

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

Department Name:	Revenue	Date:	September 1, 2024	Total Rule Count:	17
IAC #:	701	Chapter/ SubChapter/ Rule(s):	256	Iowa Code Section Authorizing Rule:	453A.24, 453A.25, 453A.40, 453A.46, 453A.47A, 453A.49
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The chapter describes the Department’s interpretation of the underlying statute to aid the public’s understanding and reduce uncertainty about the application and imposition of tax on tobacco.

Is the benefit being achieved? Please provide evidence.

Yes. The Department has determined that the rules aid the public in better understanding tobacco tax, including applicability, licensing, and reporting. The evidence for the benefit for these rules is demonstrated from the text of the rules and the greater certainty the rules provide the public.

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

The rules do not impose any additional costs on the public beyond the costs imposed by the statute.

What are the costs to the agency or any other agency to implement/enforce the rule?

The rules do not impose any costs to the agency beyond those that would already 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 to the rules themselves and the rules that are being re-promulgated are useful explanations of issues and topics that could otherwise be confusing to the public. The cost of inaction would be confusion about applicability and imposition of the tobacco tax and its associated licensing and reporting.

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.

There is no less restrictive alternative to achieve the benefit of additional certainty. The rules have been revised where possible to remove unnecessary, obsolete and duplicative statutory language.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language?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 256 contains rules with obsolete, outdated, unnecessary, and duplicative statutory language. The rules that will be re-promulgated have been determined to be necessary and amended to provide clarity and better organization and to remove duplicative and unnecessary restrictive language.

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

256.5, 256.12, 256.13, 256.14, 256.15, 256.16, 256.17

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

256.1 is amended for clarity and organization and to remove duplicative statutory language
256.2 is amended for clarity and organization
256.3 is amended for clarity and organization and to remove unnecessary and duplicative statutory language.
256.4 is amended for clarity and to remove duplicative statutory language.
256.6 is amended for clarity and organization, including adding the language from 256.5, and to remove unnecessary and duplicative statutory language.
256.7 is amended for clarity and organization
256.8 is amended for clarity and organization and to remove unnecessary and duplicative statutory language.
256.9 is amended for clarity
256.10 is amended for clarity.
256.11 is amended for clarity and organization and to remove unnecessary, outdated, 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:	7
Proposed word count reduction after repeal and/or re-promulgation	1352
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	43

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 chapter 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 has statutory authority to require electronic filing by rule, but the Department would prefer a statutory change to ensure compliance.