

## REVENUE DEPARTMENT[701]

### Adopted and Filed Emergency

The Department hereby amends Chapter 2, “Organization and General Definitions,” rescinds Chapter 5 “Public Records and Fair Information Practices,” amends Chapter 103 “Examination and Certification of Assessors and Deputy Assessors,” and Chapter 201 “Sales and Use Tax Permits,” Chapter 230 “Administration of Cigarette, Tobacco, Vapor Products, and Alternative Nicotine Products,” and Chapter 260, “Motor Fuel and Undyed Special Fuel,” and adopts new Chapter 2502, “Petitions for Rulemaking,” Chapter 2503, “Declaratory Orders,” Chapter 2504, “Rule Waivers,” Chapter 2505, “Fair Information Practices,” Chapter 2506, “Contested Cases,” and Chapter 2507 “Filing a Tax Appeal and the Informal Proceedings Before a Contested Case,” Iowa Administrative Code.

#### *Legal Authority for Rulemaking*

This rulemaking is adopted under the authority provided in 2026 Iowa Acts, Senate File 2463.

#### *State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 17A.24 and 2026 Iowa Acts, Senate File 2463.

#### *Purpose and Summary*

The Department is adopting emergency rules under Iowa Code section 17A.4(3) and section 17A.5(2)“b”, providing for additions, exceptions, or amendments to Uniform Rules on Agency Procedure adopted by the Administrative Rules Coordinator pursuant to 2026 Iowa Acts, Senate File 2463. Senate File 2463 did not rescind rules 701—5.1 and 701—5.10, therefore the content of the two rules is proposed to be added to Chapter 2505 for consistency. The definitions in rule 701—5.1 are being incorporated into rule 701—2505.1, and the content in rule 701—5.10 is being proposed under rule 701—2505.11. Additionally, the 701—chapter 7 rules on the informal tax appeal process prior to a contested case are being adopted under 701—chapter

2507. These rules are intended to later be editorially moved back to 701—chapter 7 after the rescission of the chapter goes into effect on January 1, 2027. Taxpayers are most familiar with finding rules on appeals and related administrative procedures within 701—chapter 7, therefore the Department has determined it to be most beneficial to maintain these rules in this location for clarity and convenience to taxpayers.

The following rules are necessary to comply with legal obligations imposed on the Department:

1. 701—2502.1 to adopt an additional content requirement for petitions for rulemaking found under numbered paragraph 7 that states, “7. Any other matters deemed relevant that are not covered by the above requirements.” The Department has authority to prescribe by rule the form for petitions and the procedure for their submission, consideration, and disposition under Iowa Code section 17A.7(1). To make the petition review process efficient for customers, the Department currently asks petitioners to provide a complete history of any prior contacts between the petitioner and the Department relating to the activity affected by the proposed rulemaking, including audits, notices of assessment, refund claims, appeals, contested case hearings, or investigative reports relating to the activity within the last five years. Retaining the ability to request this information ensures thorough and efficient review of rulemaking requests. The existing uniform rule is deemed insufficient by not stating that an agency has additional discretion to add other petition form requirements that may aid both the agency and petitioner in the review and disposition of the petition and section 17A.7(1) supports the inclusion of such a rule.
2. 701—2503.1(1) to make amendments under the Department’s authority to adopt rules that provide for the form, contents, and filing of petitions for declaratory orders provided by Iowa Code section 17A.9(2). The existing uniform rule is deemed insufficient to provide clarity to customers to ensure petitions include adequate information.
  - a) 701—2503.1(1)“a” to adopt an additional requirement for a filed petition for declaratory order found under numbered paragraph 9 and a clarifying requirement under numbered paragraph 10. Requirement numbered paragraph 9 includes whether the petitioner is presently under audit or investigation by the agency, something that can be a strong determining factor as to the applicability to specified circumstances of a statute, rule, or order when a person is petitioning for a declaratory order. Numbered paragraph 10 clarifies that petitions submitted by a representative must have a valid IDR power of attorney form or representative certification form on file with the agency, which is required by Iowa Code section 421.59.
  - b) 701—2503.1(1)“b” and “c” to adopt amendments for clarity purposes. First, a paragraph on standing is included to provide clarity for petitioners prior to submission, to avoid the need to provide such information solely through a refusal to issue an order. Second, a

paragraph to clarify that an association or representative group cannot file a petition for declaratory order on behalf of its members. This is prohibited due to the fact that each member may not be similarly situated or represented by the factual scenario set forth in the petition. These additions will ensure an entity receives an appropriate review on the specified circumstances of a statute, rule, or order within the primary jurisdiction of the agency and that customers are aware of these requirements up front rather than awaiting an order only to receive a refusal on these grounds.

3. 701—2504.1(1) to adopt definitions of discretionary and interpretive rules to provide more clarity beyond Iowa Code section 17A.9A on what types of rules the Department has the authority to waive. These definitions were part of the Department's effort to comply with Uniform Waiver Rule requirements paragraphs D and H, outlined in Iowa Executive Order No. 11 (1999), which Governor Reynolds has retained. The Department deems the existing uniform rule as insufficient to cover the requirements for rule waivers for the subject matter required by Department rules, as required by Executive Order No. 11 (1999).
4. 701—2505.4(8) to adopt an additional subrule directing how to request a copy of a tax return. The existing uniform rule does not cover this specific type of request required by Iowa Code section 421.17(37).
5. 701—2505.7, 701—2505.9, and 701—2505.10 to rescind and replace the uniform rules to address how to properly handle confidential records as authorized and required by Iowa Code sections 22.7, 99G.34, 123.38A, 422.20, and 422.72. Additionally, the amendment to 701—2505.7 provides the necessary rules for Information Disclosure Designation, form IA8821. The uniform rules that cover this material are insufficient to cover the specific statutory confidentiality requirements for effective tax administration.
6. 701—2506.3(1) to amend the rule cross-reference to accurately reflect the Department-specific computation of time required by Iowa Code section 421.9A. The uniform rule provides for the time computation outlined in Iowa Code section 4.1, but Iowa Code section 421.9A is a Department-specific statute on computation of time that supersedes 4.1.
7. 701—2506.20(3) to amend the subrule to add rule and statutory references for accuracy to comply with Iowa Code section 421.59 regarding who may represent a party at a hearing or prehearing conference. The uniform rule is sufficient for how parties are represented for some matters with the Department, however there are additional statutory requirements for tax administration.
8. 701—2506.26 to adopt an amendment to adhere to how the Department's tax-related contested cases become a decision subject to judicial review and provide necessary information regarding litigation costs as required by Iowa Code sections 421.60 and 422.29. The uniform rule is insufficient due to not covering information regarding litigation costs covered in statute and describing a judicial review process that differs from the standard the Department currently follows.

The following rules are determined to be necessary by the Department:

1. 701—2504.1(3) to amend the petition for waiver requirement under numbered paragraph 6 to require the petitioner to provide a full contact history between the petitioner and the Department upon submission of a petition, in order to give adequate consideration of a petition for rule waiver. Retaining this requirement makes the petition review and deliberation faster and more efficient for both the requester and the Department, thus the uniform rules on agency procedure is insufficient.
2. 701—2505.3(3) to amend the uniform rule on requesting records to provide more clarity on the process for public records compared to confidential records. The process for the Department to fulfill a request for confidential records may include additional requirements, including a signed affidavit, which has protections to prevent perjury outlined under Iowa Code section 421.27A. The uniform rules on agency procedure do not provide for this distinction.
3. 701—2506.2 to adopt a definition of pleadings, which is not defined in statute or in the uniform rules. Including a definition provides clarity for customers in both informal appeals and contested cases. The existing language of the uniform rules on agency procedure is insufficient.
4. 701—2506.11 to maintain the Department's rule content on pleadings in the informal tax appeal chapter of 701—chapter 2507 and incorporate into this rule, the current language from rule 701—6.10(2) to provide specific guidance for the Department and local authorities to take action on alcohol-related violations. The existing language of the uniform rules on agency procedure is insufficient. The Department has more detailed content on pleadings in the existing informal tax appeal chapter that can also apply to the contested cases procedures described in the uniform rule. The alcohol regulation specific rule 701—6.10(2), is a pleadings rule that local authorities consider highly beneficial to helping them understand procedures on alcohol-related violations to benefit public health and safety.
5. 701—2506.17 to amend the rule for a continuance to be requested no later than three days, rather than seven, and allow each party to be entitled to one continuance without the need for a good cause showing. This time frame is more appropriate for Department contested cases on alcohol matters than that provided by the uniform rule. Self-represented persons are common in alcohol contested cases and they historically have benefited from the three-day time frame.

*Reason for Adoption of Rulemaking Without*

### *Prior Notice and Opportunity for Public Participation*

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary or impractical because 2026 Iowa Acts, Senate File 2463, section 5, authorizes emergency rulemaking to provide for additions, exceptions, or amendments to the Uniform Rules on Agency Procedure.

### *Reason for Waiver of Normal Effective Date*

Pursuant to Iowa Code section 17A.5(2)“b”(1)(c), the Department also finds that the normal effective date of this rulemaking, 35 days after publication, should be waived and the rulemaking made effective July 1, 2026, because 2026 Iowa Acts, Senate File 2463, section 5, authorizes emergency rulemaking for the purpose stated above. This rulemaking confers a benefit on the public by ensuring that essential rules on agency procedure remain in continuous effect following the statutory rescission of the Department’s current rules on agency procedure effective July 1, 2026.

### *Adoption of Rulemaking*

This rulemaking was adopted by the Department on **June 19, 2026**.

### *Fiscal Impact*

This rulemaking has no fiscal impact to the state of Iowa.

### *Concurrent Publication of Notice of Intended Action*

In addition to its adoption on an emergency basis, this rulemaking has been initiated through the normal rulemaking process and is published herein under Notice of Intended Action as **ARC [XXXXC]** to allow for public comment.

