

1 AN ACT

2 To enact Chapter 2-B of Code Title XII of Code Book III of Title 9 of the Louisiana Revised  
3 Statutes of 1950, to be comprised of R.S. 9:3579.1 through 3579.4, relative to the  
4 Louisiana Tax Refund Anticipation Loan Act; to provide for restrictions; to provide  
5 for registration; to provide for disclosure; to provide for powers of the commissioner  
6 of financial institutions; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Chapter 2-B of Code Title XII of Code Book III of Title 9 of the  
9 Louisiana Revised Statutes of 1950, to be comprised of R.S. 9:3579.1 through 3579.4, is  
10 hereby enacted to read as follows:

11 **CHAPTER 2-B. LOUISIANA TAX REFUND ANTICIPATION LOAN ACT**

12 **§3579.1. Short title**

13 **This Chapter shall be known and may be cited as the "Louisiana Tax**  
14 **Refund Anticipation Loan Act".**

15 **§3579.2. Definitions**

16 **(1) "Borrower" means an individual who receives the proceeds of a**  
17 **refund anticipation loan.**

18 **(2) "Facilitator" means a person who, for compensation from a borrower**  
19 **or any other person, assists the borrower in applying for or obtaining a refund**  
20 **anticipation loan. "Facilitator" does not include a lender that makes a refund**  
21 **anticipation loan, an affiliate that is a servicer for such a lender, or any person**  
22 **who does not have direct contact with a borrower in connection with applying**  
23 **for or obtaining a refund anticipation loan. For the purposes of this Chapter,**  
24 **a "facilitator" shall also mean the individual or entity that signs the tax return**  
25 **on which the refund anticipation loan is based.**

26 **(3) "Lender" means a person who extends credit to a borrower in the**  
27 **form of a refund anticipation loan.**

1           (4) "Refund anticipation loan" means a loan obtained by a taxpayer  
 2           based on the taxpayer's anticipated federal income tax refund.

3           (5) "Refund anticipation loan fee" means a fee imposed or other  
 4           consideration required by the facilitator or the lender for a refund anticipation  
 5           loan. The term does not include a fee usually imposed or other consideration  
 6           usually required by the facilitator in the ordinary course of business for services  
 7           not related to the making of loans, including a fee imposed for tax return  
 8           preparation or for the electronic filing of a tax return.

9           §3579.3. Restriction on acting as facilitator

10           A. A person may not, individually or in conjunction or cooperation with  
 11           another person, act as a facilitator unless he complies with all of the following  
 12           requirements:

13           (1) Is engaged in the business of preparing tax returns, or employed by  
 14           a person engaged in the business of preparing tax returns.

15           (2) Is primarily involved in financial services or tax preparations.

16           (3) Is authorized by the Internal Revenue Service as an e-file provider.

17           B. This Chapter shall not apply to any of the following entities:

18           (1) Federally insured financial institution.

19           (2) An affiliate that is a servicer of an entity described in Paragraph (1)  
 20           of this Subsection, operating under the name of that entity.

21           (3) Any person or entity that acts solely as an intermediary and does not  
 22           interact directly with a taxpayer in the making of the refund anticipation loan.

23           §3579.4. Disclosure requirements

24           A. A facilitator shall discuss with and clearly disclose to a borrower,  
 25           after the borrower's tax return has been prepared and before the loan is closed,  
 26           all of the following items:

27           (1) The refund anticipation loan fee schedule.

28           (2) A written statement disclosing all of the following items:

29           (a) That a refund anticipation loan is a loan and is not the borrower's  
 30           actual income tax refund.

1           **(b) That the taxpayer may file an income tax return electronically**  
 2           **without applying for a refund anticipation loan.**

3           **(c) That the borrower is responsible for repayment of the loan and**  
 4           **related fees if the tax refund is not paid or is insufficient to repay the loan.**

5           **(d) Any fee that will be charged if the loan is not approved.**

6           **(e) The average time, as published by the Internal Revenue Service,**  
 7           **within which a taxpayer can expect to receive a refund for an income tax return**  
 8           **filed by either of the following methods:**

9           **(i) Electronically, and the refund is delivered by either of the following**  
 10           **methods:**

11           **(aa) Deposited directly into the taxpayer's bank account.**

12           **(bb) Mailed to the taxpayer.**

13           **(ii) By mail, and the refund is delivered by either of the following**  
 14           **methods:**

15           **(aa) Deposited directly into the taxpayer's financial institution account.**

16           **(bb) Mailed to the taxpayer.**

17           **(f) That the Internal Revenue Service does not make either of the**  
 18           **following guarantees:**

19           **(i) Payment of the full amount of the anticipated refund.**

20           **(ii) A specific date on which it will mail a refund or deposit the refund**  
 21           **into a taxpayer's financial institution account.**

22           **(g) The estimated time within which the proceeds of the refund**  
 23           **anticipation loan will be paid to the borrower if the loan is approved.**

24           **(3) All of the following information, specific to the borrower:**

25           **(a) The estimated total fees for the loan.**

26           **(b) The estimated annual percentage rate for the loan, calculated using**  
 27           **the guidelines established under the Truth in Lending Act, 15 U.S.C. 1601 et**  
 28           **seq.**

29           **B. A refund anticipation loan fee schedule required by Paragraph (A)(1)**  
 30           **of this Section, shall be a listing or table of refund anticipation loan fees charged**

1 by the lender for refund anticipation loan amounts. The schedule shall include  
2 all of the following:

3 (1) Each fee imposed related to the making of a refund anticipation loan  
4 listed separately.

5 (2) The total amount of fees imposed related to the making of a refund  
6 anticipation loan.

7 (3) For each stated loan amount, the estimated annual percentage rate  
8 for the loan, calculated using the guidelines established under the Truth in  
9 Lending Act, 15 U.S.C. 1601 et seq.

10 C. Tax preparers who facilitate refund anticipation loans shall post the  
11 schedule of fees imposed by the facilitator for making refund anticipation loans  
12 in a conspicuous manner at the tax preparer's location.

13 Section 2. This Act shall become effective on January 1, 2011.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_