

Red Tape Review Rule Report (Due: September 1, 20 24)

Department Name:	Revenue	Date:	September 1, 2024	Total Rule Count:	7
IAC #:	701	Chapter/ SubChapter/ Rule(s):	257	Iowa Code Section Authorizing Rule:	421B.11
Contact Name:	Matt Bishop	Email:	matt.bishop@iowa.gov	Phone:	515-452-9205

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

This chapter describes the Department’s interpretation of the underlying statute to aid the public’s understanding of unfair cigarette sales and minimum pricing of cigarettes in conjunction with the excise taxes on cigarettes, found in Iowa Code chapter 453A .

Is the benefit being achieved? Please provide evidence.

The Department has determined that the rules aid the public’s understanding of unfair cigarette sales and the minimum pricing of cigarettes, including the calculations to determine the minimum price. The evidence for the benefit of the rules is demonstrated from the text of the rules themselves and the greater certainty they provide the public.

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

There are no costs to comply with the rule beyond any costs to comply 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 to implement or enforce the rules beyond those that would otherwise be required to administer the statute. There are expenses associated with administering any tax or tax-related statute.

Do the costs justify the benefits achieved? Please explain.

There are no costs to the rules themselves and the cost of inaction would be confusion about how to determine the minimum price of cigarettes and ensure that no sales are made below that minimum price.

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The rules have been revised where possible to remove duplicative statutory text and unnecessary or outdated language. The rules that will be re-promulgated have been determined to be necessary and reworded to provide clarity.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language?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. Chapter 257 does contain rules that have obsolete, outdated, unnecessary, and duplicative statutory language and information.

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

None

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

257.1 is amended for clarity and to remove unnecessary and duplicative statutory language.
257.2 is amended for clarity and better organization and to remove unnecessary and duplicative statutory language.
257.3 is amended for better organization and to remove unnecessary and obsolete information.
257.4 is amended to update and remove obsolete information.
257.5 is re-promulgated in its entirety.
257.6 is amended to remove outdated and unnecessary information.
257.7 is amended to update and for clarity and for better organization.

***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	259
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	3

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

The Department would like to require all returns, reports, and other documents that are filed with the under chapters 421B, 453A, 453C, and 453D to be filed electronically using GovConnectIowa. The Department believes electronic filing will streamline the customer experience and will improve the Department's ability to administer the cigarette and tobacco tax chapters. The Department believes it has statutory authority to require electronic filing by rule, but the Department would prefer a statutory change to ensure compliance.