Regulatory Analysis

Notice of Intended Action to be published: 261—Chapters 57, 66, and 76
"Employer Child Care Tax Credit; Assistive Device Tax Credit; Aggregate Tax Credit Limit for Certain Economic Development Programs"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.119, 237A.31, and 422.33(9)

State or federal law(s) implemented by the rulemaking: Iowa Code sections 15.119, 237A.31, and 422.33(9)

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

October 21, 2025	1963 Bell Avenue
9:45 to 10 a.m.	Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis, which must be received by the Economic Development Authority (Authority) no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Lisa Connell
Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10 and Iowa Code section 17A.7(2), the Authority proposes to rescind Chapters 57, 66, and 76. Chapter 57 describes the policies and procedures applicable to the employer child care tax credit administered by the Authority pursuant to Iowa Code section 237A.31. Chapter 66 describes the policies and procedures applicable to the assistive device tax credit administered by the Authority pursuant to Iowa Code section 422.33(9). Chapter 76 describes the procedure by which the Authority, with approval of its board, allocates the aggregate tax credit limit established in Iowa Code section 15.119.

The employer child care tax credit and assistive device tax credit were repealed by 2025 Iowa Acts, Senate File 657. That legislation also removes the requirement for the Authority to adopt a procedure for allocating the aggregate tax credit limit by rule.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

The rescission of Chapters 57, 66, and 76 does not impose any costs.

- **Classes of persons that will benefit from the proposed rulemaking:**

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority. Rescinding chapters where there is no statutory requirement for the Authority to promulgate rules will reduce unnecessary rules and streamline the Authority's ongoing review of rules.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

The rescission of Chapters 57, 66, and 76 does not impose any costs.

- **Qualitative description of impact:**

Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority. Rescinding chapters where there is no statutory requirement for the Authority to promulgate rules will reduce unnecessary rules and streamline the Authority's ongoing review of rules.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

None.

- **Anticipated effect on State revenues:**

None.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The rescission of Chapters 57, 66, and 76 does not impose any costs. Rescinding chapters for programs and activities that have been discontinued will provide clarity about the responsibilities of the Authority. Rescinding chapters where there is no statutory requirement for the Authority to promulgate rules will reduce unnecessary rules and streamline the Authority's ongoing review of rules.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Authority has not identified any less costly or less intrusive methods.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

The Authority did not consider any other methods.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Authority did not consider any other methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The rescission of chapters does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **261—Chapter 57**.

ITEM 2. Rescind and reserve **261—Chapter 66**.

ITEM 3. Rescind and reserve **261—Chapter 76**.