

Red Tape Review Rule Report (Due: September 1, 20 24)

Department Name:	IFA	Date:	6/19/24	Total Rule Count:	2
IAC #:	265	Chapter/ SubChapter/ Rule(s):	Chapter 12	Iowa Code Section Authorizing Rule:	16.35
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 12 is to describe the policies applicable to low-income housing tax credits administered by IFA.

Is the benefit being achieved? Please provide evidence.

No. Pursuant to Internal Revenue Code Section 42 and the applicable Treasury regulations, IFA is required to adopt a qualified allocation plan (QAP) that describes the administration of the credits in detail. The QAP is approved by the IFA board of directors and subject to a public comment process. The rules, which incorporate the QAP by reference, are unnecessary. 2024 Iowa Acts, Senate File 2387 amended Iowa Code section 16.35 so that IFA is no longer required to adopt rules specifying the application procedure and allowance of low-income housing tax credits. Those aspects of program administration are addressed in the QAP.

What are the costs incurred by the public to comply with the rule?

Entities interested in applying for credits may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary, depending on the compensation of staff or service providers involved.

What are the costs to the agency or any other agency to implement/enforce the rule?

IFA staff time is required to review and approve applications, administer the credits, and communicate with program applicants and recipients.

Do the costs justify the benefits achieved? Please explain.

Yes. Only entities that will potentially benefit from the program incur any costs. The costs to the state to administer the program are proportional to the activities supported by the credits.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The application and administrative requirements of the rules and QAP incorporated by reference are no more than necessary to thoroughly evaluate applications and administer credits in compliance with federal requirements.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes. The chapter is unnecessary.

RULES PROPOSED FOR REPEAL (list rule number[s]):

265.12.1
265.12.2

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

None.

***For rules being re-promulgated with changes, you may attach a document with suggested changes.**

METRICS

Total number of rules repealed:	2
Proposed word count reduction after repeal and/or re-promulgation	430
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	6

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No.