

1993 Assembly Bill 516

Date of enactment: **December 13, 1993**
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1993 WISCONSIN ACT 111

AN ACT to amend 421.301 (20) (g) and 421.301 (20) (h); and to create 421.301 (20) (i), 421.301 (37m), 421.301 (37r) and 422.310 of the statutes, relating to: refund anticipation loans.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 421.301 (20) (g) of the statutes is amended to read:

421.301 (20) (g) Charges or premiums for credit life, accident or health insurance, written in connection with any consumer credit transaction to the extent they are not permitted as additional charges under s. 422.202; and

SECTION 2. 421.301 (20) (h) of the statutes is amended to read:

421.301 (20) (h) Charges or premiums for insurance, written in connection with any action against loss of or damage to property or against liability arising out of the ownership or use of property to the extent they are not permitted as additional charges under s. 422.202; and

SECTION 3. 421.301 (20) (i) of the statutes is created to read:

421.301 (20) (i) Refund anticipation loan fees.

SECTION 4. 421.301 (37m) of the statutes is created to read:

421.301 (37m) "Refund anticipation loan" means an agreement under which a creditor arranges to be repaid for a loan directly from the proceeds of a customer's income tax refund.

SECTION 5. 421.301 (37r) of the statutes is created to read:

421.301 (37r) "Refund anticipation loan fees" include charges, fees or other consideration imposed by a creditor for making a refund anticipation loan. "Refund anticipation loan fees" does not include any charge, fee or other consideration usually imposed by the creditor in

the ordinary course of business for nonloan services, such as fees for tax return preparation or fees for electronic filing of tax returns.

SECTION 6. 422.310 of the statutes is created to read:

422.310 Refund anticipation loans. (1) In addition to any other requirements under this subchapter, a creditor shall disclose all of the following in writing to a customer on a form that is signed by the customer before the customer enters into a refund anticipation loan:

(a) Any refund anticipation loan fees.

(b) Any charge or fee for electronically filing an income tax return.

(c) The total dollar amount of all charges and fees under pars. (a) and (b).

(d) The anticipated length of time, within 2 business days, by which the customer will receive the refund anticipation loan proceeds.

(e) That the customer may electronically file an income tax return without obtaining a refund anticipation loan.

(f) The anticipated length of time within which the customer could reasonably expect to receive a tax refund if the income tax return is filed electronically and the customer does not request a refund anticipation loan.

(g) That the customer is responsible for repayment of the refund anticipation loan and refund anticipation loan fees even if the income tax refund is not paid or is paid in a lower amount than was anticipated.

(h) The estimated annual percentage rate, based on the size of the refund anticipation loan, the refund anticipation loan fees and the anticipated maturity date of the

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refund anticipation loan. The anticipated maturity date shall be the date disclosed under par. (f).

(2) A creditor may not impose a different fee or charge for electronically filing an income tax return on a customer who obtains a refund anticipation loan than the creditor imposes on a customer who does not obtain a refund anticipation loan.

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(3) A violation of this section is subject to s. 425.304.

SECTION 7. Initial applicability. This act first applies to refund anticipation loans that are applied for on the effective date of this SECTION.

SECTION 8. Effective date. This act takes effect on January 1, 1994.
