

1. State the name of the organisation you represent (if applicable).

European Holiday Home Association

2. Who are you:

Business association

3. Are you making a submission in relation to the proposals for a:

Both DW & SP (for tax professionals, representative bodies, RCT middle principals)

4. Please tick the sectors that apply to you:

Platform economy

5. After reading about the proposed new eWHT system, how would you describe your overall reaction?

Very negative - I do not support the proposed direction

6. What aspects of the proposed model appeal most to you, and why?

7. What concerns or reservations do you have about the proposed approach?

The European Holiday Home Association (EHHA), a voice of short term rental (STR) accommodation players in Europe, welcomes the opportunity to comment on the proposed extension of electronic withholding tax (eWHT) to digital platform operators. While EHHA supports effective and proportionate tax compliance, we believe that applying income tax withholding obligations to short-term rental (STR) online platforms would be disproportionate, technically unworkable, and economically distortive, particularly given the complex, multi-layered STR booking ecosystem. The STR market does not operate on a simple "guest-platform-host" model. Instead, bookings frequently involve multiple intermediaries, disclosed and undisclosed agents, property managers, meta-search engines, and direct booking channels. Imposing withholding obligations at platform level would create excessive administrative burdens, raise serious risks of double or triple taxation, and erect market access barriers that disproportionately harm small and medium-sized

platforms in Ireland. Key Concerns: 1. Structural complexity of STR bookings STR bookings are generated through diverse pathways, including direct bookings, listings-only platforms, property managers acting as agents, travel agents, online platforms and meta-search engines. In many cases, online platforms neither control nor even see the final payment flows, making accurate withholding infeasible. 2. Disproportionate compliance burden and market distortion Requiring STR online platforms to identify taxable persons in real time, determine tax residency, taxable income, calculate withholding amounts per transaction, split payments between multiple parties, redesign booking and payment flows, and implement APIs with tax authority, would impose costs that only the largest online platforms can absorb. This would reduce competition and undermine SME participation, contrary to the EU's Digital Single Market objectives. 3. High risk of double and triple taxation due to STR booking complexity Given a variety of listings, multiple intermediaries, and mixed agency roles, the same income could be subject to withholding multiple times, with no clear reconciliation mechanism. 4. Negative impact on local Irish businesses and cash flow Implementing withholding taxes will create cash flow issues for businesses, particularly businesses that already operate with low margins. 5. Existing DAC-7 reporting already provides a robust basis for income tax enforcement Tax authorities already receive comprehensive STR income data under DAC-7, which can be used for income tax enforcement. Policy focus should be on enhancing pre-filled tax returns, clearer guidance, and simple, automatic and easy registration for STR accommodation providers rather than shifting tax enforcement on online platforms. 6. Requirement to notify the European Commission via TRIS EHHA wishes to underline that any national measure imposing new obligations on online platforms, including income tax withholding, may constitute a technical regulation or information society service requirement within the meaning of Directive (EU) 2015/1535 (the TRIS Directive). EHHA strongly encourages Irish Revenue to engage with the European Commission at an early stage, before adoption of additional obligations to online STR platforms. Conclusion: EHHA strongly urges the Irish Revenue to prioritise the simplification and automation of tax reporting and compliance mechanisms for Specified Persons (SPs), and to make better use of existing reporting frameworks, rather than shifting tax enforcement responsibilities to platforms through withholding obligations. A proportionate approach is essential to preserve competition, compliance, and tax certainty.

8. The proposed eWHT model seeks to expand withholding tax to payments to service providers where a suitable withholder exists. How do you feel generally about this type of expansion?