### *Jobs Impact*

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

## Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 701—Chapter 2504.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking 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 rulemaking became effective on June 30, 2026.

The following rulemaking action is adopted:

ITEM 1. Amend the following title of 701—Chapter 2: ORGANIZATION AND GENERAL DEFINITIONS

ITEM 2. Adopt the following rule 701—2.6(17A,22,99G,123,421-454):

**701—2.6(17A,22,99G,123,421-454) Definitions.** For the purposes of the department's rules, the following definitions apply unless otherwise defined:

“*Department*” or “*IDR*” means the Iowa department of revenue.

“*Director*” means the director of the department or the director's designee.

“*GovConnectIowa*” means the e-services portal of the department.

“*Issuance*” means the date specified in the decision or order, the date of mailing of a decision, or order or date of delivery of the decision or order if service is by other means.

ITEM 3. Rescind 701—Chapter 5(17A,22,99G,123,421-454).

ITEM 4. Adopt the following rule 701—103.19(441):

**701—103.19(441) Appeals of director's rejection of assessor appointment or reappointment.**

**103.19(1)** *Written request for appeal.* Any assessor or conference board wishing to contest the director's rejection of the conference board's appointment of an assessor under 701—subrule 10.15(4) or reappointment of an assessor under 701—subrule 103.16(3) shall file an appeal, in writing, within 30 days of the director's notice of decision. Any person who does not seek an appeal within 30 days of the director's notice shall be precluded from challenging the director's decision.

**103.19(2)** *Procedures.* Appeals will be governed by the procedures set forth in this rule together with the procedures set forth in the following rules:

- a. Subrules 2507.3(2) and 2507.3(3);
- b. Rule 701—2507.7(17A);
- c. The introductory paragraph of rule 701—2507.8(17A) and subrule 2507.8(6);
- d. Subrules 2507.11(1), 2507.11(2), and 2507.11(4);
- e. Rule 701—2507.13(17A,421);
- f. Subrules 2507.14(1) to 2507.14(3);
- g. Rule 701—2507.15(17A);
- h. Rules 7—2506.4(17A) and 7—2506.5(17A);
- i. Rule 7—2506.13(17A);
- j. Rule 7—2506.16(17A);
- k. Rules 7—2506.20(17A), 7—2506.14(17A), 7—2506.12(17A), 7—2506.15(17A), 7—2506.20(17A), 7—2506.22(17A); 7—2506.25(17A), 7—2560.27(17A), and 701—2506.25(17A); additionally, Iowa Code section 421.60 shall not apply; rules 7—2506.29(17A) and 7—2506.10(17A);
- l. Rule 7—2506.19(17A);
- m. Rules 7—2506.21(17A) and 7—2506.24(17A);
- n. Rule 7—2506.28(17A);
- o. Rule 7—2506.23(17A); and
- p. Rule 701—8.8(17A,22,421,422).

**103.19(3)** *Presiding officer.* The director shall be the presiding officer in a contested case under this rule. The director may request that an administrative law judge assist and advise the director with any matters related to the contested case proceedings, including but not limited to ruling on any prehearing matters, presiding at the contested case hearing, and issuing orders and rulings.

**103.19(4)** *Contents of the appeal.* The appeal shall contain the following in separate numbered paragraphs:

- a. A statement of the department action giving rise to the appeal.
- b. The date of the department action giving rise to the appeal.
- c. Each error alleged to have been committed, listed as a separate paragraph. For each error listed, an explanation of the error and all relevant facts related to the error shall be provided.
- d. Reference to the particular statutes, rules, or agreement terms, if known.
- e. References to and copies of any documents or other evidence relevant to the appeal.
- f. Any other matters deemed relevant to the appeal.
- g. A statement setting forth the relief sought.
- h. The signature, mailing address, and telephone number of the person or that person's representative.

**103.19(5)** *Burden of proof.* The burden of proof is on the party challenging the director's decision under 701—subrule 10.15(4) or 103.16(3).

This rule is intended to implement Iowa Code section 441.6(3) and chapter 17A.  
[ARC 8944C, IAB 2/19/25, effective 3/26/25]

ITEM 5. Adopt the following rule 701—103.20(441):

**701—103.20(441) Appeals and hearings regarding the director's intent to remove a member of the board of review.**

**103.20(1) *Written request for hearing.*** A member of the board of review who has received a notice of intent to remove from the director and who wishes to contest the removal shall file a written request for a hearing within 30 days after the receipt of the notice of the director's intent to remove the member. Any person who does not seek a hearing within 30 days of receipt of the notice of the director's intent to remove shall be precluded from challenging the removal.

**103.20(2) *Procedures.*** Hearings will be governed by the procedures set forth in this rule together with the procedures set forth in the following rules:

a. The introductory paragraph of rule 701—2507.7(17A), excluding the first sentence of the introductory paragraph of 701—2507.7(17A); and subrule 2507.8(6);

b. Subrule 2507.8(1);

c. 701—2507.9(17A);

d. Subrules 2507.11(1) to 2507.11(4);

e. Rule 701—2507.13(17A,421);

f. Rule 701—2507.14(17A);

g. Rule 701—2507.15(17A);

h. Rule 7—2506.4(17A) and 7—2506.5(17A);

i. Rules 7—2506.20(17A), 7—2506.14(17A), 7—2506.12(17A), 7—2506.15(17A), 7—2506.20(17A), 7—2506.22(17A); 7—2506.25(17A), 7—2560.27(17A), additionally, Iowa Code section 421.60 shall not apply; rules 7—2506.29(17A), and 7—2506.10(17A);

j. Rule 7—2506.16(17A);

k. Rule 7—2506.19(17A);

l. Rules 7—2506.21(17A) and 7—2506.24(17A); and

m. Rule 7—2506.28(17A).

**103.20(3) *Presiding officer.*** The director shall be the presiding officer in a contested case under this rule. The director may request that an administrative law judge assist and advise the director with any matters related to the contested case proceedings, including but not limited to ruling on any prehearing matters, presiding at the contested case hearing, and issuing orders and rulings.

**103.20(4) *Contents of the appeal.*** The appeal shall contain the following in separate numbered paragraphs:

a. A statement of the department action giving rise to the appeal.

b. The date of the department action giving rise to the appeal.

c. Each error alleged to have been committed, listed as a separate paragraph. For each error listed, an explanation of the error and all relevant facts related to the error shall be provided.

d. Reference to the particular statutes, rules, or agreement terms, if known.

e. References to and copies of any documents or other evidence relevant to the appeal.

- f. Any other matters deemed relevant to the appeal.
- g. A statement setting forth the relief sought.
- h. The signature, mailing address, and telephone number of the person or that person's representative.

**103.20(5) Burden of proof.** The burden of proof is on the party challenging the director's intent to remove a board member.

This rule is intended to implement Iowa Code section 441.32(2) "e" and chapter 17A.

[**ARC 8944C**, IAB 2/19/25, effective 3/26/25]

ITEM 6. Amend the following subrule 701—201.10(3):

**201.10(3) Appeals.** The department will provide notice of a sales permit denial according to ~~701—subrule 7.26(2)~~. The notice will contain a statement of facts or conduct and the provisions of law that warrant the denial of the license or the refusal to renew a license. The notice will provide the licensee or applicant with 30 days to request a hearing and information about how to contact the department to make such a request. Any request for a hearing or contested case of the department's intent to deny a sales tax permit application is governed by rule ~~701—7.15(17A)~~ 701—2506.4(17A) and the contested rules in ~~701—Chapter 7~~ Chapter 2506 and ~~7—Chapter 2506~~ shall apply.

ITEM 7. Amend the following subrule 701—230.6(1):

**230.6(1) Revocation by the department.** Any permit revocation by the department under Iowa Code chapter 453A and this rule is subject to the requirements of ~~rules 701—7.19(17A) and 701—7.39(17A)~~ 7—Chapter 2506 and 701—Chapter 2506.

ITEM 8. Amend the following subrule 701—260.10(4):

**260.10(4) Procedure.** ~~Rule 701—7.39(17A) provides more information about the revocation or invalidation of permits.~~ Any permit revocation by the department under Iowa Code chapter 453A and this rule is subject to the requirements of rules 701—7.19(17A) and 701—7.39(17A) 7—Chapter 2506 and 701—Chapter 2506.

ITEM 9. Adopt the following **new** 701—Chapter 2502(17A):

## CHAPTER 2502

### PETITIONS FOR RULEMAKING

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapter are below.

**701—2502.1(17A) Requesting rules be made.** Any person may file a petition for rulemaking with the agency by submitting an original petition for rulemaking to the agency at the agency's address or agency's email. The petition is considered filed when received at either address. The agency will provide the petitioner with a file-stamped copy of the petition upon request. The agency can only accept petitions that

are typewritten or legibly handwritten in ink. Petitioners are also obligated to submit the petition so that it substantially conforms to the following:

[AGENCY NAME]

Petition by [name of petitioner] for the [adoption, amendment, or rescission] of rules relating to [state subject matter].	PETITION FOR RULEMAKING
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Petitioners are obligated to provide the following information in the petition:

7. Any other matters deemed relevant that are not covered by the above requirements.

ITEM 10. Adopt the following **new** 701—Chapter 2503(17A):

CHAPTER 2503  
DECLARATORY ORDERS

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapter are below.

**701—2503.1(17A) Petition for declaratory order.**

**2503.1(1)** Any person may file a petition with the agency requesting that the agency issue a declaratory order in accordance with Iowa Code section 17A.9. The petition can only be reviewed by the agency if the agency has the authority to consider the petition. Petitioners seeking a declaratory order are obligated to file the petition at the agency's address or agency's email. The petition is considered filed when received at either address. The agency will provide the petitioner with a file-stamped copy of the petition upon request.

