

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

Department Name:	Revenue	Date:	September 1, 2024	Total Rule Count:	12
IAC #:	701	Chapter/ SubChapter/ Rule(s):	255	Iowa Code Section Authorizing Rule:	453A.8, 453A.15, 453A.24, 453A.25, 453A.47C,
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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 the tax on cigarettes and the regulation of delivery sales of alternative nicotine or vapor products.

Is the benefit being achieved? Please provide evidence.

The Department has determined that the rules aid the public in better understanding the excise tax on cigarettes, including applicability, licensing, and reporting. Additionally, the rules aid the public in understanding the regulation of delivery sales of alternative nicotine or vapor products. 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?

There is no cost to comply with the rules beyond what the costs to comply with the underlying statute.

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

There is no cost to the agency to implement the rules beyond what would be otherwise required to administer the statute. There are tax administration expenses associated with administering any tax statute. including any enforcement program work.

Do the costs justify the benefits achieved? Please explain.

There are no costs to the rules themselves. 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 the regulation of alternative nicotine and vapor products as well as the applicability and imposition of the cigarette 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.

The rules have been revised where possible to rescind obsolete, unnecessary, and duplicative statutory language. The rules that will be re-promulgated have been determined to be necessary and amended for 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 255 does contain language that is obsolete, outdated, unnecessary, and duplicative statutory language.

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

255.7
255.8

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

255.1 is amended to remove duplicative language and restrictive terms and to provide clarity.
255.2 is amended to remove duplicative language and to provide clarity.
255.3 is amended to provide clarity.
255.4 is amended to remove duplicative language and restrictive terms and to provide clarity.
255.5 is amended to remove duplicative language and restrictive terms and to provide clarity.
255.6 is amended to remove restrictive terms and to provide clarity.

255.9 is amended to remove duplicative or outdated language and restrictive terms and to provide clarity.
255.10 is amended to remove duplicative language, outdated language, and restrictive terms and to provide clarity.
255.11 is amended to remove outdated language and restrictive terms and to provide clarity.
255.12 is amended to remove duplicative language and restrictive terms and 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	2596
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	40

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.