The detailed feedback on why platform-level income tax withholding is unsuitable for STRs is provided below:

1. Structural complexity of STR bookings. The consultation appears to be premised on a relatively linear and simplified STR booking model, whereby a guest books STR accommodation through an online platform, the platform processes the payment to the host, and the platform can therefore be treated as a single and reliable point for tax withholding:

Guest	Online platform	Host	Payment	Tax
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 This assumption does not reflect the operational reality of the STR market. As demonstrated in the EHHA STR Ecosystem (please send us an email for the infographic - there was no opportunity to attach here), STR bookings are generated through multiple, and often overlapping booking pathways, involving a wide range of actors and contractual arrangements. These pathways include, among others, direct booking channels (such as hosts' own websites, trade association portals, social media and listings-only platforms), online STR platforms acting as disclosed agents, property management companies acting either as disclosed or undisclosed agents, meta-search engines that merely redirect traffic, as well as travel agents, tour operators, relocation companies, serviced apartment agencies, and hotel-operated STR channels. In addition, many properties are operated through co-hosts, nano-property managers, investment vehicles, or hybrid hospitality models. As a result of this complexity, there is frequently no single entity that controls the entire transaction chain. In many cases:
 - the entity receiving the guest's payment is not the underlying accommodation provider,
 - the online platform does not control, process, or even see the final financial settlement,
 - the host is not the contractual supplier vis-à-vis the guest, and
 - several intermediaries may be involved sequentially or in parallel in the same booking.
 Treating "the online platform" as a single, identifiable and reliable withholding point therefore ignores the structural reality of the STR ecosystem. Unlike employment income or certain centralised financial flows, STR income is inherently fragmented across multiple parties, each performing distinct roles (marketing, distribution, payment facilitation, property management, guest services). In many scenarios, online platforms act primarily as marketing intermediaries, while payments are handled by local property managers or directly between guests and hosts, often outside the platform's technical or contractual control. Applying an electronic withholding tax regime in this context presumes a level of transactional visibility and control that platforms frequently do not have and, in many cases, cannot realistically obtain. A proportionate income tax policy must therefore be grounded in a realistic understanding of how the STR market actually operates, rather than in a simplified one platform-centric model that does not reflect the diversity and complexity of real-world STR booking processes.
2. Disproportionate compliance burden and market distortion Extending electronic withholding tax obligations to online STR platforms would impose substantial, ongoing, and highly complex compliance costs that are wholly disproportionate to the role platforms play in the

STR ecosystem. In practice, platforms would be required to assume a series of functions that go well beyond facilitation or marketing, including identifying the correct taxable person in real time, determining tax residency and tax status, assessing taxable income, calculating withholding amounts on a per-transaction basis, and ensuring that withholding is not duplicated where multiple intermediaries are involved. In addition, platforms would be required to split payments between multiple parties, redesign booking and payment flows, and build, operate, and continuously update technical infrastructures capable of interfacing with tax authorities. This would likely involve the development of bespoke APIs, real-time reporting tools, reconciliation mechanisms across jurisdictions, and enhanced audit and control systems. These obligations would not be static; they would require constant monitoring and adaptation as STR provider's tax status, booking structures, and national rules evolve. Such requirements would impose compliance costs that only the largest multinational online platforms can realistically absorb. Large global operators may be able to invest in sophisticated tax engines, dedicated compliance teams, and complex IT systems. By contrast, small and medium-sized platforms, niche platforms, regional operators, and trade-association booking systems do not have the financial or technical capacity to implement and maintain such infrastructures. The inevitable consequence would be a distortion of competition. Excessive compliance burdens would act as a significant barrier to entry for new platforms and would push existing SME platforms to scale back, consolidate, or exit the market altogether. Over time, this would reduce consumer choice, limit innovation, and lead to increased market concentration in favour of a small number of dominant global players. Such an outcome directly undermines the objectives of the EU's Digital Single Market, which is intended to foster competition, innovation, and the participation of European SMEs in cross-border digital services. Beyond their economic impact, platform-level withholding obligations raise fundamental questions of proportionality and legal certainty. Requiring platforms to act as de facto tax collectors effectively transfers core enforcement responsibilities from public authorities to private intermediaries. Platforms would be exposed to legal and financial liability for tax outcomes despite frequently lacking full visibility over, or control of, the underlying transactions and payment flows. This mismatch between responsibility and control undermines legal certainty for platforms and STR accommodation providers alike. Tax systems should be designed to make compliance simpler and more accessible for those who earn the income, supported by clear rules, streamlined registration, and effective use of existing reporting data. They should not rely on outsourcing enforcement to online platforms that do not control the full transaction chain and are structurally ill-equipped to assess thousands of individual tax circumstances accurately.

