

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

Department Name:	Revenue	Date:	8/31/26	Total Rule Count:	125
IAC #:	701	Chapter/ SubChapter/ Rule(s):	Chapter 304, rules 501.5–501.51, 601.8–601.26, Chapter 800	Iowa Code Section Authorizing Rule:	422.10–422.12Q, 422.33, 422.60
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

Chapter 304 provides rules pertaining credits which can be claimed against individual income tax. Chapter 501 provides rules pertaining to credits which can be claimed against corporation income tax. Chapter 601 provides rules pertaining to credits which can be claimed against franchise tax. The rules are intended to help the public understand tax credits for which they qualify and how these credits are calculated and may be claimed.

Is the benefit being achieved? Please provide evidence.

The Department has determined that the rules aid the public in understanding the qualifications and process to claim tax credits against income tax. To the extent the Department proposes to re-promulgate these rules, the Department has determined that the rules aid the public in understanding the tax credits available under Iowa law. Those rules will exist under Chapter 800, while the rules under Chapter 304, as well as rules 501.5–501.51 and 601.8–601.26 will be rescinded.

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

There is no cost to comply with these rules. Any costs to comply with the rules are associated with the underlying statutes.

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 these rules beyond those that would otherwise be required to administer the statute.

Do the costs justify the benefits achieved? Please explain.

There are no costs of the rules themselves. The cost of inaction is potential confusion as well as duplicative and unnecessary administrative code language.

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 currently in Chapter 304, rules 501.5-501.51, and rules 601.8-601.26, some of which will be adopted in Chapter 800 have been determined to be necessary. The majority of the rules being proposed to

be adopted in Chapter 800 are new, and the existing rule being re-promulgated is determined to be necessary.

The rules which currently exist in Chapter 304, and rules 501.5–501.51 and 601.8–601.26 are proposed to be stricken. These chapters contained what were largely duplicate rules for the same tax credits. The new rules, being adopted in Chapter 800, have been revised to remove obsolete or unnecessary language. The rules that will be repromulgated in Chapter 800 have been determined to be necessary. 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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The purpose of proposing to adopt these rules in Chapter 800, which currently exist in Chapter 304, Chapter 501, and Chapter 601, is to avoid obsolete, outdated, redundant, and unnecessary language being repeated across multiple administrative rule chapters. Chapter 800 in its current state does not.

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

From Chapter 304: Rules 304.7, 304.8, 304.10, 304.11, 304.12, 304.14, 304.17, 304.18, 304.19, 304.20, 304.21, 304.23, 304.25, 304.26, 304.27, 304.29, 304.30, 304.35, 304.37, 304.38, 304.39, 304.42, 304.43, 304.45, 304.47, 304.48, 304.50, 304.54, and 304.57.

From Chapter 501: Rules 501.5, 501.7, 501.8, 501.9, 501.10, 501.11, 501.13, 501.14, 501.15, 501.17, 501.18, 501.19, 501.20, 501.22, 501.24, 501.25, 501.26, 501.28, 501.29, 501.31, 501.32, 501.34, 501.35, 501.36, 501.40, 501. 41, 501.42, 501.44, 501.47, 501.50, and 501.51.

From Chapter 601: Rules 601.8, 601.9, 601.12, 601.14, 601.15, 601.17, 601.18, 601.19, 601.20, 601.21, 601.22, 601. 25, and 601.26.

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

Rule 304.1 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 301.12.

Rule 304.2 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 301.13.

Rules 304.44, 501.12, 601.24 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.2.

Rule 304.3 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.3.

Rule 304.5 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.4.

Rule 304.6 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.5.

Rules 304.16 and 501.16 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.6.

Rule 304.4 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.7.

Rule 304.49 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.8.

Rules 304.55, 501.48, and 601.10 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.9.

Rules 304.42 and 501.38 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.10.

Rules 304.22, 501.21, and 601.11 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.11.

Rules 304.24, 501.23, and 601.13 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.12.

Rules 304.41 and 501.39 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.13.

Rules 304.51 and 501.45 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.14.

Rules 304.53, 501.46, and 601.23 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.15.

Rules 304.28, 501.27, and 601.16 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.16.

Rules 304.36 and 501.33 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.17.

Rules 304.40 and 501.37 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.18.

Rule 304.15 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.19.

Rule 304.31 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.20.

Rules 304.9 and 501.6 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.21.

Rule 304.52 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.22.

Rules 304.33 and 501.30 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.23.

Rules 304.34 and 501.31 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.24.

Rules 304.46 and 501.43 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.25.

Rule 304.13 is amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.26.

Rules 304.56 and 501.49 are amended to remove restrictive terms, language duplicative of statute, and for clarity, and will be repromulgated in 800.27.

Rule 800.56 is repromulgated in its entirety as 800.29.

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:	124
Proposed word count reduction after repeal and/or re-promulgation	Net reduction of 112,144 139,190 words cut from Chapter 304, 501.5–501.51, and 601.8–601.26, then 27,046 words added to Chapter 800.
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	871

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

No.