

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

Department Name:	Department of Revenue	Date:	September 1, 2024	Total Rule Count:	9
IAC #:	701	Chapter/ SubChapter/ Rule(s):	252	Iowa Code Section Authorizing Rule:	Sections 423G.5, 423.25
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?

These rules describe the Department’s interpretation of the underlying statutes related to the administration of the state-imposed water service excise tax. The rules are intended to help the public and tax professionals understand their obligations, rights, and common procedures related to the water service excise tax. The rules also reduce uncertainty about what is subject to the water service excise tax, what is subject to sales tax, and what is exempt from tax.

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 department’s procedures related to the collection of the water service excise tax. The evidence for the benefit of the rules is demonstrated from the text of the rules themselves and the greater certainty they provide to the public about how to comply with the requirements set out in Iowa Code chapter 423G.

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

There is no cost to comply with the 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 the 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 and administration of the water service excise tax.

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 and reworded to provide clarity. 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 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 252 contains language that is outdated, redundant of statute, or unnecessary.

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

None

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

Rule 252.1 is being re-promulgated with edits for clarity and to remove obsolete language.
Rule 252.2 is being re-promulgated in its entirety.
Rule 252.3 is being re-promulgated with edits for clarity and to remove language duplicative of statute.
Rule 252.4 is being re-promulgated with edits for clarity.
Rule 252.5 is being re-promulgated with edits for clarity.
Rule 252.6 is being re-promulgated in its entirety.
Rule 252.7 is being re-promulgated with edits for clarity.
Rule 252.8 is being re-promulgated with edits for clarity.
Rule 252.9 is being re-promulgated with edits for clarity.

***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	106
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	9

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

No.