3. High risk of double and triple taxation due to STR booking complexity

Given the diversity of STR listing practices, the frequent involvement of multiple intermediaries, and the coexistence

of disclosed and undisclosed agency roles, extending withholding obligations to online platforms would create a high and systemic risk of double or even triple taxation of the same underlying STR income. Crucially, there is no clear or workable mechanism to reconcile such over-withholding once it occurs. Unlike simplified transactional models, STR income flows are often fragmented across several entities, each performing a different function in the booking and fulfilment process. When multiple actors are involved sequentially or in parallel, it becomes inherently unclear which entity should be treated as the appropriate withholding point, particularly where payment flows are split or redirected outside the platform's technical environment. In such circumstances, the same income may be captured multiple times by different intermediaries, each acting in good faith but without visibility of the full transaction chain. Illustrative example: Double or triple withholding across intermediaries A guest books STR accommodation through a global online STR platform acting as a disclosed agent. The property itself is operated by a local property management company acting as an undisclosed agent on behalf of the owner. The guest's payment is then split between several parties: the platform retains a service fee, the property manager retains a management fee, and the remainder is paid to the individual host. If each of these entities is deemed to be a potential withholding point, income tax could be withheld by the platform at the moment of STR booking, withheld again by the local property manager when distributing funds to the host, and still be declared in full by the host as taxable income. This results in the same underlying STR income being taxed multiple times, without a clear mechanism to identify the duplication, reverse excess withholding, or allocate responsibility for correction. From both a compliance and administrative perspective, such outcomes are highly problematic. This example illustrates that the risk of double or triple taxation under a platform-based withholding model is not theoretical but structural. Without a clear, centralised mechanism to identify the correct withholding point, prevent duplication, and reconcile errors across intermediaries, such a regime would undermine legal certainty, increase disputes, and place significant strain on all - taxpayers, online platforms and tax authorities. A proportionate and effective tax framework must therefore take into account the real complexity of STR booking and payment flows, rather than assuming a simplified transactional model that does not reflect market reality.

4. Negative impact on local Irish businesses and cash flow

Introducing mandatory income tax withholding in the STR sector would have a material and disproportionate negative impact on local Irish businesses, primarily by creating significant cash-flow constraints for STR accommodation providers operating on low margins. Experience from jurisdictions where similar regimes have been introduced shows that cash-flow disruption is one of the most significant and immediate pain points for supply partners. Much of the tourism and STR accommodation sector relies on seasonal income while facing continuous fixed costs, including mortgages or rent, utilities, maintenance, cleaning,

and local services. Mandatory withholding would tie up a portion of gross booking revenue for extended periods “ often for more than a year until income tax returns are filed and reconciled “ depriving businesses of the working capital needed to operate and invest. Larger operators and multinational platforms are better able to absorb such delays in cash flow, whereas small and medium-sized providers typically cannot. For many small and family-run STR providers, particularly in rural and tourism-dependent areas, this can lead to deferred maintenance, increased reliance on borrowing, or exit from regulated channels altogether. Over time, this places smaller Irish businesses at even greater competitive disadvantage relative to large platforms, accelerates market concentration, and weakens the local tourism ecosystem. Rather than improving compliance, such outcomes risk reducing economic activity and undermining local tourism enterprises.