- a. Petition.* The agency can only accept petitions that are typewritten or legibly handwritten in ink. Petitioners are also obligated to submit the petition so that it substantially conforms to the following:

[AGENCY NAME]

Petition by [name of petitioner] for a declaratory order on [cite provisions of law involved].	PETITION FOR DECLARATORY ORDER
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Petitioners are obligated to provide the following information in the petition:

9. Whether the petitioner is presently under audit or investigation by the agency; and
10. The signature of the petitioner or the petitioner's representative and date of signature. It must also include the name, mailing address, and telephone number of the petitioner and of the petitioner's

representative and a statement indicating the person to whom communications concerning the petition should be directed. Petitions submitted by a representative must have a valid IDR power of attorney form or representative certification form, as applicable in accordance with rule 701—8.8(17A), on file with the agency.

*b. Standing.* The petitioner must be potentially aggrieved or adversely affected by the agency action or failure to act.

*c. Associations.* An association or a representative group is not considered to be an entity qualifying for filing a petition requesting a declaratory order on behalf of all of the association or group members. Each member of an association may not be similarly situated or represented by the factual scenario set forth in such a petition.

ITEM 11. Adopt the following **new** 701—Chapter 2504(17A):

#### CHAPTER 2504 RULE WAIVERS

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapter are below.

#### **701—2504.1(17A) Application.**

##### **2504.1(1)**

*a. Submission.* Any person may submit a petition to waive, in whole or in part, any discretionary rule filed outside of a contested case proceeding in the agency's jurisdiction by submitting the petition to the agency.

*b. Definitions.* The following terms apply to the interpretation and application of this chapter:

*"Discretionary rule"* or *"discretionary provisions in a rule"* means rules or provisions in rules resulting from a delegation by the legislature to the agency to create a binding rule to govern a given issue or area. The agency is not interpreting any statutory provision of the law promulgated by the legislature in a discretionary rule. Instead, a discretionary rule is authorized by the legislature when the legislature has delegated the creation of binding rules to the agency and the contents of such rules are at the discretion of the agency. A rule that contains both discretionary and interpretive provisions is deemed to be a discretionary rule to the extent of the discretionary provisions in the rule.

*"Interpretive rules"* or *"interpretive provisions in a rule"* means rules or provisions in rules that define the meaning of a statute or other provision of law or precedent where the agency does not possess the delegated authority to bind the courts to any extent with its definition.

**2504.1(3)** A petitioner seeking to have a rule waived is obligated to file the petition for waiver at the agency's address or agency's email. The petition for waiver is considered filed when received at either address. The agency will provide the petitioner with a file-stamped copy of the petition upon request. The agency can only accept petitions for waiver that are typewritten or legibly handwritten in ink. Petitioners are also obligated to submit the petition so that it substantially conforms with the following:

BEFORE THE [INSERT NAME OF AGENCY]

Petition by [name of petitioner] for the waiver of [rule citation] related to [state subject matter].	PETITION FOR WAIVER
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6. If applicable, a complete history of any prior contacts between the petitioner and the agency relating to the activity or license affected by the proposed waiver, including audits, notices of assessment, refund claims, appeals, a description of each affected license held by the requester, any notices of violation, contested case hearings, or investigative reports relating to the activity within the last five years.

11. A dated signature by the petitioner or, if applicable, petitioner's representative. Petitions submitted by a representative must have a valid IDR power of attorney form or representative certification form, as applicable in accordance with rule 701—2507.6(17A), on file with the agency.

ITEM 12. Adopt the following **new** 701—Chapter 2505:

CHAPTER 2505

FAIR INFORMATION PRACTICES

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapter are below.

**701—2505.1(17A,22) Definitions.** As used in this chapter:

“*Confidential record*” means a record that is not available as a matter of right for examination and copying by members of the public under applicable provisions of law. Confidential records include but are not limited to records or information contained in records that the agency is prohibited by law from making available for examination by members of the public; records or information contained in records that are specified as confidential by Iowa Code sections 22.7, 99G.34, or 123.38A, or other provision of law but that may be disclosed upon order of a court, the lawful custodian of the record, or by another person duly authorized to release the record; and confidential state tax information and federal tax information. Mere inclusion in a record of information declared confidential by an applicable provision of law does not necessarily make that entire record a confidential record.

“*Confidential state tax information*” means information that is protected from disclosure by Iowa Code sections 422.20, 422.72, 437A.14, 437B.10, 453B.10, 450.68, and 452A.63. Confidential state tax information includes but is not limited to state tax returns and return information. Confidential state tax information does not include federal tax information (FTI). If confidential state tax information is contained in a record, that record may also be considered a confidential record protected by Iowa Code chapter 22.

“*Federal tax information*” or “*FTI*” means return or return information received directly from the Internal Revenue Service or obtained through an authorized secondary source acting on behalf of the

Internal Revenue Service pursuant to an Internal Revenue Code § 6103(p)(2)(B) agreement. Copies of tax returns or return information provided to the agency directly by a taxpayer or the taxpayer's representative, including but not limited to tax returns or return information provided to the agency through electronic filing as defined in 701—subrule 8.5(1), or obtained from public information files (e.g., federal tax liens on file with the county clerk, Offers in Compromise available for public inspection, and court records) are not considered FTL.

*“Lawful custodian”* means the agency, the director of revenue, the agency's public information officer, or a person lawfully delegated authority by the agency to act for the agency in implementing Iowa Code chapter 22.

*“Personally identifiable information”* means information about or pertaining to an individual in a record that identifies the individual and that is contained in a record system. The term “personally identifiable information” includes “personal information” as defined in Iowa Code section 715C.1.

*“Public records”* means the same as defined in Iowa Code section 22.1.

*“Record system”* means any group of records under the control of the agency from which a record may be retrieved by a personal identifier such as the name of an individual, number, symbol, or other unique retriever assigned to an individual. A record system is a “system,” as defined below.

*“Routine use”* means the disclosure of a record without the consent of the subject or subjects, for a purpose that is compatible with the purpose for which the record was collected. “Routine use” includes disclosures required by statute other than the public records laws codified at Iowa Code chapter 22.

*“System”* means any of the following:

1. Computer hardware or software;
2. Computerized processes and procedures;
3. Noncomputerized processes and procedures.

*“Tax administration”* means the administration, management, conduct, direction, and supervision of the execution and application of the state tax laws; means the development and formulation of state tax policy; and includes assessment, collection, enforcement, litigation, publication, and statistical gathering functions.

## **701—2505.3(17A,22) Requests for access to records.**

### **2505.3(3) Request for access.**

*a. Requests for public records.* Requests for access to public records maintained by the agency shall be made, whenever possible, by email. Otherwise, requests can be made in writing, in person, by telephone using the agency's telephone number, or through other electronic means made available by the agency. Requests should identify the particular public records sought by name or description in order to facilitate identification of relevant public records. Requests should include the name, address, email, and telephone number of the person requesting the information. A member of the public need not give a reason for requesting public records. For public records requests that involve searches of electronic stores of information, the agency may condition the search on the requester providing search terms for the search.

*b. Requests for confidential records.* Requests for access to confidential records maintained by the agency shall be made in the same manner as 2505.3(3)“a.” The agency may require the requester to provide additional documentation, including but not limited to proof of identity and authority to secure access to

the record. The agency may also require the requester to sign a certified statement or affidavit listing the specific reasons justifying access to the record and provide any proof necessary to establish relevant facts.

**701—2505.4(17A,22) Access to confidential records.**

**2505.4(8) *Requesting a copy of a return.*** A taxpayer requesting a copy of the taxpayer's own tax return must do so via GovConnectIowa. There will be a \$5 charge for each return requested. Payment will be received prior to release of the return.

**701—2505.7(17A,22) Consensual disclosure of confidential records.**

**2505.7(1) *Consent to disclosure by a subject.*** To the extent permitted by law, the subject may consent in writing to agency disclosure of confidential records as provided in rules 701—2505.9(17A,22,99G,123,421-454) and 701—2507.6(17A,22,421,422).

**2505.7(2) *Complaints to public officials not an authorization—separate authorization required.*** A letter from the subject of a confidential record to a public official that seeks the official's intervention on behalf of the subject in a matter that involves the agency is not, to the extent permitted by law, treated as an authorization to release sufficient information about the subject to the official to resolve the matter. The subject of a confidential record filing a complaint needs to submit a disclosure authorization as provided in rules 701—2505.9(17A,22,99G,123,421-454) and 701—8.8(17A,22,421,422).

**701—2505.9(17A,22,99G,123,421-454) Tax information disclosure designation.**

**2505.9(1) *Powers authorized.*** A taxpayer may designate an individual to receive, inspect, and discuss the taxpayer's confidential state tax information from the agency. Such designation does not authorize the designee to act or authorize any action on the taxpayer's behalf in any way other than to receive information and communicate with the agency. Information about transfers of decision-making authority is contained in Iowa Code section 421.59 and rule 701—8.8(17A,22,421,422).

**2505.9(2) *Contents of the tax information disclosure designation form.*** A taxpayer must use the agency's tax information disclosure designation form, or other designated method authorized by the agency, to designate an individual to receive, inspect, and discuss confidential state tax information. A tax information disclosure designation form must contain the following information to be valid:

- a. Legal name and address of the taxpayer;
- b. Identification number of the taxpayer (i.e., social security number (SSN), federal identification number (FEIN), or any federal- or Iowa-issued tax identification number);
- c. The designee's name, mailing address, and identification number (i.e., preparer's tax identification number (PTIN), FEIN, SSN, individual taxpayer identification number (ITIN), or Iowa department of revenue-issued account number (IAN)). In lieu of a designee's identification number, a taxpayer may indicate that an IAN is being requested for the designee;
- d. Description of the matter(s) for which disclosure is authorized, which may include:
  - (1) The type of tax(es) involved or an indication that all tax types are within the scope of disclosure;
  - (2) The specific year(s) or period(s) involved or an indication that the scope is unlimited (not to exceed three years into the future beyond the signature date); and
  - (3) Business tax permit number or an indication that all tax types are within the scope of authority;

e. A clear expression of the taxpayer's intention concerning any restrictions to the scope of authority granted to the recognized representative(s) as provided in subrule 2505.9(1);

f. An authorized signature of an individual listed in subrule 2505.9(4) meeting the requirements of rule 701—8.2(17A,421);

g. Any other information required by the agency.

