

HB 1251 - DIGEST

(SUBSTITUTED FOR - SEE 1ST SUB)

Requires that, at the time a borrower applies for a refund anticipation loan, a facilitator shall clearly disclose to the borrower, separately from the loan application: (1) The refund anticipation loan fee schedule;

(2) A written statement containing the following elements: (a) That a refund anticipation loan is a loan, and is not the borrower's actual income tax refund; (b) that the taxpayer can file an income tax return electronically without applying for a refund anticipation loan; (c) the average times according to the internal revenue service within which a taxpayer who does not obtain a refund anticipation loan can expect to receive a refund if the taxpayer's return is (i) filed electronically and the refund is directly deposited to the taxpayer's bank account or mailed to the taxpayer, and (ii) mailed to the internal revenue service and the refund is directly deposited to the taxpayer's bank account or mailed to the taxpayer; (d) that the internal revenue service does not guarantee that it will pay the full amount of the anticipated refund and it does not guarantee a specific date that a refund will be deposited into a taxpayer's financial institution account or mailed to a taxpayer; (e) that the borrower is responsible for repayment of the loan and related fees in the event that the tax refund is not paid or paid in full; (f) the estimated time within which the loan proceeds will be paid to the borrower if the loan is approved; and (g) the fee that will be charged, if any, if the borrower's loan is not approved.

Declares that any person who knowingly and willfully violates this act is guilty of a misdemeanor and shall be fined up to five hundred dollars for each offense.

Declares that this act shall preempt and be exclusive of all local acts, statutes, ordinances, and regulations relating to refund anticipation loans. This act shall be given retroactive and prospective effect.