more administrative law judges appointed by the Secretary of the Treasury under section 3105 of title 5.

''(4) INFORMATION ON SANCTIONS TO BE AVAILABLE TO THE PUBLIC.—

''(A) SANCTIONS INITIATED BY ACTION.—When an action is initiated by the Director, Office of Professional Responsibility, to impose a sanction under regulations promulgated under this section, the pleadings, and the record of the proceeding and hearing shall be open to the public (subject to restrictions imposed under subparagraph (C)).

''(B) SANCTION NOT INITIATED BY ACTION.—When a sanction under regulations promulgated under this section (other than a private reprimand) is imposed without initiation of an action, the Director, Office of Professional Responsibility, shall make available to the public information identifying the representative, employer, firm or other entity sanctioned, as well as information about the conduct which gave rise to the sanction (subject to restrictions imposed under subparagraph (C)).

''(C) RESTRICTIONS ON RELEASE OF INFORMATION.—Information about clients of the representative, employer, firm or other entity and medical information with respect to the representative shall not be released to the public or discussed in an open hearing, except to the extent necessary to understand the nature, scope, and impact of the conduct giving rise to the sanction or proposed sanction. Disagreements regarding the application of this subparagraph shall be resolved by the administrative law judge or, when a sanction is imposed without initiation of an action, by the Director, Office of Professional Responsibility.

''(5) FEES.—Any fees imposed under regulations promulgated under this section shall be available without fiscal year limitation to the Office of Professional Responsibility for the purpose of reimbursement of the costs of administering and enforcing the requirements of such regulations.''.

(d) PENALTIES.—

(1) INCREASE IN CERTAIN PENALTIES.—Subsections (b) and (c) of section 6695 (relating to other assessable penalties with respect to the preparation of income tax returns for other persons) are each amended by striking ''$50'' and inserting ''$500''.

(2) USE OF PENALTIES.—Unless specifically appropriated otherwise, there is authorized to be appropriated and is appropriated to the Office of Professional Responsibility for each fiscal year for the administration of the public awareness campaign described in subsection (f) an amount equal to the penalties collected during the preceding fiscal year under sections 6694 and 6695 of the Internal Revenue Code of 1986 and under the regulations promulgated under section 330 of title 31, United States Code (by reason of subsection (b)(1)).

(e) COORDINATION WITH SECTION 6060(A).—The Secretary of the Treasury shall coordinate the requirements under the regulations promulgated under section 330 of title 31, United States Code, with the return requirements of section 6060 of the Internal Revenue Code of 1986.

(f) PUBLIC AWARENESS CAMPAIGN.—The Secretary of the Treasury shall conduct a public information and consumer education campaign, utilizing paid advertising—

(1) to encourage taxpayers to use for Federal tax matters only professionals who establish their competency under the regulations promulgated under section 330 of title 31, United States Code, and

(2) to inform the public of the requirements that any compensated preparer of tax returns, documents, and submissions subject to the requirements under the regulations promulgated under such section must sign the return, document, or submission prepared for a fee and display notice of such preparer's compliance under such regulations.

(g) ADDITIONAL FUNDS AVAILABLE FOR COMPLIANCE ACTIVITIES.—The Secretary of the Treasury may use any specifically appropriated funds for earned income tax credit compliance to improve and expand enforcement of the regulations promulgated under section 330 of title 31, United States Code.

(h) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 5. CONTRACT AUTHORITY FOR EXAMINATIONS OF PREPARERS.

The Secretary of the Treasury is authorized to contract for the development or administration, or both, of any examinations under the regulations promulgated under section 330 of title 31, United States Code.

SEC. 6. REGULATION OF REFUND ANTICIPATION LOAN FACILITATORS.

(a) REGULATION OF REFUND ANTICIPATION LOAN FACILITATORS.—

(1) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions), as amended by this Act, is amended by inserting at the end the following new section:

''SEC. 7530. REFUND ANTICIPATION LOAN FACILITATORS.

''(a) REGISTRATION.—Each refund loan facilitator shall register with the Secretary on an annual basis. As a part of such registration, each refund loan facilitator shall provide the Secretary with the taxpayer identification number of such facilitator.

