

1. Who are you:

Individual/Business

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

Specified Person (SP)

3. Please tick the sectors that apply to you:

Construction

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

Somewhat positive - I think it's a good idea overall

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

I like that it is real time, but feel that for design team leads it is unfair that the fee which is spread across a whole design team has 20% deducted (while we pay our sub consultant designers 100% of their invoices). It makes cash flow tough.

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

Does the real time also mean that specified persons can offset their liabilities in real time too? Sometimes when we submit an RP50a - it can take up to 5 weeks for approval...

7. 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?

Not in favour of additional administration. If it is fair and streamlined- then that is supported.

- 8. 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?**

The 20% level should be reviewed. When you consider that we also pay the 23% vat to revenue on the funds that are already sitting in Revenue as PSWT - then the cash flow burden is very high. Profits in most architecture firms are c10%, so cash-flowing the 20% - while also paying the VAT on it, and sometimes waiting up to 18 months (post CT1) for a refund is onerous on small businesses.

- 9. Please indicate if you currently operate:**

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

- 11. 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.**

- 12. From the perspective of a DW, what are your views on the application of RCT and/or PSWT, as the case may be?**

- 13. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**

- 14. 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?**

- 15. In your view, what opportunities could embedding eWHT within natural business systems create for your business or the wider industry?**

- 16. What challenges do you think your business might face in adopting this embedded within natural systems approach?**
- 17. What is the estimated number of payments that you make to SPs each month?**
- 18. Do you currently use software for processing payments and or managing the finances of your business? If so, what packages do you use?**
- 19. Are you an employer for PAYE? If so, which software package do you use to report payroll taxes to Revenue?**

- 20. Please indicate if you currently receive payments which are subject to deduction of:**

Professional Services Withholding Tax (PSWT)

- 21. Where you are currently subject to PSWT and/or RCT, how does the current application of withholding taxes impact on your business operations?**

Balancing cash-flow is difficult. To explain it if we invoice a Local Authority for housing design say 10k plus VAT, and they take off 20%. Half of that 10k is payable to our sub-consulting engineers etc. So they still get their 5k plus VAT. We effectively run projects for the public sector with punitive financial risk. We can offset the PSWT off our liabilities but that adds additional admin, and it depends who we deal with in Revenue, on how swiftly that is dealt with. Recently we have to pay c116k to Revenue which you refunded the day after in PSWT because the filing deadline was up and nobody had approved the RP50a internally.

- 22. From the perspective of a SP, what are your views on the application of RCT and/or PSWT, as the case may be?**

In general it is a good thing - it enforces compliance. It is also (on a good year) a great way for us to plan forward for large ticket expenditure in the future. However in lean years (2025) it adds a lot of stress into the cash-flow management.

23. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?

24. 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?

They align with the liability in general, but its the time lag in getting the funds back that is an issue.

25. 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?

No issue with this. We have always filed and paid on time.

26. 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?

N/A

27. 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?

Not sure - let's see.

28. 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?

We always file on time, but as CT1 is only filed once a year, the business has to balance the PSWT all year until that period.

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

None

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

Slightly more administrative burden while also dealing with all the auto-enrolment additional administration.

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

3 months

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

Pretty confident.

33. 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)

Reduced administrative workload

Better visibility and control of information held by Revenue

Fair recognition of the work done by private companies on behalf of the state

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

Training or awareness sessions

Industry/professional body support

Clear guidance for software providers and a testing environment

35. 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?

Clear videos explaining what PSWT is - mainly so we can share it with Local Authority clients. Sometimes they do not realise that their finance people have to deduct the PSWT, or why.