**2505.9(3)** *Authorization period for a tax information disclosure designation.*

a. A tax information disclosure designation may not be used to authorize disclosure for tax periods that end more than three years after the date on which the tax information disclosure designation is signed by the taxpayer. A tax information disclosure designation may concern an unlimited number of tax periods that have ended prior to the date on which the tax information disclosure designation is received by the agency; however, tax periods must be stated if the intention is to limit the periods. If the tax periods section is left blank, all tax periods, including those ending up to three years in the future, are included.

b. A tax information disclosure designation continues to be effective for tax periods as defined in paragraph 2505.9(3) "a" until revocation by the taxpayer; incapacity of the taxpayer; death of the taxpayer; or withdrawal, death, or incapacity of the tax information disclosure designee.

**2505.9(4)** *Individuals who may execute a tax information disclosure designation.* The individual(s) who may execute a tax information disclosure designation depends on the type of taxpayer involved:

a. *Individual.* In matters involving an individual taxpayer, a tax information disclosure designation must be signed by the individual.

b. *Joint or combined returns.* In matters involving a joint return or married taxpayers who have elected to file separately on a combined return, each taxpayer must complete and submit a tax information disclosure designation form for the joint return.

c. *Third parties.* The tax information disclosure designation form may be signed by an individual who has been authorized to act on behalf of the taxpayer under Iowa Code section 421.59.

**2505.9(5)** *Revocation and withdrawal.*

a. *Revocation by the taxpayer.*

(1) By written statement. By filing a statement of revocation with the agency, a taxpayer may revoke a tax information disclosure designation without authorizing a new representative. The statement of revocation must include the following:

1. Name, address, and identification number of the taxpayer (i.e., SSN, FEIN, or any federal- or Iowa-issued tax identification number);

2. Name, address, and identification number (i.e., PTIN, FEIN, SSN, ITIN, or IAN) of the designee whose designation is to be revoked;

3. A clear statement to revoke the designee's disclosure designation; and

4. Signature of an authorized signatory as described in subrule 2505.9(4).

(2) Does not automatically revoke. A new tax information disclosure designation for a particular tax type(s) and tax period(s) does not revoke a prior tax information disclosure designation for any tax type(s) and tax period(s) unless the taxpayer has indicated in a written submission to the agency that a prior tax information disclosure designation is to be revoked.

b. *Withdrawal by the designee.* By filing a statement with the agency, a designee may withdraw from the designation in a matter in which a tax information disclosure designation has been filed. The statement must include the following:

(1) Name, address, and identification number of the taxpayer (i.e., SSN, FEIN, or any federal- or Iowa-issued tax identification number);

(2) Name, address, and tax identification number (i.e., PTIN, FEIN, SSN, ITIN, or IAN) of the designee whose designation is to be withdrawn;

(3) A clear statement that the designee wishes to withdraw;

(4) Signature of withdrawing designee and signature date.

**2505.9(6)** *Submitting a form.*

*a. Submit separately.* A tax information disclosure designation form may not be submitted as an attachment to a tax return except as provided by these rules. A tax information disclosure designation must be submitted separately to the agency in accordance with the submission instructions on the form. However, the agency may, at its discretion, provide a method for authorizing disclosure on the face of a tax return as defined in Iowa Code section 421.6.

*b. Original or electronic forms accepted.* The agency will accept either the original, a copy, or an electronically scanned and transmitted form. A copy received by facsimile transmission (fax) or email will be accepted. All forms, whether original copy, received via fax, or electronically scanned and transmitted forms must include a valid signature meeting the requirements of rule 701—8.2(17A,421) of the taxpayer to be represented.

*c. Timely submission.* If the form is not submitted within six months of the date it is signed, it will be considered invalid.

*d. Evaluation of documentation provided.* The agency will evaluate the tax information disclosure designation form and any additional documentation to confirm authorization. Authorization to receive, inspect, and discuss confidential state tax information from the agency shall only cover those matters and time frames covered by the submitted documentation. The party claiming authorization to receive, inspect, and discuss confidential state tax information from the agency on behalf of a taxpayer shall have the burden to prove, to the satisfaction of the agency, the existence and extent of the claimed authorization.

**701—2505.10(17A,22,99G,123,421-454) Release to subject or owner of record.**

**2505.10(1)** The subject of a record may request to review the subject's own records by following the procedures in rules 701—2505.3(17A,22) and 7—2505.4(17A,22). However, the agency need not release the following records to the subject:

*a.* Communications to the agency that are protected from disclosure under Iowa Code section 22.7(18). Such protected communications include responses to questionnaires solicited by the agency that relate to tax administration.

*b.* Records that are a work product of an attorney or are otherwise privileged.

*c.* Peace officers' investigative reports, except when disclosure is required by law.

*d.* Any other records that may be withheld by law.

**2505.10(2)** Where a requested record contains information on multiple subjects, the agency may take reasonable steps to protect confidential information relating to the subject or subjects that did not make the request when releasing the record to the requesting subject.

**701—2505.11(17A,22,99G,123,421-454) Personally identifiable information collected and stored by the department.** The department collects and maintains both public records and confidential records that contain personally identifiable information. This rule describes the nature, extent, retrieval, storage, and processing of personally identifiable information within the department’s record systems.

**2505.11(1) Nature and extent.** All record systems maintained by the department may contain personally identifiable information concerning matters such as income, property holdings, exchanges, financial transactions, licensing, contested case matters, waivers of rule and declaratory rulings, procurement and leases, bailment shipments, lottery prize claims, lottery sales commission payments, audit and examination, litigation, personnel, and demographic information such as address and number of dependents.

**2505.11(2) Retrieval.** Personal identifiers are used to retrieve information from any of the record systems that the department maintains that contain personally identifiable information.

**2505.11(3) Means of storage.** Paper, microform, and various electronic means of storage are used to store records containing personally identifiable information.

**2505.11(4) Comparison.** Electronic or manual data processing may be used to match, to collate, or to compare personally identifiable information in one system with personally identifiable information in another system of records or with personally identifiable information within the same system.

**2505.11(5) Comparison with data from outside the department.** Personally identifiable information in systems of records maintained by the department may be compared with information from outside the department when specified by law. Permitted comparisons include but are not limited to comparisons for the purpose of setoffs.

**2505.11(6) Records containing personally identifiable information.**

a. Personally identifiable information is collected from documents, returns, and any other record filed with the department, as well as from outside sources, including state and federal agencies. Authority to collect this information is found throughout Iowa Code chapters 8A, 17A, 99G, and 123, as well as Title X of the Iowa Code. The chart below describes department records that contain personally identifiable information and identifies which records are public records, confidential records, partially open or partially confidential. A single record may contain information from several categories in the chart. This information is compiled for the purposes of Iowa Code section 22.11.

**Code.....Meaning**

O.....The records are open for public inspection.

C.....The records are confidential and are not open to public inspection.

O/C.....The record is partly open and partly confidential.

Description of Record	Type of Record	Legal Authority for Confidentiality
State tax returns, return information, permit records, tax liability and penalty records, tax policy, tax research records, and all related records	O/C	Iowa Code Title X, including Iowa Code sections 422.20 and 422.72
Nontax collection records	O/C	Iowa Code Title X, including Iowa Code sections 422.20 and 422.72, and contractual authority
Federal tax returns and return information	C	26 U.S.C. Section 6103
Department personnel records, communication records, budget records, and payroll records	O/C	Iowa Code sections 22.7 and 99G.34(2)

Minutes of closed meetings of a government body	C	Iowa Code section 21.5(4)
Records that constitute attorney work product or attorney-client communications or are otherwise privileged	C	Iowa Code section 22.7(4), Iowa Rule of Civil Procedure 1.503, Federal Rule of Civil Procedure 26(b)(3), and case law
Sealed bids	O/C	Iowa Code section 72.3
Final orders, decisions, and opinions	O/C	Iowa Code section 17A.3(1) "d"
License and permit records	O/C	Iowa Code section 99G.24, chapter 123, and Title X
Investigation, audit, and examination records	O/C	Iowa Code sections 99G.34(4), 99G.35, 123.38A, 422.20, and 422.72
Lottery player and winner lists	O/C	Iowa Code sections 99G.34(2), 99G.34(5), and 99G.41(3)
Lottery retailer compensation payments	O/C	Iowa Code sections 99G.24(2), 99G.34(2), and 99G.41(5)

b. The procedure for public records requests may be found in rule 7—2505.3(17A,22) and 701—2505.3(17A,22,99G,123,421-454).

c. The procedure for allowing a person to have additions, dissents, or objections entered in the record will be determined on a case-by-case basis.

d. The subject of the confidential record may either request the record independently and give it to the named third party or authorize the third party to request the subject's confidential information under Iowa Code section 421.59, 422.20(7), or 422.72(9).

e. The department will utilize information, including confidential information, in executing its duties under the Iowa Code. Subjects of the information will not be notified when the information is used. Persons outside of the department receiving confidential information are held to the same confidentiality standard as departmental employees. Whether information is required or optional will be indicated along with the request for information. Failing to provide required information may result in penalties or interest being charged.

f. The department utilizes more than one data processing system, and information is matched between systems.

