

## Red Tape Review Rule Report (Due: September 1, 2023)

<b>Department Name:</b>	Revenue	<b>Date:</b>	August 14, 2023	<b>Total Rule Count:</b>	21
<b>IAC #:</b>	701	<b>Chapter/ SubChapter/ Rule(s):</b>	214	<b>Iowa Code Section Authorizing Rule:</b>	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?**

Chapter 214 describes the Department’s interpretation of how the sales and use tax statutes apply to taxpayers engaged in agricultural activities. The intended benefit of the rules is to reduce uncertainty about which agricultural activities are subject to sales and use taxes and which are exempt from sales and use taxes.

**Is the benefit being achieved? Please provide evidence.**

Yes. For the rules that are being rescinded in whole or part, the Department determined that the rules were unnecessary and/or obsolete. For the re-promulgated rules, the Department determined that the rules would aid taxpayers engaged in agricultural activities in understanding and complying with their tax obligations. The evidence for the benefit of the rules is demonstrated from the text of the rules themselves and the greater certainty that they provide to taxpayers engaged in agricultural activities than provided by the statutory language alone.

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

The rules do not impose additional costs on taxpayers beyond the costs that are already imposed by the statute.

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

The rules do not impose any costs to the agency of implementing the rule beyond those that are already 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 the applicability of the described tax provisions.

**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 statutory text or obsolete language. The rules that will be re-promulgated have been determined to be necessary. Therefore, 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, the chapter contains rules that are obsolete, outdated, inconsistent, or unnecessary and duplicative of statutory language: 701—214.1(423); 701—214.2(423); 701—214.3(423); 701-214.5(423); 701—214.12(423); 701—214.14(423); 701—214.17(423); and 701—214.18(423). The Department has addressed these by revising or rescinding such rules.

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

214.2 and 214.14

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

214.1 is amended to remove outdated or unnecessary language.  
214.3 is amended to remove outdated language.  
214.4 is re-promulgated in its entirety.  
214.5 is amended to remove outdated language.  
214.6 is amended for clarity.  
214.7 is amended for clarity.  
214.8 is amended for clarity.  
214.9 is amended for clarity.  
214.9 is amended for clarity.  
214.10 is amended for clarity.  
214.11 is amended for clarity and to remove outdated language.  
214.12 is amended for clarity and to remove outdated language.  
214.13 is amended for clarity and to remove unnecessary restrictive terms.  
214.14 is a revised version of previous rule 285.12 that is moved from chapter 285 to chapter 214 because the subject matter is agricultural activities.  
214.15 is amended for clarity and to remove unnecessary restrictive terms.  
214.16 is amended for clarity and to remove unnecessary restrictive terms.  
214.17 is amended for clarity and to remove unnecessary restrictive terms and outdated language.  
214.18 is amended for clarity and to remove unnecessary restrictive terms and outdated language.  
214.19 is re-promulgated in its entirety.  
214.20 is amended to remove outdated language.  
214.21 is re-promulgated in its entirety.  
214.22 is amended to remove outdated language.

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:**

**2**

Proposed word count reduction after repeal and/or re-promulgation	114
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	9

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

No.