Red Tape Review Rule Report
(Due: September 1, 2026)

Department Name:	Revenue	**Date:**	8/31/26	**Total Rule Count:**	10
IAC #:	701	**Chapter/ SubChapter / Rule(s):**	Chapter 403	**Iowa Code Section Authorizing Rule:**	422.8
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

Chapter 403 provides rules describing the calculation of the Iowa S Corporation apportionment credit. The chapter is intended to provide guidance for Iowa taxpayers who are eligible for the credit to claim it properly.

Is the benefit being achieved? Please provide evidence.

Yes, the chapter provides the required rules under Iowa Code section 422.8 for the calculation of this credit without which taxpayers may incorrectly calculate the credit resulting in not meeting their Iowa tax obligations.

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

None, any costs associated with the rules are from the requirements of the statute the chapter is implementing.

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

None, any costs associated with the rules are from the requirements of the statute the chapter is implementing.

Do the costs justify the benefits achieved? Please explain.

There are no costs associated with the chapter except for any costs associated with the statute it implements. The cost of inaction is potential confusion of properly calculating and claiming the Iowa S Corporation apportionment credit.

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The chapter has been amended to remove outdated language and improve clarity. There are no less restrictive alternatives to accomplish giving adequate guidance to taxpayers so they can properly calculate the S corporation apportionment credit.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language?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Yes, Chapter 403 contained outdated and redundant language that is being proposed for rescission. The language being repromulgated has been edited for clarity.

403.1 had outdated and redundant language which is being removed for repromulgation.
403.3 had outdated language which is being removed for repromulgation.
403.10 had obsolete and inconsistent language which is being removed for repromulgation.

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

403.2, 403.4, 403.5, 403.8, 403.9

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

403.1, 403.3, 403.6, 403.7, 403.10

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:	**5**
Proposed word count reduction after repeal and/or re-promulgation	**885**
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	**1**

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

No.