5. Existing DAC-7 reporting already provides a robust basis for income tax enforcement Tax authorities already receive comprehensive and standardised STR income data under the DAC-7 framework, which was specifically designed to improve income tax and VAT compliance in the platform economy. This regime provides tax authorities with granular information on STR income flows, enabling effective risk assessment, taxpayer identification, and enforcement without the need for additional platform-level withholding obligations. As a priority, this data should be fully analysed, operationalised, and effectively leveraged before drawing conclusions or introducing any new measures. Introducing eWHT alongside DAC-7 risks creating inconsistencies, increasing error rates, and adding significant administrative complexity. While such measures may eliminate the administrative and financial burden on tax authorities, the associated costs and operational challenges would largely fall on online platforms of different sizes and shapes. Rather than improving compliance, overlapping regimes risk undermining it. Policy efforts should therefore focus on making better and more effective use of existing DAC-7 data, including through enhanced pre-filled tax returns, clearer and more consistent guidance, and simple, automatic, and user-friendly registration processes for STR accommodation providers. Such measures would strengthen compliance by the persons earning the income, rather than shifting enforcement responsibilities onto online platforms that do not control the full transaction chain.

6. Requirement to Notify the European Commission via TRIS EHHA wishes to underline that any national measure imposing new operational, technical, or system-level obligations on online platforms “ including income tax withholding requirements “ is likely to constitute a technical regulation or a requirement applicable to information society services within the meaning of Directive (EU) 2015/1535 (the TRIS Directive). This is particularly the case where such measures require online platforms to redesign booking or payment flows, implement new IT systems, develop APIs or reporting interfaces, or otherwise modify how digital services operate. In such circumstances, prior notification to the European Commission via the TRIS procedure is a legal requirement, not a formality.

Failure to notify measures that fall within the scope of the TRIS Directive may expose them to serious legal risk, including challenges to their enforceability and the creation of significant legal uncertainty for both online platforms and STR accommodation providers. EHHA therefore strongly urges Irish Revenue to assess the applicability of the TRIS Directive at an early stage and to notify the European Commission accordingly before adopting any additional obligations on online STR platforms. Early engagement through the TRIS procedure is essential to ensure compliance with EU internal market law, avoid fragmentation of the Digital Single Market, and provide the legal certainty necessary for online platforms to continue operating and investing in Ireland. Conclusions and recommendations In light of the above, EHHA respectfully recommends that Irish Revenue: 1. Refrain from introducing online platform-level income tax withholding obligations for the STR sector, given the structural complexity of STR booking and payment flows and the disproportionate impact on competition and SMEs. 2. Prioritise simplification and automation of compliance for Specified Persons (SPs) by focusing on: enhanced and accurate pre-filled tax returns, clearer and more consistent guidance, simple, automatic, and user-friendly registration processes for STR accommodation providers. 3. Fully analyse, operationalise, and leverage DAC-7 data before considering any additional tax collection mechanisms, ensuring that existing reporting frameworks are used effectively and coherently. 4. Notify the draft measures to the European Commission via TRIS, prior to their adoption. 5. Maintain a proportionate, technology-neutral, and competition-friendly approach that preserves legal certainty, supports voluntary compliance, and safeguards the diversity and sustainability of the STR ecosystem in Ireland. EHHA remains fully committed to constructive dialogue and stands ready to support Irish Revenue in developing effective, proportionate, and future-proof tax compliance solutions that reflect the realities of the STR market.

9. In relation to PSWT specifically, this currently applies to payments made by state and semi-state bodies for certain services. Do you have a view on how it is targeted and if the types of payments it applies to should be reviewed?

10. Please indicate if you currently operate:

11. From the perspective of a DW, how does the current application of PSWT and/or RCT impact on your business operations?

- 12. If you are a Platform Operator, does your organisation have any experience of applying taxes to transactions, for services operating on your platform, in other jurisdictions? If yes, please provide information of the jurisdiction and details of the tax.**
- 13. From the perspective of a DW, what are your views on the application of RCT and/or PSWT, as the case may be?**
- 14. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**
- 15. The proposal aims to embed eWHT processes directly into accounting, payroll, or other business management systems. How beneficial do you think this would be for your business?**
- 16. In your view, what opportunities could embedding eWHT within natural business systems create for your business or the wider industry?**
- 17. What challenges do you think your business might face in adopting this embedded within natural systems approach?**
- 18. What is the estimated number of payments that you make to SPs each month?**
- 19. Do you currently use software for processing payments and or managing the finances of your business? If so, what packages do you use?**
- 20. Are you an employer for PAYE? If so, which software package do you use to report payroll taxes to Revenue?**