''(b) DISCLOSURE.—Each refund loan facilitator shall disclose to a taxpayer both orally and on a separate written form at the time such taxpayer applies for a refund anticipation loan the following information:

''(1) NATURE OF THE TRANSACTION.—The refund loan facilitator shall disclose—

''(A) that the taxpayer is applying for a loan that is based upon the taxpayer's anticipated income tax refund,

''(B) the expected time within which the loan will be paid to the taxpayer if such loan is approved,

''(C) the time frame in which tax refunds are typically paid based upon the different filing options available to the taxpayer,

''(D) that there is no guarantee that a refund will be paid in full or received within a specified time period and that the taxpayer is responsible for the repayment of the loan even if the refund is not paid in full or has been delayed,

''(E) if the refund loan facilitator has an agreement with another refund loan facilitator (or any lender working in conjunction with another refund loan facilitator) to offset outstanding liabilities for previous refund anticipation loans provided by such other refund loan facilitator, that any refund paid to the taxpayer may be so offset and the implication of any such offset,

''(F) that the taxpayer may file an electronic return without applying for a refund anticipation loan and the fee for filing such an electronic return, and

''(G) that the loan may have substantial fees and interest charges that may exceed those of other sources of credit and the taxpayer should carefully consider—

''(i) whether such a loan is appropriate for the taxpayer, and

''(ii) other sources of credit.

''(2) FEES AND INTEREST.—The refund loan facilitator shall disclose all refund anticipation loan fees with respect to the refund anticipation loan. Such disclosure shall include—

''(A) a copy of the fee schedule of the refund loan facilitator,

''(B) the typical fees and interest rates (using annual percentage rates as defined by section 107 of the Truth in Lending Act (15 U.S.C. 1606)) for several typical amounts of such loans,

''(C) typical fees and interest charges if a refund is not paid or delayed, and

''(D) the amount of a fee (if any) that will be charged if the loan is not approved.

''(3) OTHER INFORMATION.—The refund loan facilitator shall disclose any other information required to be disclosed by the Secretary.

''(c) FINES AND SANCTIONS.—

''(1) IN GENERAL.—The Secretary may impose a monetary penalty on any refund loan facilitator who—

''(A) fails to register under subsection (a), or

''(B) fails to disclose any information required under subsection (b).

''(2) MAXIMUM MONETARY PENALTY.—Any monetary penalty imposed under paragraph (1) shall not exceed—

''(A) in the case of a failure to register, the gross income derived from all refund anticipation loans made during the period the refund loan facilitator was not registered, and

''(B) in the case of a failure to disclose information, the gross income derived from all refund anticipation loans with respect to which such failure applied.

''(3) REASONABLE CAUSE EXCEPTIONS.—No penalty may be imposed under this subsection with respect to any failure if it is shown that such failure is due to reasonable cause.

''(d) DEFINITIONS.—For purposes of this section—

''(1) REFUND LOAN FACILITATOR.—

''(A) IN GENERAL.—The term 'refund loan facilitator' means any electronic return originator who—

''(i) solicits for, processes, receives, or accepts delivery of an application for a refund anticipation loan, or

''(ii) facilitates the making of a refund anticipation loan in any other manner.

''(B) ELECTRONIC RETURN ORIGINATOR.—For purposes of subparagraph (A), the term 'electronic return originator' means a person who originates the electronic submission of income tax returns for another person.

''(2) REFUND ANTICIPATION LOAN.—The term 'refund anticipation loan' means any loan of money or any other thing of value to a taxpayer in connection with the taxpayer's anticipated receipt of a Federal tax refund. Such term includes a loan secured by the tax refund or an arrangement to repay a loan from the tax refund.

''(3) REFUND ANTICIPATION LOAN FEES.—The term 'refund anticipation loan fees' means the fees, charges, interest, and other consideration charged or imposed by the lender or facilitator for the making of a refund anticipation loan.

''(e) REGULATIONS.—The Secretary may prescribe such regulation as necessary to implement the requirements of this section.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 77, as amended by this Act, is amended by adding at the end the following new item:

''Sec. 7530 Refund anticipation loan facilitators.''.

(b) DISCLOSURE OF PENALTY.—Subsection (k) of section 6103 is amended by adding at the end the following new paragraph:

''(10) DISCLOSURE OF PENALTIES ON REFUND ANTICIPATION LOAN FACILITATORS.—The Secretary may disclose the name of any person with respect to whom a penalty has been imposed under section 7530 and the amount of any such penalty.''.

(c) USE OF PENALTIES.—Unless specifically appropriated otherwise, there is authorized to be appropriated and is appropriated to the Internal Revenue Service for each fiscal year