

1. Who are you:

Government department/agency

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

Designated Withholder (DW)

3. Please tick the sectors that apply to you:

Construction

Professional services

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

Neutral/undecided - I need to know more before forming a view

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

Easier for the specified person, less queries for the DW post payment

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

Implementation, will there be a realistic changeover period provided for all parties?
NLWT introduction a few years back still isn't seamless as it was introduced too quickly without proper testing & troubleshooting

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?

Fine but proper communication & information needs to be provided to all affected parties

- 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?**

Clearer instructions are needed as to whether PSWT should apply to a payment or not & where a query is sent to Revenue there needs to be a quicker response times to avoid prompt payment incurring due to the lead time to get a resolution on a query.

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

Professional Services Withholding Tax (PSWT)

Relevant Contracts Tax (RCT)

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

PSWT- guidelines are too vague as to when WH should be applied or not. Often times it is deducted then the SP is querying why the deduction was made. RCT- Admin setting up the contracts, maintenance of values & end dates & ensuring that out of date contracts are closed so that payments don't fail. No correspondence from Revenue when old RCT contracts that have gone past their end date are closed & there doesn't seem to be a set date or frequency for when these are carried out.

- 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.**

N/A

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

PSWT- Guidelines are too vague. For example they state that if WH applies to one part pf an invoice then it should apply to the entire payment but it doesn't apply to outlays on solicitors invoices? RCT- Fair but there should be an indication when

registering a payment if the subcontractor opted in for the 20/35% deduction to be applied to their payments or is it being imposed by Revenue. This would ensure that the DW is aware & prepared incase the contractor may contact them querying their payment.

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?

It will avoid the additional admin of ensuring that the csv file for ePSWT payment notifications doesn't fail.

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

Less admin, however clear guidance from Revenue on setting up the eWHT system will be required prior to this to ensure a seamless transition

16. What challenges do you think your business might face in adopting this embedded within natural systems approach?

From experience of the implementation of the ePSWT & NLWT systems the data provided to Revenue is sometimes classed as invalid due to special characters used in systems but not accepted by Revenue, inaccurate ROS information such as PPS numbers marked invalid but the person can show proof of this number on their public services card.

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?**

Agresso (Unit 4 ERP)

- 19. Are you an employer for PAYE? If so, which software package do you use to report payroll taxes to Revenue?**

Core Payroll Software

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

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

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

- 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?**

- 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?**

- 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?

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?

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?

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

Embed the new requirements into Agresso

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

None- unless the RCT system is more straightforward

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

6 months

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

If 6 months is given- very 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

Seamless integration of taxation with your business systems

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

Helpdesk or dedicated Revenue contact

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?