- 21. Please indicate if you currently receive payments which are subject to deduction of:**
- 22. Where you are currently subject to PSWT and/or RCT, how does the current application of withholding taxes impact on your business operations?**
- 23. From the perspective of a SP, what are your views on the application of RCT and/or PSWT, as the case may be?**
- 24. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**
- 25. Where you are an SP operating as a corporate/partnership or other entity, do the current rates that apply to PSWT and RCT reflect your actual liability on the income received?**
- 26. The proposal aims to embed taxation directly into how you get paid by the DW. How beneficial do you think this would be for your business?**
- 27. Where you are an SP operating as an individual worker, the proposal aims to implement personalised deduction rates (PDR), which means you will pay tax on your income as you go, similar to how employees are taxed under PAYE. What impact do you think PDR will have on your cashflow and financial management?**
- 28. Do you think this new regime, including the PDR will have a positive effect on your end of year Income Tax return filing and preliminary tax payment obligations?**
- 29. The accuracy of PDR is improved by the regular reporting by you to Revenue of your income and business expenses. How likely are you to report your income and expenses to improve the accuracy of your PDR?**

30. What changes do you expect to have to implement in your business in order to be ready for the proposed eWHT regime?

31. What benefits do you expect the new regime to have on your business processes, costs and delivery of your business services?

32. What would you consider a reasonable timeframe for your business to adapt to the proposed new system?

33. How confident are you that your business could adapt to the new system within a reasonable timeframe?

34. In terms of the management of your business, which outcomes from this new regime are the most important for you? (Select a maximum of 3)

Please see the argumentation

35. What supports from Revenue would be of most benefit to you in transitioning to the new regime? (Select a maximum of 3)

Please see the argumentation

36. Is there anything else you'd like to share about how the proposed eWHT system could best meet the needs of your business or sector?

STR Ecosystem. For infographics, please send us an email - we were not able to attach here. The STR industry is a dynamic industry catering to both leisure and business travelers. The STR ecosystem goes far beyond the major and well known STR platforms. It includes a wide variety of STR players of different sizes and shapes, along with a variety of booking channels such as direct booking, via intermediaries and meta-search platforms. Intermediaries like online STR platforms, acting as disclosed agents (a disclosed agent is an agent who acts in the name, and on behalf of, accommodation supplier and discloses this fact to the end customer), play a crucial role in the booking process. However, the booking process is way more complex than it seems due to the involvement of numerous players beyond the STR platforms, acting as disclosed agents. Here are some of the potential STR booking

pathways, though this list is not exhaustive: The Basic STR Booking Pathway 1. The most straightforward booking process in the STR industry follows this simple route: Traveler Online STR Platform Individual Host. This linear pathway involves a traveler selecting their accommodation through an online STR platform, which connects them directly to an individual host. 2. Direct STR bookings can be considered part of the basic pathway since they fundamentally link a traveler directly with an individual host: 2.1. Traveler Social Media Platforms Individual Host: In the ever-evolving landscape of STRs, social media platforms have emerged as a powerful channel for connecting travelers directly with individual hosts. Travelers often start their search for accommodations by exploring social media platforms such as Instagram, Facebook, or Pinterest. These platforms offer a visual and interactive way to discover potential stays, as hosts frequently showcase their properties through engaging photos, videos, and stories. Once travelers decide on a property, they can often arrange bookings directly through social media. Some hosts may link to external booking sites, while others might handle reservations and payments through direct messaging. 2.2. Traveler Listings Only Online Platforms Individual Host: In the multifaceted world of STRs, listings only online platforms serve as conduits between travelers and hosts. These platforms differ from full-service Online STR Platforms by focusing solely on showcasing available properties without facilitating the booking process directly. Once terms are agreed upon, the host and traveler coordinate the booking and payment process independently, often using external payment systems or direct transfers. 2.3. Traveler Website of STR Provider (or Trade Association) Individual Host: One of the unique pathways that travelers can utilize to book accommodations is directly through the website of a STR provider or a trade association. Websites of STR providers or trade associations often serve as a direct link between travelers and hosts. These platforms are typically managed by organizations that represent a network of individual hosts or small-scale property managers. By using these websites, travelers can access a curated selection of properties that are often verified and meet specific quality standards set by the provider or association. Trade associations, in particular, focus on building a sense of community and trust among their members. After finalizing the details, the booking is completed through the website's payment system, outsourced payment system or directly with the host. 2.4. Traveler Home Swapping Online Platforms Individual Host: Home swapping platforms allow travelers to exchange their homes with other individuals, providing an opportunity for a cost-effective travel experience. Travelers interested in home swapping begin by registering on a dedicated home swapping platform. These platforms are designed to facilitate the exchange of homes between individuals seeking mutually beneficial arrangements. Once registered, travelers can browse through available listings that match their desired travel criteria. After identifying a potential swap, travelers initiate communication with the prospective host. On the agreed dates, travelers exchange homes, allowing

