

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?

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

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

More accurate calculation of tax's, removal of lump sum payments at end of year and Preliminary Tax's

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

I currently provide services to mainly Local Enterprise Offices. I deal with about 12 of them so not sure how the allowances can be allocated across them. About 90-95% of my income comes from the LEO's so the income to other private companies needs to be accounted for. Also my income varies year to year and I understand that it's a best estimate and there will be an element of rebalancing at year end. I also provide, training to the LEO's (which isn't subject to PSWT) and again it's difficult to gauge what percentage of my income will come from this source.

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?

I'm open to it and think in principle it sounds like a good idea.

- 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?**

No opinion either way.

- 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?**

20% is with-held for year end tax's which helps with tax planning.

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

I think the PSWT is a good idea. Might be easier to create bands where SP's can indicate where they see what percentage of income (e.g. 70% from mentoring, 20% from Training and 10% from private work) with a budgeted income of say £100k, that could be reviewed maybe quarterly depending on how the year is going (if ahead of target on sales then it can be upped to make sure that tax's remain correct or lowered if having a poor year to ensure that too high a percentage of tax isn't taken and putting a business under cashflow pressure).

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, under paying which results in balancing payment at year end.

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?

Very, if accurate and not overly complex and if too much isn't incorrectly taken which could put pressure on cashflow. The DLR LEO tried to implement this late year via their payroll system but rowed back on it as I don't think it worked for them. An issue here for me was that if going on the payroll, only one employer can have your Tax Free Allowances, which might have resulted in me been taxed at the emergency rate with the other 11 or so LEO's that I deal with.

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?

If calculated correctly none as I tend to put money aside every month to cover taxes at year end, so paying it over the year wouldn't make much of a difference to me.

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?

Maybe but difficult to say unless the allowances can be properly apportioned and adjusted if income varies greatly during the year.

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?

As often as required but ideally quarterly

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

I already operate a Management accounts system so I have a good handle on income and expenses every month. Other businesses might be as well organised and having this information could be a challenge for them.

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

None

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?

Reasonably. I'm a sole trader so only 1 person in the business and addition of extra reporting or admin during the year could be challenging, so the more automated & integrated the better.

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)

Increased accuracy of information submitted to Revenue

Greater certainty in relation to your tax affairs

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

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?

No

