

Red Tape Review Rule Report (Due: September 1, 20 23)

Department Name:	Revenue	Date:	September 1, 2023	Total Rule Count:	12
IAC #:	701	Chapter/ SubChapter/ Rule(s):	218	Iowa Code Section Authorizing Rule:	421.14, 422.68, 423.42
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The rules describe the Department’s interpretation of the underlying statute to help the public understand the exemption of services and sales related to vehicles. These rules reduce uncertainty about what is subject to tax and what is exempt.

Is the benefit being achieved? Please provide evidence.

The Department has determined that the rules aid the public in better understanding the taxation of the covered items and the limitations of exemptions. The evidence for the benefit of the rules is demonstrated from the text of the rules themselves and the greater certainty they provide taxpayers.

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 exemptions 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 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 of the described statutes.

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.

No. The rules have been determined to be beneficial in describing the tax treatment of services related to vehicles. The rules do not impose restrictions on taxpayers that are not required by the statute. 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Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or un-necessary language, including instances where rule language is duplicative of statutory language?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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No. Chapter 218 does not include language that is obsolete, outdated, inconsistent, redundant, 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):

Chapter 218 is re-promulgated in its entirety. Some rules that were previously located in various other chapters have been renumbered in this chapter because the rules are more appropriate for this chapter and relocating them will help the public find applicable rules. These changes caused the word count in this chapter to rise rather than fall.

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:	0
Proposed word count reduction after repeal and/or re-promulgation	-1673
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	0

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

No.