

Revenue briefings for CIF Members April – June 2010

Paying the Tax and Making the Return



Reality Checks

- Challenging environment for business – cashflow and credit pressures
- Challenging environment for Revenue – getting the balance right and supporting viable businesses
- ...that does not mean that timely compliance is less important or less of a focus
- Non and late compliance was a feature when the environment was less challenging

Reality Checks Continued

- Some businesses do conduct their business with Revenue on time in the right manner
- Others don't!
- Others want to but are unable or are delayed due to economic circumstances
- Taxpayers and Revenue have to manage this challenge

Revenue's Approach to Non-Compliance

- Facilitate, support and enable timely voluntary compliance
- Provide a timely appropriate response to late or non-compliance based on risk. Can expect a graduated and focused response to late or non compliance
- The payment of outstanding taxes and current taxes must be addressed to ensure
 - the availability of funds to the exchequer and
 - A level playing pitch for all taxpayers
- Interest will be a feature in all late payment

Revenue Expectations

- Proactive Engagement – “Come and talk to us”
- Do it when the problem starts to emerge – not after the tax debt hasn’t been paid when due
- File the return – sign of commitment and knowledge of challenge
- Don’t ignore the problem
- Make a realistic proposal
- Present the full picture
- Show what options have been explored and their impact
- Deliver on commitments in the timeframe agreed

Dealing with Payment Problems

- We have devised a process to allow for the speedy and appropriate referral of cases for a higher level decision where needed
- Phased Payment – this is a concession so it must be justified. Clear and sustainable evidence of inability to pay now is needed
- Interest will be a feature in every case
- Have to be able to explain and show clearly how the debt arose – cashflow, debtors, credit squeeze etc.
- Show the current financial position of business and projections
- Creditors and Debtors – where does Revenue rank?

Dealing with Payment Problems Cont.

- Up to date bank statements
- Realistic cashflow for next 6 months
- Level of downpayment proposed and possible
- Clear, timebound payment proposal for tax debts and current tax
- Must meet any enforcement costs to date – early engagement can minimise or eliminate such costs

Key Revenue Considerations

- Is the business viable into future? If it isn't, Revenue will take appropriate action in the form of enforcement
- Is a phased payment arrangement an appropriate resolution to the issue/problem? If not then we will not agree that as a way forward

Too Slow - No Progress What Next?

- Where there is no engagement, where there is slow or no progress in finalising engagement or where the payment plan breaks down, Revenue will quickly move to secure the outstanding tax payments and stop the debt from rising by deploying the most effective enforcement action for the case.
- Interest
- Enforcement
 - Sheriff - Court - Attachment - Liquidation
- Costs

Summary

- Organise affairs to be compliant
- Proactive and timely engagement when the problem starts to emerge
- Current compliance is vital – viability is in serious doubt otherwise.
- We want to work with viable business but addressing problems in a satisfactory way requires realism, commitment and timeliness.

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