This rule is intended to implement Iowa Code chapters 17A, 22, 99G, 123, and 421 through 454.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

ITEM 13. Adopt the following new 701—Chapter 2506:

#### CHAPTER 2506 CONTESTED CASES

The Uniform Rules on Agency Procedure, 7—Chapters 2500 through 2506, are rules generally applicable to agencies pursuant to Iowa Code section 17A.24. Additions, exceptions, or amendments to the corresponding chapter are below.

**701—2506.2(17A) Definitions.** Except where otherwise specifically defined by law:

"Pleadings" means appeal, answer, reply or other similar document filed in a contested case proceeding, including contested cases involving no factual dispute.

**701—2506.3(17A) Time obligations.**

**2506.3(1)** Time is computed as provided in rule 701—2507.4(17A).

**701—2506.11(17A) Pleadings.**

7—subrules 2506.11(1) through (3) are not adopted.

**2506.11(4) Amendments.** Amendments to pleadings after a responsive pleading has been filed and to an answer may be allowed with the consent of the other parties or in the discretion of the presiding officer who may impose terms or grant a continuance.

**2506.11(5) Alcohol-related hearing complaint.**

*a.* The agency, a local authority having jurisdiction, or the department of public safety may give written notice of the cause for action in the form of a hearing complaint and an opportunity for a hearing to a licensee, permittee, or holder of a certificate of compliance for any of the following:

- (1) A violation of the laws and rules applicable to the sale and distribution of alcohol.
- (2) Failure to comply with an order issued by the agency.

(3) Failure to fully cooperate during an investigation, audit, or inspection of the licensee; permittee; or certificate holder, including failure to respond to an inquiry within ten business days of the date of mailing by certified mail, return receipt requested, of a written request for information or records directed to the licensee's, permittee's, or certificate holder's last address on file with the agency.

*b.* A hearing complaint shall state in separately numbered paragraphs the following:

- (1) The persons or entities on whose behalf the hearing complaint is filed;
- (2) The particular provisions of statutes and rules involved;

**701—2506.17(17A) Continuances.** Applications for continuances can be made to the presiding officer.

**2506.17(1)** A written application for a continuance will:

*a.* Be made at the earliest possible time and no less than three days before the hearing, except in case of unanticipated emergencies;

*b.* State the specific reasons for the request; and

*c.* Be signed by the requesting party or the party's representative.

No application for continuance will be made or granted without notice to all parties, except in an emergency where notice is not feasible. The agency may waive notice of such requests for a particular case or an entire class of cases.

**2506.17(2)** In determining whether to grant a continuance, the presiding officer may consider:

*a.* Prior continuances;

*b.* The interests of all parties;

*c.* The likelihood of informal settlement;

*d.* The existence of an emergency;

*e.* Any objection;

*f.* Any applicable time obligations;

*g.* The existence of a conflict in the schedules of counsel, parties, or witnesses;

*h.* The timeliness of the request; and

*i.* Other relevant factors.

The presiding officer may order a party to furnish evidence of facts supporting or opposing the request.

Notwithstanding the foregoing, each party is entitled to one continuance without the need of a good cause

showing unless a continuance would cause the contested case proceeding to exceed a time limit set forth in another applicable statute or rule.

**701—2506.20(17A) Hearing procedures.**

**2506.20(3)** Parties have the right to participate or to be represented in all hearings or prehearing conferences related to their case. Partnerships, corporations, limited-liability companies, and associations may be represented by any member, officer, director, or duly authorized agent. Any party may be represented by an attorney or another person authorized by law. An attorney admitted pro hoc vice in accordance with the Iowa rules of court to practice in an agency administrative action in accordance with Iowa Court Rule 31.14 is obligated to have an in-state attorney present at every interaction with the presiding officer. For matters related to Iowa Code chapters 421-454, Iowa Code section 421.59 and rule 701—8.8 govern who may represent a party.

**701—2506.26(17A) Final decision.**

**2506.26(2)** When the director initially presides at a hearing or considers decisions on appeal from or review of a proposed decision by the presiding officer other than the director, the order becomes the final order of the agency for purposes of judicial review or rehearing unless there is an appeal to or review on motion of a second agency within the time provided by statute or rule. When a presiding officer other than the director presides at the hearing, the order becomes final and not subject to judicial review unless there is an appeal to or review on motion of the director within 30 days of the date of the order, including Saturdays, Sundays, and holidays as defined in Iowa Code section 421.9A. However, if the contested case proceeding involves a question of an award of reasonable litigation costs, the proposed order on the substantive issues shall not be appealable to or reviewable by the director on the director's motion until the issuance of a proposed order on the reasonable litigation costs. If there is no such appeal to or review by the director within 30 days or 10 days, whichever is applicable, from the date of the proposed order on reasonable litigation costs, both the proposed order on the substantive issues and the proposed order on the reasonable litigation costs become final and not subject to judicial review. On an appeal from, review of, or application for rehearing concerning the presiding officer's order, the director has all the power which the director would initially have had in making the decision; however, the director will consider only those issues presented at the hearing before the presiding officer or raised independently by the presiding officer, including the propriety of and the authority for raising issues. The parties will be notified of those issues that will be considered by the director.

ITEM 14. Adopt the following **new** 701—Chapter 2507:

CHAPTER 2507

FILING A TAX APPEAL AND THE INFORMAL PROCEEDINGS BEFORE A CONTESTED CASE

[Prior to 12/17/86, Revenue Department[730]]

**701—2507.1(421,17A) Applicability and scope of rules.** These rules implement the Iowa Administrative Procedure Act and the Tax Procedures and Practices Act to aid in the effective and efficient administration

and enforcement of the laws of this state and other activities of the department. These rules govern the practice, procedure, and conduct concerning the filing of tax appeals and the informal proceedings before a contested case is commenced. The rules in this chapter apply to all informal proceedings.

This rule is intended to implement Iowa Code chapter 17A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.2(421,17A) Definitions.** Terms not defined below have the same meaning as defined in Iowa Code chapter 17A. These definitions apply to this chapter unless the text states otherwise:

“*Appeal*” means a dispute of a notice of assessment, refund denial, or other department action that may culminate in a contested case proceeding. “*Protest*” has the same meaning as appeal.

“*Clerk*” means the clerk of the legal services and appeals division or the clerk’s designee.

“*Contested case*” means a proceeding defined by Iowa Code section 17A.2(5) and includes any matter defined as a no factual dispute contested case under Iowa Code section 17A.10A.

“*Division of Administrative Hearings*” means the division of the department of inspections, appeals, and licensing responsible for holding contested case proceedings pursuant to Iowa Code chapter 10A.

“*Enforcement actions and appeals bureau*” means the section of the legal services division of the department designated by the director to administer the informal stage of the appeals process and participate in contested case proceedings for appeals before the department.

“*Informal proceeding*” means a review beginning with the filing of an appeal and ending with the issuance of a notice of hearing to begin a contested case.

“*Review unit*” means the unit composed of the enforcement actions and appeals bureau of the legal services division and any of the attorney general’s staff who have been assigned to review appeals filed by taxpayers.

“*Taxpayer’s representative*” or “*taxpayer’s authorized representative*” means an individual authorized to practice before the department on behalf of a taxpayer under Iowa Code section 421.59; an individual who has been named as an authorized representative on a fiduciary return of income form filed under Iowa Code section 422.14 or a tax return filed under Iowa Code chapter 450 or 450B; or for proceedings before the department, any other individual the taxpayer designates who is named on a valid power of attorney if appearing on behalf of another.

This rule is intended to implement Iowa Code chapter 17A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.3(17A,99G,123,421-454) How to submit an appeal or related documents; service.** Appeals and other documents governed by this chapter may be filed electronically, by mail, or in person, in accordance with the limits described below. The headquarters of the department in the Hoover State Office Building in Des Moines, Iowa, will generally be open between the hours of 8 a.m. and 4:30 p.m. daily, except Saturdays, Sundays, and holidays as defined in Iowa Code section 421.9A.

**2507.3(1)** *Ways to submit an appeal or related document.* Unless otherwise specified in another rule in this chapter, a person may submit an appeal or a related document filed during an appeal:

- a. By submitting through GovConnectIowa.
- b. By email to [idrhearings@iowa.gov](mailto:idrhearings@iowa.gov).

c. By mail to Legal Services Division, Iowa Department of Revenue, P.O. Box 14457, Des Moines, Iowa 50306-3457.

d. By hand delivery to the department's customer service desk in the Hoover State Office Building, First Floor, 1305 East Walnut Street, Des Moines, Iowa 50319, during regular business hours.

**2507.3(2)** *Service by the department during informal proceedings.* All notices or documents required or permitted by this chapter to be served on parties or persons by the department during informal proceedings shall be served by ordinary mail unless the taxpayer has elected to receive communications exclusively through GovConnectIowa, pursuant to rule 701—8.6(421). For taxpayers registered in GovConnectIowa, posting the document in the taxpayer's GovConnectIowa account constitutes service or notice of the document. For taxpayer representatives registered in GovConnectIowa, posting the document in the taxpayer representative's GovConnectIowa account constitutes service or notice of the document. For nonregistered taxpayers or nonregistered taxpayer representatives, documents will be served by ordinary mail. When this nonregistered mailing is required, however, the department may note on the docket the parties served and the method of service instead of filing a certificate of service. With respect to any notice, correspondence, or communication served electronically, response deadlines shall be calculated from the date the taxpayer is notified electronically of the correspondence or the item is mailed, whichever is earlier.

This rule is intended to implement Iowa Code chapter 17A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25; ARC 9707C, IAB 11/12/25, effective 12/17/25]

#### **701—2507.4(17A) Time requirements for filings.**

**2507.4(1)** *Computing time.* Time shall be computed in accordance with Iowa Code section 421.9A. For electronic submissions, in addition to the requirements described in Iowa Code section 421.9A, local time for the state of Iowa applies. In computing time in accordance with Iowa Code section 421.9A, the first day shall be excluded and the last included.

