



General Assembly

***Raised Bill No. 476***

*February Session, 2004*

LCO No. 1940

\* \_\_\_\_\_SB00476GL\_\_\_\_\_030504\_\_\_\_\_\*

Referred to Committee on General Law

Introduced by:  
(GL)

***AN ACT CONCERNING INCOME TAX REFUND LOAN DISCLOSURES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2004*) (a) As used in this  
2 section:

3 (1) "Client" means an individual for whom a tax preparer performs  
4 or agrees to perform tax preparation services.

5 (2) "Refund anticipation loan" means a loan by a tax preparer in  
6 anticipation of and whose payment is secured by a client's state or  
7 federal income tax refund, or both.

8 (3) "Tax preparation services" means services provided for a fee or  
9 other consideration to a client including, but not limited to, (A)  
10 assisting with preparing or filing state or federal individual income tax  
11 returns, (B) assuming final responsibility for completed work on an  
12 individual income tax return on which preliminary work has been  
13 done by another, or (C) offering refund anticipation loans.

14 (4) "Tax preparer" means a person providing tax preparation  
15 services.

16 (b) Any tax preparer offering a refund anticipation loan to a client  
17 shall provide to such client a disclosure form, in duplicate, captioned  
18 "REFUND ANTICIPATION LOAN DISCLOSURE" that shall contain  
19 in fourteen point boldface type the following information:

20 "1. THIS IS A LOAN.

21 2. THE ANNUAL PERCENTAGE RATE, BASED ON THE  
22 ESTIMATED PAYMENT PERIOD, IS \_\_\_\_ .

23 3. YOUR TAX REFUND WILL BE USED TO REPAY THE LOAN.  
24 AS A RESULT, THE AMOUNT OF YOUR REFUND WILL BE  
25 REDUCED BY THE AMOUNT OF THE LOAN AND AN  
26 ADDITIONAL \_\_\_\_, FOR FEES, INTEREST AND OTHER CHARGES.

27 4. YOU CAN GET YOUR REFUND IN APPROXIMATELY TWO  
28 WEEKS IF YOU FILE YOUR TAX RETURN ELECTRONICALLY AND  
29 THE INTERNAL REVENUE SERVICE OR THE DEPARTMENT OF  
30 REVENUE SERVICES SENDS YOU YOUR REFUND DIRECTLY.

31 5. IF YOU CHOOSE TO TAKE THIS LOAN AND IF YOUR  
32 REFUND IS DELAYED, YOU MAY HAVE TO PAY ADDITIONAL  
33 INTEREST."

34 (c) A violation of this section shall be deemed an unfair or deceptive  
35 trade practice in accordance with the provisions of chapter 735a of the  
36 general statutes.

This act shall take effect as follows:	
Section 1	October 1, 2004

**GL**      *Joint Favorable*