

Administrative Practice and Procedure before the Iowa Department of Revenue

By Mark R. Schuling Director

- I. The Iowa Department of Revenue has been in existence for eighty-two years.
 - A. IDR is responsible for more than 20 state and local taxes.
 - B. Relevant Iowa Code chapters are 421-441,450-453D.
 - C. IDR is governed by Iowa Code ch. 17A.
- II. Agencies located within IDR.
 - A. Iowa Department of Revenue (Department)
 - B. State Board of Tax Review (Board)
 - C. Property Assessment Appeal Board (PAAB)
- III. IDR Resources
 - A. 701 Iowa Administrative Code
 - B. IDR Webpage - www.Iowa.gov/tax
 - C. IDR e-lists - Subscribe to nine email newsletters at the bottom of our webpage.
 - D. Iowa Tax Research Library - itrl.idr.iowa.gov
- IV. Information at the Department is confidential. Numerous statutes restrict the release of information.
 - A. Examples of these statutes are:

Income (Corporation, Individual, Fiduciary, Franchise)	422.20, 422.72
Sales, Use and Local Option Sales	423.42, 422.72
Hotel/Motel	423.42, 422.72, 423A.6
Fuel	452A.63
Cigarette and Tobacco	22.7(6) ¹
Inheritance and Estate	450.68
Generation Skipping Transfer	450A.12
Qualified Use Inheritance	450B.7
Excise Tax on Unlawful Dealing In Certain Drugs	453B.10
Environmental Protection Charge	424.12
Central Property Assessment	422.20, 22.7(6)
Elderly Credit Program	425.28
Assessor and Deputy Assessor Examination and Certification	441.8, 441.5
Delivery Replacement Taxes	437A.14

B. Information may be accessed through the use of a Power of Attorney.

V. Practice before the Department

A. Iowa Administrative Code 701 Chapter 7

1) Protests

7.36(421,17A)	Applicability and scope of rules
7.37(421,17A)	Definitions
7.38(421,17A)	Applicability of rules set forth in Division I of Chapter 7
7.39(17A)	Business hours
7.40(17A)	Persons authorized to represent themselves or others
7.41(17A)	Protest
7.42(17A)	Identifying details
7.43(17A)	Docket
7.44(17A)	Informal procedures and dismissals of protests
7.45(17A)	Answer
7.46(17A)	Subpoenas
7.47(17A)	Commencement of contested case proceedings
7.48(17A)	Discovery
7.49(17A)	Prehearing conference
7.50(17A)	Contested case proceedings
7.51(17A)	Record and transcript
7.52(17A)	Rehearing
7.53(17A)	Service
7.54(17A)	Ex parte communications and disqualification
7.55(17A)	Licenses

2) Declaratory Order

7.56(17A)	Declaratory order – in general
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3) Rule making

7.57(17A)	Department procedure for rule making
7.58(17A)	Public inquiries on rule making and the rule-making records
7.59(17A)	Criticism of rules

4) Petition for Rule Making

7.61(17A)	Petition for rule making
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B. Property Procedures

1) Appeals to the Director are limited

80.52(427)	Revocation or exemption erroneously granted
Iowa Code § 421.17(10)(a)	Corrections of obvious assessment errors with local board of review recommendation

C. Collection activities

153(272D)	License sanctions for debts owed the State of Iowa
154(421)	Challenges to Administrative Levies

VI. Practice before the State Board of Tax Review

- A. 701 I.A.C. 1 – Administration
- B. 701 I.C.A. 2 – Conduct of appeals and rules of practice and procedure

VII. Practice before the Property Assessment Appeal Board

- A. 701 I.A.C. 71.21 – Property assessment appeal board

Protest Summary

Upon the issuance of a notice of assessment, the taxpayer may file a protest with the Department of Revenue's hearings section within 60 days; otherwise, the assessment becomes final.

Filing a Protest. If the taxpayer files a protest with the Department, the Department's review unit conducts a review of the protest. If the protest does not meet all of the protest filing requirements, the review unit will request more information. When the protest satisfies all requirements the protest will proceed. If the taxpayer does not provide the information requested, the review unit will request dismissal of the protest. If the Department dismisses the protest, the taxpayer may file an application for reinstatement of the protest with the hearings section within 30 days.

The taxpayer or the review unit may request an informal conference. After the informal conference, the review unit will issue a determination letter. If an informal conference is not requested, the review unit will review the protest and issue a determination letter. The taxpayer may disagree with the review unit's decision. Within 30 days after the determination letter is issued, the Department will file its answer if the taxpayer disagrees with the determination.

After an answer is filed, a Department of Inspections and Appeals administrative law judge conducts a formal evidentiary hearing and issues a proposed decision, which may either be appealed (1) to the Department of Revenue's Director within 30 days, (2) to the State Board of Tax Review from the 31st day to the 60th day after the administrative law judge's proposed decision, or (3) to District Court from the 31st day to the 60th day after the administrative law judge's proposed decision. If the taxpayer appeals to the Department's Director, the Director will review the appeal de novo and issue a final decision, which may be appealed to either (1) the State Board of Tax Review within 30

days, or (2) District Court within 30 days. If the taxpayer appeals to the State Board of Tax Review, the Board conducts a review and issues its final decision, which may be appealed to District Court within 30 days. If the taxpayer appeals to District Court, the District Court conducts an Iowa Code § 17A.19 judicial review and issues a final decision, which may be appealed to the Iowa Supreme Court within 30 days.

Request for Refund. A taxpayer who fails to timely protest an assessment may contest the assessment by paying the whole amount due and filing a refund claim no later than three years from the due date of the return upon which a refund claimed became due or one year from payment of the tax upon which a refund is claimed was made, whichever time is later. If the refund claim is denied, the taxpayer may appeal the denial by filing a protest with the Department's hearings section within 60 days. From here on, the process is identical to the one described above.