

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

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|-------------------------|--------------|--|---------------------------|--|----------------------------|
| Department Name: | Revenue | Date: | August 22, 2023 | Total Rule Count: | 22 |
| IAC #: | 701 | Chapter/ SubChapter/ Rule(s): | 215 | 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 rules are intended to help the taxpayers understand the requirements and responsibilities related to their compliance with certain sales, use, and local option sales tax exemption provisions that are primarily applicable to taxpayers engaged in processing and manufacturing.

Is the benefit being achieved? Please provide evidence.

To the extent the Department proposes to re-promulgate the rules, the Department has determined that each re-promulgated rule aids the public in better understanding the requirements and responsibilities related to taxpayer compliance with certain sales, use, and local option sales tax exemption provisions that are primarily applicable to taxpayers engaged in processing and manufacturing. 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 these rules. Any costs to comply 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 as to the requirements and responsibilities related to taxpayer compliance with certain sales, use, and local option sales tax exemption provisions that are primarily applicable to taxpayers engaged in processing and manufacturing.

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 unnecessary and duplicative statutory text. The rules that will be re-promulgated have been determined to be necessary. 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 unnecessary 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, some of the rules in chapter 215 contain redundant or unnecessary language.

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

215.1 and 215.7

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

215.2 is amended to remove unnecessary language and restrictive terms and the rule is reworded, where necessary, to provide clarity.

215.3 is amended to remove unnecessary language and the rule is reworded, where necessary, to provide clarity.

215.4 is amended to remove unnecessary language and restrictive terms and the rule is reworded, where necessary, to provide clarity.

215.5 is amended to remove unnecessary language and the rule is reworded, where necessary, to provide clarity.

215.6 is amended to remove unnecessary language.

215.8 is amended to remove unnecessary language and the rule is reworded, where necessary, to provide clarity.

215.9 is amended to remove unnecessary restrictive terms.

215.10 is amended to remove unnecessary language and language duplicative of statute and the rule is reworded, where necessary, to provide clarity.

215.11 is amended to remove unnecessary language and language duplicative of statute and the rule is reworded, where necessary, to provide clarity.

215.12 is amended to remove unnecessary language and language duplicative of statute and the rule is reworded, where necessary, to provide clarity.

215.13 is amended to remove unnecessary language and language duplicative of statute and the rule is reworded, where necessary, to provide clarity.

215.14 is amended to remove unnecessary language and language duplicative of statute and the rule is reworded, where necessary, to provide clarity.

215.15 is amended to remove unnecessary language and unnecessary restrictive terms and the rule is reworded, where necessary, to provide clarity.

215.16 is amended to update rule references.

215.17 is amended to update rule references.

215.18 is amended to remove unnecessary language and update rule references and the rule is reworded, where necessary, to provide clarity.

215.19 is amended to update rule references.

215.20 is amended to update rule references.

215.21 is amended to update rule references.

215.22 is amended to update rule references.

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

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|---|-------|
| Total number of rules repealed: | 2 |
| Proposed word count reduction after repeal and/or re-promulgation | 2,721 |
| 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.