

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

Department Name:	Revenue	Date:	September 1, 2023	Total Rule Count:	1
IAC #:	701	Chapter/ SubChapter/ Rule(s):	278	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 rule describes the Department’s interpretation of the underlying statute to help the public understand the sales and use tax refunds for eligible businesses under economic development authority programs.

Is the benefit being achieved? Please provide evidence.

To the extent the Department proposes to re-promulgate the rule, the Department has determined that the rule aids the public in better understanding the method for claiming and obtaining the tax refunds for eligible businesses. The evidence for the benefit of the rule is demonstrated from the text of the rule itself and the greater certainty it provides taxpayers.

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

There are no costs. There are forms to obtain the refunds, which are available in paper or electronic form, but there is no fee to submit them. The forms are designed to help ensure the public provides the information necessary for the Department to administer the refunds in an efficient manner.

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 rule beyond those that would otherwise be required to administer the statute. There are tax administration expenses associated with administering any tax statute, including refund processing and enforcement program work.

Do the costs justify the benefits achieved? Please explain.

There are no costs of the rule itself; it is a procedural rule required to implement the statute. The statute requires the Department to establish procedures as to the application process. The rule describes those procedures. Administering the statute with the use of a form and rule helps ease administration by providing a clear process to the public. The cost of inaction would be confusion about the applicability of the refund and the processes by which to obtain it.

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 rule has been revised where possible to rescind statutory text or obsolete language. The rule that will be re-promulgated has been determined to be necessary.

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. 278.1 is being amended to remove redundant and obsolete 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):

278.1 is being amended to remove redundant and obsolete language.

The text of the proposed rule 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	109
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	1

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

No.