

Balance Due and Refund Anticipation Loans Under Section 7216

Notice 2000-64

The Internal Revenue Service has received questions about the scope of section 7216 of the Internal Revenue Code, Treas. Reg. § 301.7216-3 and Rev. Proc. 2000-31, 2000-31 I.R.B. 146, in the context of loans associated with electronic filing, such as balance due and refund anticipation loans.

The IRS is reviewing both Treas. Reg. § 301.7216-3 and Rev. Proc. 2000-31. Until further guidance is issued, tax return preparers who follow the rules for electronic filing set forth in Rev. Proc. 2000-31 and all publications and notices governing the IRS *e-file* Program listed in section 5.01 of the Revenue Procedure, will be treated as in compliance with I.R.C. § 7216.

The IRS requests comments on whether and how Treas. Reg. § 301.7216-3 and/or Rev. Proc. 2000-31 could more clearly address the rules governing balance due and refund anticipation loans. Comments should be addressed to the IRS at 5000 Ellin Road, New Carrollton, MD 20706, Attn: Ms. Grace E. Davis, W:E:IEF:CMMB, Room C4-368.