

REVENUE DEPARTMENT[701]

Adopted and Filed

Rule making related to excise taxes and fees

The Revenue Department hereby amends Chapter 3, “Voluntary Disclosure Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 421.14.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 421.5.

Purpose and Summary

The Department is incorporating its voluntary disclosure agreement (VDA) process into the design of its new tax administration system. In reviewing relevant rules for the VDA program, the Department noticed the list of permitted tax types does not include all excise taxes and fees. The Department has added to subrule 3.1(3) excise taxes and fees that were not part of the Iowa Code the last time subrule 3.1(3) was updated: the water service excise tax, equipment excise tax, state and local hotel and motel taxes, automobile rental excise tax, and prepaid wireless 911 surcharge. The amendments to the subrule make clear that all tax types are eligible for a VDA.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on June 16, 2021, as **ARC 5688C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Department on July 21, 2021.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on September 15, 2021.

The following rule-making action is adopted:

Amend subrule 3.1(3) as follows:

3.1(3) *Type of taxes eligible.* Only taxes, penalties and interest related to Iowa source income are eligible for settlement under the voluntary disclosure program. For purposes of this rule, “Iowa source income” means the tax base and the tax collection responsibility for the following enumerated taxes: corporate income tax, franchise tax, fiduciary income tax, withholding income tax, individual income tax, local option school district income surtax, state sales tax, state use tax, motor fuel taxes, cigarette and tobacco taxes, ~~and~~ local option taxes, state and local hotel and motel taxes, automobile rental excise tax, equipment excise tax, water service excise tax, and the prepaid wireless 911 surcharge.

[Filed 7/21/21, effective 9/15/21]

[Published 8/11/21]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 8/11/21.