each to enjoy a stay in a new location without the traditional costs associated with accommodation. The Complex STR Booking Pathway

1. Traveler Online STR Platforms (Disclosed Agents) Local Property Managers (Undisclosed Agents) Local Property Managers (Disclosed Agents) Individual Host: The complex STR booking process begins with the traveler utilizing online STR platforms, acting as disclosed agents, to search for accommodations with user-friendly interfaces and comprehensive filters. Once a property is chosen, the booking process transitions to local property managers, who initially function as undisclosed agents. These managers handle logistical tasks such as reservations and maintenance without the traveler's direct awareness. In some cases, these managers may collaborate with local property managers, disclosed agents, who directly interact with travelers for tasks like check-ins and customer support, ensuring transparency and a seamless experience. Finally, the local property managers, disclosed agents, work closely with the individual host to finalize the booking details.
2. Traveler Online STR Platforms (Disclosed Agents) Local Property Managers (Disclosed Agents) Individual Host: The complex STR booking process begins with travelers using online STR platforms that serve as intermediaries and disclosed agents. After selecting a property, the booking shifts to local property managers, who also act as disclosed agents. These managers take care of logistical tasks like reservations and maintenance while keeping direct communication with the traveler. They ensure transparency and provide customer support, smoothing the booking process. Finally, they work with the individual host to finalize details, ensuring everyone is prepared for the guest's arrival.
3. Traveler Online STR Platforms (Disclosed Agents) Local Property Managers (Undisclosed Agents) Individual Host: In the complex STR booking process, the traveler begins by using online STR platforms that act as disclosed agents to search for accommodations. Once a property is selected, the booking process transitions to local property manager, who initially operate as undisclosed agents. These managers handle logistical tasks such as reservations and maintenance without the traveler's direct awareness. The final step involves the individual host, with whom the local property manager coordinates to finalize all booking details, ensuring a smooth and seamless experience for the traveler.
4. Traveler Online STR Platforms (Disclosed Agents) Other Sources (Boarding Schools, Timeshare, Hostels, Co-ownership): In this multifaceted booking pathway, a traveler begins their accommodation search on online STR platforms that act as disclosed agents, offering a wide array of properties. After selecting a property, the booking navigates through various alternative sources such as boarding schools, timeshares, hostels, or co-ownership arrangements. These sources provide additional layers of complexity as they often involve unique contractual agreements, shared usage rights, or specific terms of stay that differ from traditional STR bookings. The traveler may engage in direct communication with representatives from these institutions to finalize booking details, ensuring all parties are clear on the terms and conditions of

the stay. This pathway highlights the adaptability of the STR ecosystem in accommodating diverse traveler needs through non-traditional lodging options. The booking process within the STR industry is intricate, involving a myriad of participants beyond the online STR platforms. Each player, from direct booking channels to various intermediaries, contributes to the complexity by offering unique services. As a result, travelers and STR accommodation suppliers navigate a multi-layered system of bookings, which requires coordination among several entities to ensure seamless operations. This complexity highlights the importance of understanding the diverse roles of STR players and their interactions within the STR ecosystem.