

Red Tape Review Rule Report (Due: September 1, 20 23)

Department Name:	Revenue	Date:	September 1, 2023	Total Rule Count:	2
IAC #:	701	Chapter/ SubChapter/ Rule(s):	Chapter 208	Iowa Code Section Authorizing Rule:	421.14, 422.68, 423.42
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The chapter describes the procedures required for a multilevel marketer company to enter into a contract with the Department to collect and remit sales tax. It is intended to help the companies understand the eligibility requirements for the multilevel marketer program.

Is the benefit being achieved? Please provide evidence.

The Department has determined that the rules aid multilevel marketer companies in understanding the process required to enter into a written contract to collect and remit sales tax. The evidence for the benefit of the rules is demonstrated from the text of the rules themselves and the greater certainty they provide taxpayers.

What are the costs incurred by the public to comply with the rule?

There is no cost to comply with the rules. There is no fee required to enter into a multilevel marketer agreement.

What are the costs to the agency or any other agency to implement/enforce the rule?

There are some costs associated with administration of these rules. The rules provide multilevel marketers the opportunity to enter into agreements for a tax collection arrangement that is specific to them. The staff allocated to administer this only spend a small portion of their time on the multilevel marketer program and perform many other duties.

Do the costs justify the benefits achieved? Please explain.

Yes. While there may be some minor administrative costs in choosing to provide this program, the rules are necessary to establish the multilevel marketer agreement program and the program aids in the efficient collection of tax by reducing the number of parties required to remit tax.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The rules have been revised where possible to rescind obsolete language. The rules that will be re-promulgated have been determined to be necessary and reworded to provide clarity. There is no less restrictive alternative to achieve the benefit of additional certainty.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or un-necessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes. Chapter 208 contains some rules that include outdated or unnecessary language.

RULES PROPOSED FOR REPEAL (list rule number[s]):

None.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

208.1 is reworded to provide clarity.

208.2 is added to provide clarity about collection requirements.

The text of the proposed rules will be published with the Regulatory Analysis in the Iowa Administrative Code Bulletin in the coming months.

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

Total number of rules repealed:	0
Proposed word count reduction after repeal and/or re-promulgation	-163
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	0

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.