Standard deductions	\$4,850	\$4,750	\$100
Exemptions	\$3,100	\$3,050	\$50
Taxable income	\$15,286	\$6,046	\$9,240
<b>TAX COMPUTATION</b>			
Income tax	\$1,934	\$603	\$1,331
Tax before credits	\$1,934	\$603	\$1,331
<b>OTHER TAXES</b>			
Total tax	\$1,934	\$603	\$1,331
<b>PAYMENTS</b>			
Federal withholding	\$1,626	\$1,038	\$588
Total payments	\$1,626	\$1,038	\$588
<b>REFUND</b>			
Overpayment	\$0	\$435	(\$435)
Refund due	\$0	\$435	(\$435)
<b>AMOUNT DUE</b>			
Amount owed with return	\$308	\$0	\$308
<b>OTHER COMPUTATIONS</b>			
Alternative minimum taxable income	\$23,236	\$13,846	\$9,390
Marginal tax bracket	15%	10%	
Effective tax bracket	8%		
Filing status	Single	Single	

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## Client Services

Name	Date of Birth	SSN	Relationship	Number of Months Supported
CYNAN D. DE LEON	March 31, 1978	613-07-3860	SELF	N/A

For more information about tax, mortgage and financial services call 1-800-HRBLOCK or visit [hrblock.com](http://hrblock.com).

This checklist has been customized for you based on the method you're using to file your 2004 tax return. The statements below are designed to help guide you through the steps you will take to file your return.

## filing checklist for your 2004 federal tax return

Prepared On: 03/30/2005

Return Prepared: 1040EZ

### quick summary

Gross Income .....	\$	<u>23,236</u>	Total Tax .....	\$	<u>1,934</u>
Adjusted Gross Income .....	\$	<u>23,236</u>	Total Payments .....	\$	<u>1,626</u>
Total Deductions .....	\$	<u>7,950</u>	Refund Amount .....	\$	<u>0</u>
Total Taxable Income .....	\$	<u>15,286</u>	Amount You Owe .....	\$	<u>308</u>

### to file your 2004 federal tax return, simply follow these instructions

STEP 1 - Once your e-filed return has been accepted, you will receive an e-mail

STEP 2 - Print and sign Form 8453-OL

When your e-mail arrives, log back in to your account with your username and click the link on the main menu to check your e-file status. Follow the instructions in the program to complete any necessary steps. From the E-file status page, print and sign Form 8453-OL. You also need to print any attachments to your federal return that will be mailed with Form 8453-OL.

STEP 3 - Mail your signed form(s) within 48 hours after you receive notification that the IRS has accepted your return

Mail Form 8453-OL to this address:

Internal Revenue Service  
 Receipt and Control Branch  
 Attn: Shipping and Receiving, 0254  
 Austin, TX 73344-0254

Retain the proof of mailing to avoid a late filing penalty.

We recommend you use this method to send your 8453-OL:

- U.S. Postal Service certified mail

STEP 4 - Keep a copy

Print a copy of the return for your records.

Please attach a copy of each W-2, W-2G, 1099G and 1099R to your return.

CONTINUED ON NEXT PAGE

This checklist has been customized for you based on the method you're using to file your 2004 tax return. The statements below are designed to help guide you through the steps you will take to file your return.

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**filing checklist continued****STEP 5 - Pay the balance due on your taxes**

Make your check or money order for \$308 payable to the United States Treasury. Do not send cash.

Write the following on your check or money order:

2004 Form 1040EZ

CYNAN D DE LEON's name and address

CYNAN D DE LEON's daytime phone number

CYNAN D DE LEON's Social Security Number

Mail your check or money order along with the Form 1040-V voucher to the address below by April 15, 2005. Do not staple or otherwise attach the payment to the voucher. Instead, just place it loose in the envelope with the Form 1040-V voucher.

Internal Revenue Service Center  
Fresno, CA 93888-0102



Label (See page 11.) Use the IRS label. Otherwise, please print or type.

CYNAN D DE LEON
325 LAKECHIME DRIVE
SUNNYVALE, CA 94089

Your social security number 613-07-3860
Spouse's social security no.

Important! You must enter your SSN(s) above.

Presidential Election Campaign (page 11)

Note. Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if a joint return, want \$3 to go to this fund? Yes No X

Income Attach Form(s) W-2 here.

Table with 4 columns: Line number, Description, You, Spouse. Rows include Wages, salaries, and tips; Taxable interest; Unemployment compensation; Adjusted gross income; Parents claim; Taxable income; Federal income tax withheld; Earned income credit; Total payments; Tax.

Note. You must check Yes or No.

Payments and tax

Refund

Have it directly deposited! See page 18 and fill in 11b, 11c, and 11d.

Form for Refund (Line 11) including routing number, account number, and type (Checking/Savings).

Amount you owe

12 If line 10 is larger than line 9, subtract line 9 from line 10. This is the amount you owe. For details on how to pay, see page 19. 308.

Third party designee

Form for Third party designee including name, phone number, and PIN.

Sign here

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and accurately lists all amounts and sources of income I received during the tax year.

Joint return? See page 11.

Signature section for taxpayer and spouse, including occupation (STUDENT) and daytime phone number.

Keep a copy for your records.

Paid preparer's use only

Form for Paid preparer's use only including signature, date, EIN, and phone number.

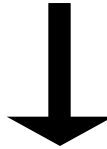
2004

Form 1040-V



Department of the Treasury  
Internal Revenue Service

Detach Coupon Below  
Before Mailing



Mail payment voucher to:

Internal Revenue Service  
Fresno, CA  
93888-0102

▼ Detach Here and Mail With Your Payment and Return ▼

Form 1040-V (2004)

FORM

1040-V

Department of the Treasury  
Internal Revenue Service (99)

Payment Voucher

OMB No. 1545-0074

2004

▶ Do not staple or attach this voucher to your payment or return.

1 Your social security number (SSN) <b>613-07-3860</b>	2 If a joint return, SSN shown second on your return	3 Amount you are paying by check or money order <b>308.</b>	Dollars
4 Your first name and initial <b>CYNAN D</b>		Last name <b>DE LEON</b>	
If a joint return, spouse's first name and initial		Last name	
Home address (number and street) <b>325 LAKECHIME DRIVE</b>			Apt. no.
City, town or post office, state, and ZIP code <b>SUNNYVALE, CA 94089</b>			

KBA