**2507.4(2)** *Date of filing.* The date of filing for appeal requests or other related documents shall be:

a. If sent electronically either through GovConnectIowa or as described on the department's website, determined by the date on which the electronic submission was completed.

b. If sent by regular mail, the date postmarked on the envelope sent to the department's principal office or, if the postmark is not available, the date the appeal is stamped as received by the department.

c. If hand delivered, the date the appeal is stamped as received by the department.

This rule is intended to implement Iowa Code chapter 17A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

#### **701—2507.5(17A) Form and style of documents.**

**2507.5(1)** *Requirements applicable to all filings under this chapter.*

a. *Signatures.* Signatures must meet the requirements of 701—subrule 8.2(6). The signature shall constitute a certification that the signer has read the document; that, under penalty of perjury, the signer declares that to the best of the signer's knowledge and belief, the information contained in the document is true, correct, and complete; and that no statement contained in the document is misleading.

b. *Citations.* Citations may be italicized or underlined.

**2507.5(2) Paper.** Any paper documents that are allowed or required to be submitted by this chapter must:

- a. Be clear and legible.
- b. Be on white paper.
- c. Be on the applicable department appeal, application for reinstatement, or petition form available on the department's forms website [revenue.iowa.gov/forms](http://revenue.iowa.gov/forms) under the category "Applications and Other" or, if not on the department's form, include a proper caption on the first page.
- d. Include a signature.
- e. Include copies as herein provided or as specified in other applicable rules.

**2507.5(3) Email.** Any documents allowed or required to be filed by email under this chapter must be:

- a. A document in PDF, Microsoft Word, Microsoft Excel, or image format that complies with subrules 2507.5(1) and 2507.5(2), or
- b. The body of an email that meets all of the requirements of subrules 2507.5(1) and 2507.5(2).

**2507.5(4) GovConnectIowa.** Any documents allowed or required to be filed through GovConnectIowa under this chapter must be:

- a. A document in PDF, Microsoft Word, Microsoft Excel, or image format that complies with subrules 2507.5(1) and 2507.5(2) that is properly uploaded and properly submitted through GovConnectIowa.
- b. Completed and submitted on the applicable GovConnectIowa form.

This rule is intended to implement Iowa Code chapters 17A and 554D and sections 421.17 and 421.27A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.6(17A) Docket.** Every matter coming within the purview of this chapter is assigned a docket number that is the official identification number of the matter for the purposes of identification. The parties will be notified of the docket number. The number will be placed by the parties on all documents thereafter filed in the proceeding. After the transfer of a case to the division of administrative hearings for contested case proceedings, that division may assign another docket number to the case and, in that event, both docket numbers will be placed by the parties on all documents thereafter filed in the proceeding.

This rule is intended to implement Iowa Code chapter 17A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.7(17A) Identifying details, requests for redaction.**

**2507.7(1) Information redacted by the department, subject to certain exceptions.** Prior to being made available for public inspection, the department will redact from an appeal or contested case the information required by Iowa Code sections 422.20(5) and 422.72(8). "Make available for public inspection" means disclosure to the public by the department pursuant to Iowa Code section 17A.3 or chapter 22.

**2507.7(2) Process for requesting redaction of other details from a pleading, exhibit, attachment, motion, or written evidence.** If a taxpayer desires information contained in a record, other than the information described in Iowa Code sections 422.20(5) "a" and 422.72(8) "a," to be redacted prior to public inspection, the taxpayer must file a motion and affidavit meeting the requirements below.

*a. Process for filing a motion for redaction of other details during a contested case.* Motions for redaction of other details from a pleading, exhibit, attachment, motion or written evidence filed after the notice of hearing is issued in a contested case must comply with rule 7—2506.15(17A).

*b. Process for filing a motion for redaction of other details prior to the commencement of a contested case.* Motions for redaction of other details from a pleading, exhibit, attachment, motion or written evidence filed prior to a contested case must be filed with the clerk of the hearings section of the department. The motion must be filed separately from the appeal described in subrule 2507.9(6).

*c. Contents of motion.* Motions filed under this rule, including those filed during contested cases, shall contain the following:

(1) The name of the person requesting redaction and the docket number of the proceeding.

(2) Clear and convincing evidence that the disclosure would reveal a trade secret or would constitute a clear, unwarranted invasion of personal privacy. Corporations, limited liability companies, other business entities (including but not limited to partnerships and joint ventures), and trusts do not have protectible personal privacy interests.

(3) An unredacted copy of the document containing the information at issue and also a copy of the document with the desired redaction made. If a copy of the document is not in the possession of the taxpayer, the motion must contain a precise description of the document in the possession of the department from which the redaction is sought and a precise description of the information to be redacted. If redaction is sought from more than one document, each document and the information sought to be redacted shall be listed in separate paragraphs.

(4) For each item for which redaction is requested, an explanation of the legal basis for the redaction requested, including an explanation of why the release of the information sought to be redacted is a clear, unwarranted invasion of personal privacy or a trade secret.

(5) An affidavit in support of redaction. The affidavit must:

1. Be sworn to by a person familiar with the facts asserted within it and shall contain a clear and concise explanation of the facts justifying redaction, not merely the legal basis for redaction or conclusory allegations.

2. Contain a general and truthful statement that the information sought to be redacted is not available to the public from any source or combination of sources, direct or indirect, and a general statement that the release would serve no public purpose.

*d. Burden of proof.* The burden of showing that redaction is justified is on the movant. The burden is not carried by mere conclusory statements or allegations, for example, that the release of the material would be a clear, unwarranted invasion of personal privacy or that the material is a trade secret.

*e. Contested case proceeding.* That the information sought to be redacted is part of the pleadings, motions, evidence, and the record in a contested case proceeding otherwise open for public inspection and that the matter would otherwise constitute confidential tax information is not grounds for redaction.

**2507.7(3)** *Process for requesting redaction of other details in a final order, decision, or ruling.* Motions to redact information from a final order, decision, or ruling cannot be made until the order is issued and must be made within 30 days of the date of the order, decision, or ruling. The taxpayer must follow the requirements in paragraph 2507.7(2) “c” and rule 7—2506.15(17A). The department has 30 days to respond to the motion from the date the department’s representatives receive notice from the presiding officer unless otherwise ordered by the presiding officer.

**2507.7(4) *Rulings.*** Motions filed with the clerk of the hearings section will be ruled on by the director or may be referred by the director to an administrative law judge. Motions filed with the administrative law judge will be ruled on by the administrative law judge. In the case of motions before the director prior to contested case proceedings, the department may respond in writing to a motion on the request of the director or upon the initiative by department staff. Oral argument, including a hearing, may be held at the discretion of the presiding officer. The presiding officer may choose to close a hearing or other proceeding that may otherwise be open to the public due to the confidential nature of information covered by the motion during the pending motion.

**2507.7(5) *Limitation on motions.*** If the motion or request is denied, the movant may not submit a motion to redact the same identifying details unless the movant is in possession of new information that may support the requested redaction(s) that the movant was not or could not have been aware of at the time of the original motion.

**2507.7(6) *Handling of the file while the motion is pending.*** While a motion is pending, unless otherwise required or permitted by law, the department will treat the motion as if it has been granted and will not publicly release any information pursuant to Iowa Code chapter 22 or 17A sought to be kept confidential by the taxpayer.

This rule is intended to implement Iowa Code chapter 17A and sections 422.20(5) and 422.72(8).  
[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.8(17A) Tax appeals.** Any person wishing to contest an assessment, denial of refund claim, or any other department action, except licensing, which may culminate in a contested case proceeding, shall file an appeal, in writing, with the department within the time prescribed by the applicable statute or rule for filing notice of application to the director for a hearing. The appeal must be filed as described in rule 701—2507.3(17A).

**2507.8(1) *Deadlines.*** The period for appealing department action relating to refund claims is the same statutory period as that for contesting an assessment. Failure to timely file a proper appeal will be construed as a waiver of opposition to the matter involved unless, on the director's own motion, pursuant to statutory authority, the powers of abatement or settlement are exercised.

**2507.8(2) *Paying an assessment that is divisible.*** When an assessment involves divisible taxes that are not timely appealed, namely, an assessment that is divisible into a tax on each transaction or event, the taxpayer may contest the assessment by paying a portion of the assessment and filing a refund claim within the time period provided by law. In this latter instance, the portion paid must represent any undisputed portion of the assessment and must also represent the liability on a transaction or event for which, if the taxpayer is successful in contesting the portion paid, the unpaid portion of the assessment attributable to that specific type of transaction would be canceled. Any such appeal filed is limited to the issues covered by the amounts paid for which a refund was requested and denied by the department. If the department does not grant or deny the refund within six months of the filing of the refund claim or if the department denies the refund, the taxpayer may file an appeal as authorized by this rule.

**2507.8(3) *Types of divisible taxes.*** All of the taxes administered and collected by the department can be divisible taxes, except individual income tax, fiduciary income tax, corporation income tax, franchise

tax, partnership income, S corporation income, composite, and statewide property tax. The following noninclusive examples illustrate the application of the divisible tax concept:

EXAMPLE A: As a responsible party, X is assessed withholding income taxes, penalty, and interest on eight employees. X fails to timely appeal the assessment. X contends that X is not a responsible party. If X is a responsible party, X is required to make monthly deposits of the withholding taxes. In this situation, the withholding taxes are divisible. Therefore, X may pay an amount of tax, penalty, and interest attributable to one employee for one month and file a refund claim within the time period provided by law since, if X is successful on the refund claim, the remaining unpaid portion of the assessment would be canceled.

