

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

Department Name:	Revenue	Date:	August 14, 2023	Total Rule Count:	7
IAC #:	701	Chapter/ SubChapter/ Rule(s):	225	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?

Chapter 225 describes the Department’s interpretation of how the sales and use tax statutes apply to taxpayers who are retailers that qualify for a resale or other exemption in relation to certain of their purchases. The intended benefit of the rules is to reduce uncertainty about the application of certain exemptions to taxpayers who are retailers that qualify for a resale or other exemption in relation to certain of their purchases.

Is the benefit being achieved? Please provide evidence.

Yes. The Department determined that the rules would aid taxpayers who are retailers 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 who are retailers than is 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.

The rules do not impose additional costs on taxpayers or on the agency beyond what is already imposed by statute. As a result, the additional certainty provided by the rules over the statute alone is provided without imposing any additional costs.

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 that will be re-promulgated do not impose restrictions on taxpayers that are not required by the statute. 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 several rules with language that is obsolete, outdated, inconsistent, or unnecessary and duplicative of statutory language.

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

225.2

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

225.1 is amended to remove unnecessary restrictive terms.
225.3 is amended to update outdated language.
225.4 is amended to update outdated language.
225.5 is amended to remove unnecessary language.
225.6 is amended to remove unnecessary language and update outdated language.
225.7 is amended to remove duplicative or outdated language.
225.8 is amended for clarity.

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:	1
Proposed word count reduction after repeal and/or re-promulgation	893
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	5

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

No.

