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

Department Name:	Revenue	**Date:**	8/31/26	**Total Rule Count:**	101
IAC #:	701	**Chapter/ SubChapter/ Rule(s):**	Chapters 302 and 303	**Iowa Code Section Authorizing Rule:**	422.7, 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 302 provides rules describing the calculation of Iowa taxable income for individual income tax. The chapter is intended to provide guidance for Iowa taxpayers to meet the income tax obligations. The rules being repromulgated in chapter 303 provide guidance to nonresidents and part-year residents for what portion of their income is subject to Iowa individual income tax.

Is the benefit being achieved? Please provide evidence.

Yes, chapter 302 provides additional context and the Department's interpretations of Iowa Code section 422.7 without which taxpayers may calculate their Iowa taxable income incorrectly. The rules being repromulgated under chapter 303 assist nonresidents in meeting their Iowa income tax payment and filing 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 statutes the chapters are 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 chapters are implementing.

Do the costs justify the benefits achieved? Please explain.

There are no costs associated with the chapters except for any costs associated with the statutes it implements. The cost of inaction is potential confusion of complying with the calculation of Iowa taxable income for individual income 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.

There is no less restrictive alternative to providing guidance to both residents and nonresidents of Iowa on how to properly calculate their Iowa taxable income. These chapters have been edited to remove unnecessary language and provide 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Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language?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, the outdated, obsolete, unnecessary, and redundant language is being proposed for rescission.

Rules 302.3, 302.5, 302.6, 302.7, 302.8, 302.9, 302.12, 302.13, 302.15, 302.18, 302.19, 302.20, 302.23, 302.27, 302.29, 302.30, 302.31, 302.32, 302.34, 302.35, 302.36, 302.37, 302.38, 302.39, 302.40, 302.42, 302.43, 302.44, 302.49, 302.50, 302.51, 302.54, 302.55, 302.56, 302.57, 302.58, 302.60, 302.61, 302.62, 302.63, 302.64, 302.66, 302.67, 302.68, 302.69, 302.70, 302.71, 302.72, 302.73, 302.74, 302.75, 302.77, 302.78, 302.79, 302.83, 302.86, 303.1, 303.2, 303.3, 303.4, 303.6, 303.7, 303.8, 303.9, 303.10, 303.11, 303.12, and 303.13 contained obsolete, redundant or outdated language and are being proposed for rescission.

Rules 302.1, 302.2, 302.14, 302.16, 302.17, 302.21, 302.22, 302.24, 302.41, 302.45, 302.46, 302.47, 302.48, 302.52, 302.53, 302.65, 302.76, 302.80, 302.81, 302.82, 302.84, 302.85, 302.87, 302.88 and 303.5 contained outdated, redundant, or unnecessary language that has been removed and edited for repromulgation.

Rules 302.4, 302.10, 302.11, 302.25, 302.26, 302.28, 302.33, 302.59 were reserved and are being proposed for rescission.

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

302.3, 302.4, 302.5, 302.6, 302.7, 302.8, 302.9, 302.10, 302.11, 302.12, 302.13, 302.15, 302.18, 302.19, 302.20, 302.23, 302.25, 302.26, 302.27, 302.28, 302.29, 302.30, 302.31, 302.32, 302.33, 302.34, 302.35, 302.36, 302.37, 302.38, 302.39, 302.40, 302.42, 302.43, 302.44, 302.49, 302.50, 302.51, 302.54, 302.55, 302.56, 302.57, 302.58, 302.59, 302.60, 302.61, 302.62, 302.63, 302.64, 302.66, 302.67, 302.68, 302.69, 302.70, 302.71, 302.72, 302.73, 302.74, 302.75, 302.77, 302.78, 302.79, 302.83, 302.86, 303.1, 303.2, 303.3, 303.4, 303.5, 303.6, 303.7, 303.8, 303.9, 303.10, 303.11, 303.12, and 303.13

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

302.1, 302.2, 302.14 (now 303.4), 302.16 (now 303.1), 302.17 (now 303.2), 302.21, 302.22, 302.24 (now 303.3), 302.41, 302.45 (now 303.5), 302.46 (now 303.6), 302.47, 302.48, 302.52 (now 302.3), 302.53, 302.65, 302.76, 302.80, 302.81, 302.82, 302.84, 302.85, 302.87, and 302.88

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:	**77**
Proposed word count reduction after repeal and/or re-promulgation	**41,268**
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	**275**

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?
No