

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:

Professional services

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?

If the PWST is credited to the income/corporation tax account IN REAL TIME, then that is a game changer. To have the 'use' of the tax as an offset in the same financial year makes engaging with public service work more attractive and levels the playing field for other consultancies who can claim the credit in the same taxation year - a situation which was really unfair!

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

It would be useful to see a 'worked example' to understand how this might work out in practice. Also, what is the 'flat rate' to be decided?

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?

At what rate? who are they? are the rules simple and transparent. As it currently stands, smaller consultancies are dis-incentivised to work with public bodies because they cannot underwrite the 'cost' of the eWHT in any financial year.

Coupled with already difficult public procurement thresholds for SMEs, any withholding tax arrangements have to be FAIR and not burdensome on small businesses.

- 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?**

I don't have a particular view... but would just advocate for a system that is CONSISTENT, FAIR AND TRANSPARENT.

- 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?

It is a real cashflow problem. A small firm loses another 20% of the use of the revenue in the financial year that it is generated. This is material to a small firm and could be the difference in hiring an additional resource or making additional investments in the business. At best it is an arbitrary and discouraging 'cost' of doing business with the Irish public bodies.

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 the modern world, expertise and agility resides in small businesses. These make up 96% of the Irish industrial landscape and yet they are not trusted to pay tax. In 'normal' commercial contracts, no such levy is applied - for the same work.

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?

No, the PSWT is at 20% and the VAT is at 23% so it just seems a random figure.

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?

It will be beneficial only if it works in REAL TIME and within the same financial year - no waiting for the use of the funds.

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?

Yes if the funds are available in the same financial year, it will be very beneficial.

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?

It is an overhead to do all that reporting - I cannot see the frequency improving - unless it is easily automated - at the end of the day, I have to make decisions for my business and it is always a balancing act of time V workload.

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

Nothing - I hope!

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

If it allows me to see, at a glance what my overall liabilities are (net of PSWT), it will help me keep up to date with taxation and invoicing etc.

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?

As long as it is not very complicated - 3 months.

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)

Greater certainty in relation to your tax affairs

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)

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?**