EXAMPLE B: Y is assessed sales tax, interest, and penalty for electricity purchased and used to power a piece of machinery in Y's manufacturing plant. Y fails to timely appeal the assessment. Y was billed monthly for electricity by the power company to which Y had given an exemption certificate. Y contends that the particular piece of machinery is used directly in processing tangible personal property for sale and that, therefore, all of the electricity is exempt from sales tax. In this situation, the sales tax is divisible. Therefore, Y may pay an amount of tax, penalty, and interest attributable to one month's electrical usage in that machinery and file a refund claim within the time period provided by law since, if Y is successful on the refund claim, the remaining unpaid portion of the assessment would be canceled.

**2507.8(4)** *Who may be named in an appeal.* The appeal shall be brought in the name of the aggrieved taxpayer. Each aggrieved taxpayer may protest more than one agency action in a single appeal, subject to the applicable statutory appeal period for each protested agency action. Individuals or entities required to file separate tax returns or those choosing to file separate tax returns may not combine appeals with any other individual or entity. Taxpayers who are not named in the department action under appeal are not aggrieved taxpayers and may not be included in the appeal. The appeal may be filed by and in the name of the aggrieved taxpayer or by the authorized representative described in Iowa Code section 421.59(2), Iowa Code chapter 633B, or subrule 8.8(6) legally entitled to institute a proceeding on behalf of the person. In the event of a discrepancy between the name set forth in the appeal and the correct name, a statement of the reason for the discrepancy shall be set forth in the appeal.

**2507.8(5)** *Form and content of the appeal.*

*a. Department forms.* Appeals may be filed using the form available on GovConnectIowa or the form available on the department's website: [revenue.iowa.gov/forms](http://revenue.iowa.gov/forms).

*b. Manually created appeals.* Persons who do not use GovConnectIowa or the form available on the department's website shall use the following format:

(1) The appeal shall contain a caption in the following form:

BEFORE THE DEPARTMENT OF REVENUE  
HOOVER STATE OFFICE BUILDING  
DES MOINES, IOWA

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IN THE MATTER OF _____	*	
(state taxpayer's name and address and	*	APPEAL
designate type of proceeding, e.g.,	*	Docket No. _____

- 
- (2) The appeal shall substantially state in separate numbered paragraphs the following:
1. Proper allegations showing:
    - Date of department action, such as the notice of assessment or refund denial;
    - Whether the taxpayer failed to timely appeal the assessment and, if so, the date of payment and the date of filing of the refund claim;
    - Whether the appeal involves the appeal of a refund claim after six months from the date of filing the refund claim because the department failed to deny the claim;
    - Copies of the documented department action, such as the notice of assessment, refund claim, and refund denial letter;
    - Other items that the taxpayer wishes to bring to the attention of the department; and
    - A request for attorney fees, if applicable.
  2. The type of tax, the taxable period or periods involved, and the amount in controversy.
  3. Each error alleged to have been committed, listed in a separate paragraph. For each error listed, an explanation of the error and all relevant facts related to the error shall be provided.
  4. Reference to any particular statute or statutes and any rule or rules involved, if known.
  5. Description of records or documents that were not available or were not presented to department personnel prior to the filing of the appeal, if any. Copies of any records or documents that were not previously presented to the department shall be provided.
  6. Any other matters deemed relevant and not covered in the above paragraphs.
  7. A statement setting forth the relief sought by the taxpayer.
  8. The signature of the taxpayer or the authorized representative. If the appeal is signed by the taxpayer, the address and telephone number of the taxpayer is to be included in the signature block. If the appeal is signed by an authorized representative, the address and telephone number of the authorized representative is to be included in the signature block. Appeals submitted by an authorized representative must have a valid IDR power of attorney form or representative certification form, as applicable in accordance with rule 701—8.8(17A,22,421,422), on file with the department, or one should be included with the appeal.
    - c. Spouses.* If an appeal involves an assessment or a refund denial to a married couple and both spouses intend to appeal, both spouses must sign the document as drafted under paragraph 2507.8(5) “a” or “b.” Appeals submitted by an authorized representative must include an executed IA 2848 power of attorney form or representative certification form, as applicable, for each spouse unless an IA 2848 power of attorney form or representative certification form is on file with the department.
- 2507.8(6) Amendments.**
- a.* Subject to the statutory appeal period, the taxpayer may amend the appeal at any time during informal proceedings until the Department files a responsive pleading .
  - b.* The department may request that the taxpayer amend the appeal for purposes of clarification or to comply with format requirements during informal proceedings before the Department files a responsive pleading. If the taxpayer fails to amend the appeal within the time provided for in the department’s request, the department may move to dismiss the appeal under paragraph 2507.11(3) “a.”
- This rule is intended to implement Iowa Code chapter 17A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.9(17A) Resolution of tax liability.** In the event that a proper appeal has been filed, other department personnel, when authorized by the enforcement actions and appeals bureau, have the authority to discuss the resolution of any matter in the appeal either with the taxpayer or the taxpayer's representative. The personnel shall report their activities in this regard to the enforcement actions and appeals bureau, and the bureau shall be authorized to approve or reject any recommendations made by the appropriate personnel to resolve an appeal.

This rule is intended to implement Iowa Code chapter 17A.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.10(17A) Informal proceedings.** When an appeal is filed, the parties are encouraged to utilize the informal procedures described in this rule to reach a resolution between the parties without the necessity of initiating contested case proceedings. That resolution may be the granting of the appeal in full or in part, the denial of the appeal in full or in part, or an agreement to settle the matter. Unless, in accordance with rule 701—2507.13(17A,421), the taxpayer demands a contested case proceeding or the department waives informal procedures upon notification to the taxpayer, such informal procedures will be initiated as herein provided upon the filing of a proper appeal.

**2507.10(1) Enforcement actions and appeals bureau review.** After an appeal is filed, the review unit, subject to the control of the director or the division administrator of the legal services division, will:

- a. Review and evaluate the validity of the appeal.
- b. Determine the correct amount of tax owing or refund due.
- c. Determine the best method of resolving the dispute between the taxpayer and the department.
- d. Take further action regarding the appeal, including any additions to and deletions from the audit, as may be warranted by the circumstances to resolve the appeal, including a request for an informal conference.
- e. Determine whether the appeal complies with rule 701—2507.8(17A) and request any amendments to the appeal or additional information.

**2507.10(2) Determinations, conferences.** The review unit may concede any items contained in the appeal that it determines should not be controverted by the department. If the taxpayer has not waived informal procedures, the review unit may request that the taxpayer and the taxpayer's representative, if any, attend an informal conference with the review unit to explore the possibility of reaching a settlement without the necessity of initiating contested case proceedings or the possibility of narrowing the issues presented in the appeal if no settlement can be made. The review unit may request clarification of the issues from the taxpayer or further information from the taxpayer or third persons.

**2507.10(3) Findings.** A position letter addressing the issues raised in the appeal may be issued to the taxpayer or taxpayer's representative unless the issues may be more expeditiously determined in another manner or it is determined that such a letter is unnecessary.

**2507.10(4) Format of review.** Nothing herein will prevent the review unit and the taxpayer from mutually agreeing on the manner in which the appeal will be informally reviewed.

**2507.10(5) Settlements.** Only the director, a deputy director, the division administrator of the legal services division, or another person designated in writing by the director may approve and sign settlements of appeals. If a settlement is reached during informal procedures, a closing order stating that a settlement was reached by the parties and that the case is terminated shall be issued by the director and provided to all parties.

This rule is intended to implement Iowa Code section 17A.10.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.11(17A,421) Dismissal of tax appeals during informal proceedings.**

**2507.11(1) Appeals filed after expiration of statutory deadline.** Appeals that are not filed by the applicable statutory deadline shall be dismissed by the director or the director's designee in accordance with the procedure outlined in paragraph 2507.11(1) "a."

*a. Procedures for motions to dismiss.* The department shall file a motion to dismiss with the clerk and serve a copy of the motion on the taxpayer. The taxpayer may file a resistance to the motion in writing within 20 days of the date of service of the motion. If no resistance is so filed, the director or the director's designee shall immediately enter an order dismissing the appeal. Once such dismissal order is entered, the director or the director's designee shall close the appeal. If a resistance is filed, the department has ten days from the date of the filing of the resistance to decide whether to withdraw its motion and so notify the taxpayer and the clerk. If no such notice is received by the clerk within the ten-day period, the appeal file will be transferred to the division of administrative hearings, which shall issue a notice for a contested case proceeding on the motion that shall be limited to the question of whether the appeal was filed within the statutory appeal period. Thereafter, the rules pertaining to contested case proceedings shall apply in the dismissal proceedings.

*b. Grounds for denying the department's motion.* The department's motion shall be granted unless the taxpayer can prove that it filed the appeal prior to the expiration of the statutory appeal deadline because the department failed to:

- (1) Mail or personally deliver the notice of assessment, refund denial, or other notice of department action to the taxpayer's last-known address; or
- (2) If applicable, also mail the notice of assessment, refund denial, or other notice of department action to the taxpayer's authorized representative; or
- (3) Comply with the requirements of Iowa Code section 421.60(2) "b."

**2507.11(2) Appeals not authorized by statute.** Appeals that are not authorized by statute or otherwise are inconsistent with the statutory requirements for an appeal shall be dismissed by the director in accordance with the procedure outlined in paragraph 2507.11(1) "a," except that the issue shall be limited to the question of whether the appeal is authorized by statute and consistent with statutory appeal requirements.

**2507.11(3) Failure to pursue the appeal during the informal proceedings.** If the appeal was filed timely and informal procedures were initiated, the failure of the taxpayer to provide documents or information requested by the department, including the failure to respond to a position letter or an information request, shall constitute failure to pursue the appeal and is grounds for the department to

dismiss the appeal in accordance with the procedure outlined in paragraph 2507.11(3) "a." For purposes of this subrule, an evasive or an incomplete response will be treated as a failure to pursue the appeal.

