

REVENUE DEPARTMENT[701]

Adopted and Filed

Rulemaking related to facilitating business rapid response to state-declared disasters

The Revenue Department hereby rescinds Chapter 276, “Facilitating Business Rapid Response to State-Declared Disasters,” Iowa Administrative Code, and adopts a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code section 29C.24.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 29C.24.

Purpose and Summary

The purpose of this rulemaking is to readopt Chapter 276, which provides the Department’s rules for administering Iowa Code section 29C.24. Iowa Code section 29C.24 helps facilitate the rapid response of businesses and workers to a disaster by providing that out-of-state businesses and employees that perform disaster and emergency-related work on critical infrastructure during a disaster response period due to a state-declared disaster are not subject to income, corporate income, use, equipment; or property tax or tax filing, permit, or return requirements. The Department revised the rules to remove portions of the chapter that the Department determined are unnecessary and duplicative of statutory language. In its Red Tape Review Report, the Department recommended amending the statute to make rulemaking on this topic permissive rather than mandatory because there is little need for additional information in rules.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on December 13, 2023, as **ARC 7153C**. Public hearings were held on January 3, 2024, at 9 a.m. via video/conference call and at 1 p.m. via video/conference call. No one attended the public hearings. No public comments were received. No changes from the Notice have been made.

Adoption of Rulemaking

This rulemaking was adopted by the Department on January 19, 2024.

Fiscal Impact

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

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 rule 701—7.28(17A).

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 will become effective on March 13, 2024.

The following rulemaking action is adopted:

ITEM 1. Rescind 701—Chapter 276 and adopt the following **new** chapter in lieu thereof:

CHAPTER 276

FACILITATING BUSINESS RAPID RESPONSE TO STATE-DECLARED DISASTERS

701—276.1(29C) Purpose. The Iowa department of revenue, the Iowa department of homeland security and emergency management and the secretary of state are authorized and tasked by the legislature to jointly administer and oversee mutual aid among the political subdivisions of Iowa, other states and the federal government and to ensure the state government and its departments and agencies facilitate the rapid response of businesses and workers in the state and other states to a disaster.

701—276.2(29C) Definitions. For purposes of this chapter, the definitions from Iowa Code section 29C.24 are adopted by reference.

701—276.3(29C) Disaster or emergency-related work.

276.3(1) Out-of-state business. An out-of-state business conducting operations within the state solely for the purpose of performing disaster or emergency-related work during a disaster response period does not establish a level of presence that would subject the out-of-state business to any of the requirements and responsibilities listed in Iowa Code section 29C.24(3) "a."

276.3(2) Out-of-state employee. The performance of disaster or emergency-related work during a disaster response period by an out-of-state employee is not a basis to determine that the out-of-state employee has established residency or a level of presence in Iowa that would subject the out-of-state employee to any of the requirements or responsibilities listed in Iowa Code section 29C.24(3) "b."

276.3(3) After the disaster response period ends. An out-of-state business or out-of-state employee remaining in Iowa after the disaster response period for which the disaster or emergency-related work was performed is responsible for all taxes, fees, registration, filing or other requirements the out-of-state business or out-of-state employee would have been subject to but for Iowa Code section 29C.24.

These rules are intended to implement Iowa Code section 29C.24.

[Filed 1/19/24, effective 3/13/24]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/7/24.