

Author: Nunez Analyst: Rachel Coco Bill Number: AB 843  
 Related Bills: See Prior Analysis Telephone: 845-4328 Amended Date: July 1, 2005  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Tax Preparers/Refund Anticipation Loans

- ANALYSIS NOT REQUIRED of this bill – Not within scope of responsibility of this department.
- TECHNICAL BILL – No program or fiscal changes to existing program.
- BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- TECHNICAL AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.
- MINOR AMENDMENT – No change in previously submitted analysis required.
- MINOR AMENDMENT – No change in approved position of \_\_\_\_\_.  
See Comments below
- OTHER – See comments below.

**COMMENTS:**

This bill would prescribe guidelines to regulate income tax refund anticipation loans (RALs).

The July 1, 2005, amendments removed specific information that was to be provided in writing to a client prior to entering into a RAL. The amendments replaced that language with a requirement that the facilitator provide a written disclosure containing, among other things, the RAL fee schedule, the average amount of time the client could get a refund directly from the IRS, and that the client is responsible for paying back the loan should their refund not be paid in full. The amendments would also require that the facilitator provide the client, in either written or electronic form, a comparison of the costs, fees, and finance charges associated with receiving a refund directly from the IRS or through a RAL.

These amendments would not impact the department’s programs or operations. The department’s analysis of the bill as introduced February 18, 2005, still applies.

Board Position:	Franchise Tax Board Staff	Date
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<input type="checkbox"/> SA	Rachel Coco	7/18/2005
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