

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

<b>Department Name:</b>	Revenue	<b>Date:</b>	September 1, 2023	<b>Total Rule Count:</b>	17
<b>IAC #:</b>	701	<b>Chapter/ SubChapter/ Rule(s):</b>	Chapters 280, 282	<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?**

Chapters 280 and 282 describe the Department’s interpretation of the underlying statutes to help the public understand and reduce the uncertainty about what is subject to use tax and what is exempt.

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

To the extent rules are being rescinded, the Department determined those rules were unnecessary or obsolete.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

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

There are no costs to comply with the rules. Any costs to comply with taxation and exemptions are associated with the underlying statutes.

**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 statutes. 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 Department has determined that this Chapter 280 is no longer necessary. Select rules will be moved to Chapter 282. There are no costs of the rules of Chapter 282 themselves. The cost of inaction would be confusions about the applicability of the described tax provisions and 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 Department has determined that Chapter 280 is no longer necessary. Two rules will be amended for clarity and to remove obsolete and unnecessary language and re-promulgated into Chapter 282 where the subject matters of those rules more closely align. Chapter 282 has been revised where possible to rescind statutory text or obsolete and unnecessary language. The rules that will be re-promulgated have 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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Chapters 280 and 282 both contain obsolete, outdated, inconsistent, and redundant statutory language.

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

280.2, 280.4, 280.5, 280.6, 280.7, 282.4, 282.6

Existing rules 282.1 and 282.2 will be repealed, but see more information below.

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

280.1 and 280.3 will be re-promulgated as 282.1 and 282.2 respectively as chapter 282's subject matter is more closely aligned with these rules. The language of these rules will be reworded to provide clarity and to remove obsolete and unnecessary language.

282.3 is amended to remove restrictive language and add clarity.

282.5 is amended to remove obsolete and outdated language

282.7 is amended to remove restrictive and duplicative statutory language.

282.8 is amended to remove unnecessary and outdated language.

282.9 is amended to remove outdated, unnecessary, and duplicative statutory language.

282.10 is amended to remove outdated, unnecessary, and duplicative statutory 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:	9
Proposed word count reduction after repeal and/or re-promulgation	6573
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	51

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

None.