

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

Department Name:	Revenue	Date:	September 1, 2023	Total Rule Count:	103
IAC #:	701	Chapter/ SubChapter/ Rule(s):	Chapters 212, 284, and 285	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?

These chapters describe the Department’s interpretation of Iowa Code chapter 423 as it applies to certain types of exempt and taxable sales. Chapter 212 provides guidance on sales involving government entities and non-profits. Chapter 284 is being rescinded and select rules will be relocated to chapter 212 because of their content. Chapter 285 will be retained in part to provide guidance about certain types of sales based on the method of the transaction.

Is the benefit being achieved? Please provide evidence.

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 these rules. Any costs to comply with the rules 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 these 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 about the applicability of the described taxable and exempt transactions.

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 statutory text or obsolete language. 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 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. Several rules in chapter 284 are obsolete. Other portions of chapter 284 are being moved to chapter 212, which was adopted in 2022 to create a chapter dedicated to exemptions related to government entities and non-profits. Several rules in chapter 285 are obsolete or include language that is duplicative of statute.

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

284.2, 284.3, 284.4, 284.6, 284.7, 284.9, 284.10, 284.12, 284.14, 284.15, 284.16, 284.17, 284.19, 284.20, 284.22, 284.25, 284.26, 284.27, 284.29, 284.30, 284.31, 284.36, 284.37, 284.38, 285.2, 285.3, 285.4, 285.6, 285.7, 285.9, 285.14, 285.16, 285.18, 285.19, 285.20, 285.23, 285.24, 285.26, 285.27, 285.29, 285.31, 285.32, 285.33, 285.35, 285.36, 285.37, 285.38, 285.40, 285.43, 285.44, 285.45, 285.46, 285.48, 285.49, 285.51, 285.52, 285.53, 285.54, 285.56, 285.57, 285.58, 285.60, 285.61

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

The following rules will be re-promulgated in different chapters with edits:

284.1 is being re-promulgated in chapter 212 with edits to remove language duplicative of statute and items that are obsolete.

284.5 is being re-promulgated in chapter 212 with edits to remove obsolete language and language duplicative of statute.

284.8 is being re-promulgated in chapter 212 with edits to remove obsolete language.

284.11 is being re-promulgated in chapter 212 with edits to remove obsolete language and language duplicative of statute and for clarity.

284.13 is being re-promulgated in chapter 210 with edits to remove obsolete language

284.18 is being re-promulgated in chapter 212 with edits to remove obsolete language

284.23 is being re-promulgated in chapter 212 with edits to remove obsolete language

284.24 is being re-promulgated in chapter 212 with edits to remove obsolete language and for clarity

284.28 is being re-promulgated in chapter 212 with edits to remove obsolete language and for clarity

284.32 is being re-promulgated in chapter 212 with edits to remove obsolete language and language duplicative of statute

284.33 is being re-promulgated in chapter 219 with edits to remove obsolete language and for clarity

284.34 is being re-promulgated in chapter 212 with edits to remove obsolete language and language duplicative of statute

284.35 is being re-promulgated in chapter 212 with edits to remove obsolete language

284.39 is being re-promulgated in chapter 212 with edits to remove obsolete language and for clarity

284.40 is being re-promulgated in chapter 212 with edits to remove obsolete language
284.41 is being re-promulgated in chapter 212 with edits to remove obsolete language and for clarity

285.1 is being re-promulgated in chapter 212 with edits to remove obsolete language and for clarity
285.5 is being re-promulgated in chapter 212 with edits to remove obsolete language, language duplicative of statute, and restrictive terms

285.9 is being re-promulgated in chapter 214 with edits to remove obsolete language

285.11 is being re-promulgated in chapter 219 with edits to remove obsolete language and language duplicative of statute

285.12 is being re-promulgated in chapter 214 with edits to remove obsolete language and for clarity

285.13 is being re-promulgated in chapter 212 with edits to remove obsolete language and language duplicative of statute

285.17 is being re-promulgated in chapter 219 with edits to remove obsolete language and for clarity

285.39 is being re-promulgated in chapter 212 with edits to remove obsolete language, language duplicative of statute, and restrictive terms

285.50 is being re-promulgated in chapter 212 with edits to remove obsolete language

285.59 is being re-promulgated in chapter 212 with edits to remove obsolete language and language duplicative of statute

The following rules are being re-promulgated in the same chapter with edits:

285.8 is being re-promulgated with edits to remove obsolete language and language duplicative of statute

285.10 is being re-promulgated with edits to remove obsolete language and for clarity

285.15 is being re-promulgated with edits to remove obsolete and duplicative language and for clarity

285.21 is being re-promulgated with edits to remove obsolete and duplicative language

285.22 is being re-promulgated with edits to remove obsolete and duplicative language

285.25 is being re-promulgated with edits for clarity and to remove obsolete language

285.28 is being re-promulgated for with edits clarity and to remove duplicative language

285.30 is being re-promulgated with edits to remove obsolete language, unnecessary, and outdated language.

285.34 is being re-promulgated with edits to remove obsolete language, for clarity, and to remove language duplicative of statute

285.41 is being re-promulgated with edits for clarity and to remove obsolete language

285.42 is being re-promulgated with edits for clarity and to remove obsolete language

285.47 is being re-promulgated with edits for clarity

285.55 is being re-promulgated with edits to remove obsolete 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:	63
Proposed word count reduction after repeal and/or re-promulgation	51,201
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	250

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

No.