



Legislation Text

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Int. No. 254

By Council Members Espinal, Chin, Constantinides, Eugene, Levine, Mendez, Rose, Cohen and Rosenthal

A Local Law to amend the administrative code of the city of New York, in relation to disclosing information related to refund anticipation loans in the top six languages spoken in the city.

Be it enacted by the Council as follows:

Section one. Paragraph two of section 20-274.1 of subchapter eight of chapter five of title twenty of the administrative code of the city of New York is amended to read as follows:

2. Before any taxpayer enters into a refund anticipation loan, the tax preparer facilitating such loan shall provide the following disclosure to the taxpayer in writing, [in English and Spanish] in at least 14-point type[.

In the event that the taxpayer does not understand English or Spanish, the tax preparer shall also provide a point-by-point oral explanation of the following required disclosure in a language understood by the tax payer]:

. YOU ARE NOT REQUIRED TO ENTER INTO THIS REFUND ANTICIPATION LOAN AGREEMENT MERELY BECAUSE YOU HAVE RECEIVED THIS INFORMATION.

. IF YOU DO SIGN A CONTRACT FOR A REFUND ANTICIPATION LOAN, YOU WILL BE TAKING OUT A LOAN. YOU WILL BE RESPONSIBLE FOR REPAYMENT OF THE ENTIRE LOAN AMOUNT AND ALL RELATED COSTS AND FEES, REGARDLESS OF HOW MUCH MONEY YOU ACTUALLY RECEIVE IN YOUR TAX REFUND.

. IF YOU DO NOT TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU ARE ELIGIBLE TO RECEIVE A GROSS TAX REFUND OF APPROXIMATELY \$ (insert amount).

. IF YOU DO TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU WILL BE RESPONSIBLE TO PAY \$ (insert amount) IN FEES FOR THE LOAN. AFTER THESE FEES ARE PAID,

YOU WILL RECEIVE APPROXIMATELY \$ (insert amount) AS YOUR LOAN.

. THE ESTIMATED ANNUAL PERCENTAGE RATE OF YOUR REFUND ANTICIPATION LOAN IS (insert amount) %. THIS IS BASED ON THE ACTUAL AMOUNT OF TIME YOU WILL BE LENT MONEY THROUGH THIS REFUND ANTICIPATION LOAN.

. IF YOU DO TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU CAN EXPECT TO RECEIVE YOUR LOAN WITHIN APPROXIMATELY TWO BUSINESS DAYS OF (insert date).

. IF YOU DO NOT TAKE OUT THIS REFUND ANTICIPATION LOAN, YOU CAN STILL RECEIVE YOUR TAX REFUND QUICKLY. IF YOU FILE YOUR TAX RETURN ELECTRONICALLY AND RECEIVE YOUR TAX REFUND THROUGH THE MAIL, YOU CAN EXPECT TO RECEIVE YOUR REFUND WITHIN APPROXIMATELY TWO BUSINESS DAYS OF (insert date). IF YOU FILE YOUR TAX RETURN ELECTRONICALLY AND HAVE YOUR TAX REFUND DIRECTLY DEPOSITED INTO A BANK ACCOUNT, YOU CAN EXPECT TO RECEIVE YOUR REFUND WITHIN APPROXIMATELY TWO BUSINESS DAYS OF (insert date).

Such written disclosure shall be available to any taxpayer who inquires about a refund anticipation loan. Such disclosure shall be provided in English and in the six most common languages spoken by limited English proficient individuals in the city as determined by the department of city planning. In the event that the taxpayer does not understand English or one of the aforementioned six languages, the tax preparer shall provide the written disclosure in English along with a point-by-point oral explanation of the disclosure in a language understood by the taxpayer. It shall be the obligation of the tax preparer to complete the required disclosure accurately with all relevant information for each taxpayer, to provide the required point-by-point oral explanation when necessary, and to ensure that the completed disclosure form is signed by the taxpayer before he or she enters into a refund anticipation loan.

§ 2. This local law shall take effect one hundred twenty days after its enactment into law; provided, however, that the commissioner shall take any actions necessary prior to such effective date for the

implementation of this local law including, but not limited to, the adoption of any necessary rules.

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