*a. Procedures for motions to dismiss.* If the department seeks to dismiss the appeal, the department shall file a motion to dismiss with the clerk and serve a copy of the motion on the taxpayer. The taxpayer may file a resistance to the motion within 20 days of the date of service of the motion. If no resistance is so filed, the director or the director's designee shall immediately enter an order dismissing the appeal. If a resistance is filed, the department has ten days from the date of the filing of the resistance to decide whether to withdraw its motion and so notify the taxpayer and the clerk. If no such notice is received by the clerk within the ten-day period, the appeal file will be transferred to the division of administrative hearings, which shall issue a notice for a contested case proceeding on the motion that shall be limited to the question of whether the taxpayer failed to pursue the appeal, as that term is defined in this subrule. Thereafter, the rules pertaining to contested case proceedings shall apply in such dismissal proceedings.

*b. Grounds for reinstatement of dismissed appeals.* If a motion to dismiss is filed and is unresisted, the appeal that was dismissed may be reinstated by the director or the director's designee for good cause if an application for reinstatement is filed with the clerk within 30 days of the date the appeal was dismissed. For purposes of this rule, "good cause" means the same as "good cause" in Iowa Rule of Civil Procedure 1.977.

*c. Content and review of the application for reinstatement.* The application shall set forth all reasons and facts upon which the taxpayer relies in seeking reinstatement of the appeal. Supporting documentation must be supplied. The department shall review and notify the taxpayer whether the application is granted or denied.

*d. Denial of the application.* If the department denies the application to reinstate the appeal, the taxpayer has 30 days from the date the application for reinstatement was denied in which to request, in writing, a formal hearing on the reinstatement. The taxpayer shall send the written request to the clerk. When a written request for formal hearing is received, the appeal file will be transferred to the division of administrative hearings, which shall issue a notice for a contested case proceeding that shall be limited to the question of whether the taxpayer has good cause to reinstate the dismissed appeal. Thereafter, the rules pertaining to contested case proceedings shall apply in such reinstatement proceedings. If the taxpayer does not respond to a denial of the application for reinstatement within 30 days of the denial, the director or the director's designee will issue an order closing the appeal.

*e. Failure to file timely application for reinstatement.* If an application for reinstatement is filed after the 30-day deadline, the application shall not be accepted by the director or director's designee.

This rule is intended to implement Iowa Code sections 17A.12, 421.10, 421.60, and 422.28.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

#### **701—2507.12(421) Mailing to the last-known address or personal delivery of notices of assessment and refund denial letters.**

**2507.12(1)** *Failure by department to mail to last-known address or personally deliver.*

*a.* If the department fails to either mail a notice of assessment to the taxpayer's last-known address or personally deliver the notice to the taxpayer, interest is waived for the month the failure occurs through the month of correct mailing or personal delivery.

b. In addition, if the department fails to either mail to the taxpayer's last-known address or personally deliver to the taxpayer a notice of assessment or denial of a claim for refund or fails to mail or personally deliver a copy of the notice to the taxpayer's authorized representative, if applicable, the time period to appeal the notice of assessment or a denial of a claim for refund is suspended until the notice or claim denial is correctly mailed or personally delivered or for a period not to exceed one year, whichever is the lesser period.

c. Collection activities, except in the case of a jeopardy assessment, shall be suspended and the statute of limitations for assessment and collection of the tax shall be tolled during the period in which interest is waived.

**2507.12(2)** *Determination of last-known address.*

a. A taxpayer's last-known address for a particular tax type shall be one of the following most recently updated in the department's records:

- (1) The address provided in an application to register or receive a permit for a particular tax type;
- (2) The address used on the most recent filed and processed Iowa tax return of a particular tax type;
- (3) The address received by the department in a written, concise statement the taxpayer mailed to: Changes in Name or Address, Iowa Department of Revenue, P.O. Box 10465, Des Moines, Iowa 50306;
- (4) The address provided by the taxpayer in GovConnectIowa;
- (5) The address provided by the taxpayer in any correspondence to the department;
- (6) The address the department receives from a third-party skip tracing service; a public or private utility company in response to a subpoena issued pursuant to Iowa Code section 421.17(32); or a federal, state, or local agency.

b. While the determination of last-known address may differ by tax type, a notice of assessment or refund claim denial will be considered to be mailed to the last-known address if it is mailed to the taxpayer's last-known address used for another tax type.

**2507.12(3)** *Mail or personal delivery to a taxpayer.* The following shall constitute personal delivery to a taxpayer:

a. Personal service upon a taxpayer by any method deemed sufficient to constitute personal service of an original notice pursuant to the Iowa Rules of Civil Procedure.

b. Providing a notice of assessment or refund claim denial to the taxpayer by electronic means based on the taxpayer's election to receive electronic communications in GovConnectIowa.

c. Mailing to an address the department receives from a third-party skip tracing service; a public or private utility company in response to a subpoena issued pursuant to Iowa Code section 421.17(32); or a federal, state, or local agency.

d. By any other method that is reasonably calculated to result in the taxpayer actually receiving the notice, if the taxpayer actually receives the notice.

**2507.12(4)** *Mail or personal delivery to authorized representatives.* The department may mail or personally deliver a copy of a notice to an authorized representative by one of the following methods:

a. Mailing to the address used on the most recently filed and processed written authorization as described in rule 701—8.8(17A,22,421,422) for the taxpayer the authorized representative is representing, or the most recent address on file;

b. In the case of fiduciary or inheritance tax matters, mailing to the address for the authorized representative contained on the most recently filed and processed return;

c. By providing the notice electronically through GovConnectIowa or similar method of electronic service;

d. By any method deemed sufficient to constitute personal service of an original notice pursuant to the Iowa Rules of Civil Procedure;

e. By any other method that is reasonably calculated to result in the authorized representatives actually receiving a copy of the notice if the authorized representative actually receives a copy of the notice.

This rule is intended to implement Iowa Code section 421.60.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.13(17A,421) Demand for contested case proceeding.** Pursuant to Iowa Code section 421.60(2) “g,” a taxpayer may make a written demand for a contested case proceeding after a period of six months from the filing of a proper appeal. Demands made prior to six months will be treated as premature and must be resubmitted six months or later from the filing of the appeal. Upon receipt of a timely written demand, the department shall file its answer within 30 days after receipt of the demand. If the department fails to file its answer within this 30-day period, interest shall be applied in accordance with Iowa Code section 421.60(2) “g” as described in rule 701—2507.13(17A).

This rule is intended to implement Iowa Code sections 17A.12 and 421.60.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.14(17A) Answer.** If the parties are unable to resolve the appeal informally, or if the parties waive informal proceedings as described in rule 701—2507.13(17A,421), the department shall file an answer to the appeal with the clerk. Subject to the limitations in rule 701—2507.13(17A,421), the department will file an answer within 30 days of receipt of written demand for a contested case hearing from the taxpayer. In the case of an appeal of an assessment, failure to answer within the 30-day time period and after a demand for hearing has been made shall result in the suspension of interest from the time that the department was required to answer until the date that the department files its answer. In the case of an appeal of a refund denial, failure to answer within the 30-day time period after a demand for hearing has been made shall result in the accrual of interest payable to the taxpayer at double the rate in effect under Iowa Code section 421.7 from the time the department was required to answer until the date that the department files its answer. Failure to file an answer within 30 days after the demand for a contested case will not result in a default judgment for the taxpayer.

**2507.14(1)** The answer of the department shall be drawn in a manner as provided by the Iowa Rules of Civil Procedure for answers filed in Iowa district courts.

**2507.14(2)** Each paragraph contained in the answer shall be numbered or lettered to correspond, where possible, with the paragraphs of the appeal. The answer shall be signed by the department’s counsel or representative.

**2507.14(3)** The department shall promptly serve a copy of the answer upon the representative of record or, if there is no representative of record, upon the taxpayer. The department may amend its answer at any time prior to the commencement of the evidentiary hearing in response to the filing of an amended appeal or to assert a new matter or an affirmative defense. The presiding officer has discretion to grant a continuance to avoid prejudice to the taxpayer or the department.

**2507.14(4)** The provisions of this rule shall be considered as a part of the informal procedures since a contested case proceeding, at the time of the filing of the answer, has not yet commenced. However, an answer shall be filed pursuant to this rule whether or not informal procedures have been waived by the taxpayer or the department.

**2507.14(5)** The department's answer may contain a statement setting forth whether the case should be transferred to the division of administrative hearings or the director should retain the case for hearing.

**2507.14(6)** The department's answer should set forth the basis for retention of the case by the director as provided in subrule 2507.18(1). If the answer fails to allege that the case should be retained by the director, the case should be transferred to the division of administrative hearings for contested case proceedings unless the director determines on the director's own motion that the case should be retained by the director.

**2507.14(7)** Upon the filing of an answer, the clerk will transfer the appeal file to the division of administrative hearings within 30 days of the date of the filing of the answer unless the director determines not to transfer the case. If a party objects to a determination under rule 701—2507.18(17A), the transfer, if any, would be made after the director makes a ruling on the objection.

This rule is intended to implement Iowa Code chapter 17A and section 421.60.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]

**701—2507.15(17A) Subpoenas.** Prior to the commencement of a contested case, the department has the authority to subpoena books, papers, and records and has all other subpoena powers conferred upon it by law. Subpoenas in this case shall be issued by the director or the director's designee. Once a contested case is commenced, subpoenas must be issued by the presiding officer.

This rule is intended to implement Iowa Code sections 17A.13, 421.9, 421.17, and 422.70.

[ARC 8944C, IAB 2/19/25, effective 3/26/25]