

701—201.11(423) Substantially delinquent tax—revocation of permit.

201.11(1) *Substantial delinquency of tax.* The department may revoke a permit if the permit holder has become substantially delinquent in paying any tax that is administered by the department or the interest or penalty on the tax. The department will consider the nonexclusive factors set forth in subrule 201.10(1) to determine whether there is a substantial delinquency.

201.11(2) *Child support noncompliance.* The holder of a revoked permit will not be permitted to obtain a new permit if the department has received a certificate of noncompliance from the child support recovery unit in regard to the permit holder who is an individual requesting reinstatement until the unit furnishes the department with a withdrawal of the certificate of noncompliance. The department will not revoke a permit from an entity if the department has received a certificate of noncompliance from the child support recovery unit in regard to an individual who is an owner or officer of the entity.

201.11(3) *Intent to revoke; opportunity for hearing.*

a. The department will provide notice of intent to revoke a sales or use tax permit by ordinary mail. A permittee will have 30 days to petition the department for a hearing on the proposed revocation. If the permittee does not petition the department within 30 days, the permit is revoked.

b. If the permittee files a petition for a hearing on the proposed revocation, the department will transmit the case to the division of administrative hearings unless retained by the director. The presiding officer will issue a notice of hearing by restricted certified mail or by personal service as in a civil case. Notice shall contain a statement of facts or conduct and the provisions of law that warrant the revocation of the permit. A hearing may be set no less than ten days from the date of the notice sent under this paragraph. The permittee will be given an opportunity to show at an evidentiary hearing conducted pursuant to rule 701—7.18(17A) compliance with all lawful requirements for the retention of the permit. The permittee may file a petition with the presiding officer prior to the hearing. The department may, in its discretion, file an answer to a petition filed by the permittee prior to the hearing. Thereafter, rule 701—7.18(17A) governing contested case proceedings shall apply.

c. If the department finds that public health, safety, or welfare imperatively requires emergency action and the department incorporates a finding to that effect in an order to the permittee, summary suspension of a permittee shall be ordered pending proceedings for revocation as provided herein. These proceedings shall be promptly instituted and determined. When a summary suspension as provided herein is ordered, a notice of the time, place and nature of the evidentiary hearing shall be attached to the order.

This rule is intended to implement Iowa Code section 423.36.

[ARC 8150C, IAB 7/24/24, effective 8/28/24; ARC 8944C, IAB 2/19/25, effective 3/26/25]