

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

Department Name:	Revenue	Date:	September 1, 2023	Total Rule Count:	7
IAC #:	701	Chapter/ SubChapter/ Rule(s):	Chapter 221	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 rules describe the Department’s interpretation of the underlying statute to help the public understand the exemption of miscellaneous nontaxable transactions that did not fit under any other rule chapter. These rules reduce uncertainty about what is subject to tax and what is exempt.

Is the benefit being achieved? Please provide evidence.

To the extent rules are being rescinded, the Department determined the rules were unnecessary or obsolete. To the extent the Department proposes to re-promulgate rules, the Department has determined that the rules aid the public in better understanding the taxation of the covered items and the limitations of exemptions. 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 exemptions 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 rule 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 the applicability of the described exemptions.

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The rules have been revised where possible to rescind language that is obsolete or duplicative of statutory language. The rules that will be re-promulgated have been determined to be necessary. The rules do not impose restrictions on taxpayers that are not required by the statute.

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

Yes. Chapter 221 contains some 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):

221.1 is rescinded but will be renumbered in chapter 210 because it is more similar to the rules in that chapter.
221.2 is amended to remove outdated references.
221.3 is re-promulgated in its entirety.
221.4 is amended to remove unnecessary restrictive terms.
221.5 is rescinded but will be renumbered in chapter 216 because it is more similar to the rules in that chapter.
221.6 is amended to remove unnecessary language.
221.7 is reworded to provide 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:	2
Proposed word count reduction after repeal and/or re-promulgation	562
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.