

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

Department Name:	Revenue	Date:	September 1, 2023	Total Rule Count:	3
IAC #:	701	Chapter/ SubChapter/ Rule(s):	Chapter 206	Iowa Code Section Authorizing Rule:	421.14, 422.68, 423.42
Contact Name:	Alana Stamas	Email:	alana.stamas@iowa.gov	Phone:	(515) 350-3932

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The chapter describes the Department’s interpretation of the underlying statute to help the public understand the taxability of bundled transactions. These rules reduce uncertainty about how tax applies when items are sold together.

Is the benefit being achieved? Please provide evidence.

The Department has determined that the rules aid the public in better understanding the application of tax in different kinds of transactions. The rules provide several illustrative examples to help the public understand the law. 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. Any costs to comply with the rules are associated with the underlying statute.

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

There are no costs to the agency of implementing the rules beyond those that would otherwise be required to administer the statute. There are tax administration expenses associated with administering any tax statute, including return processing and enforcement program work.

Do the costs justify the benefits achieved? Please explain.

There are no costs of the rules themselves. The cost of inaction would be confusion about how tax applies to different types of transactions.

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 Department has determined that the rules should be re-promulgated in their entirety. This chapter was recently revised. The chapter contains many examples that help the public better understand the topic of bundled transactions. 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Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or un-necessary language, including instances where rule language is duplicative of statutory language?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]

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

No. Chapter 206 does not contain any 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):

Chapter 206 will be re-promulgated in its entirety without changes.

****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	0
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.