

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 negative - I have some concerns about aspects of the proposal

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

The acknowledgement that the current RCT system is no longer fit for purpose and requires modernisation is welcome. In particular, the move toward clearer differentiation between individual labour and genuine businesses, improved transparency, and real-time reporting has the potential to improve compliance and reduce abuse within labour supply chains. Any reform that increases visibility and consistency across sectors, if implemented fairly, could help address long-standing structural issues in construction.

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

My main concern is that modernising withholding mechanisms alone risks reinforcing existing inequalities if worker protections are not addressed at the same time. Many individuals currently operating under RCT are working under direct control, fixed hours and site supervision, yet have no access to paid holidays, public holidays, sick pay, pension contributions or overtime premiums. If the new system increases efficiency in tax collection without addressing employment-like realities, it risks further entrenching a two-tier workforce where risk remains entirely with the worker while control and commercial benefit rest with contractors.

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?

In principle, expanding withholding tax where a suitable withholder exists can improve compliance and reduce tax leakage. However, this expansion must be accompanied by safeguards to ensure that individual workers are not treated as de facto employees for control purposes while remaining excluded from basic protections. Without parallel reform on worker rights, overtime treatment and pension inclusion, expansion risks placing additional administrative and financial burden on individuals who already carry disproportionate risk.

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?

Yes. The scope and targeting of PSWT should be reviewed as part of a wider examination of withholding tax across sectors. Consideration should be given to consistency between RCT, PSWT and any new eWHT framework, particularly where individuals are providing labour rather than independent professional services. Alignment across systems would reduce confusion, improve compliance, and help ensure that withholding regimes do not unintentionally incentivise misclassification or unfair labour practices.

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:**

Relevant Contracts Tax (RCT)

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

As an individual construction worker operating under RCT, the current withholding system has a significant impact on cash flow and financial security. RCT is deducted at source regardless of actual net income, while I remain responsible for all costs, downtime, and income volatility. There is no alignment between withholding and the reality of irregular work, unpaid downtime, or periods where work is not available due to site conditions or programme delays. The system assumes a level of commercial independence that does not reflect the controlled, site-based nature of the work being carried out.

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

From the perspective of a Specified Person, RCT as currently applied places disproportionate risk on individuals while benefiting those who control the work. Many SPs operate under direct supervision, fixed hours and programme control, yet are treated for tax purposes as independent businesses without access to basic employment protections such as paid leave, public holidays, pension contributions or overtime premiums. In practice, RCT functions less as a neutral tax mechanism and more as a system that facilitates the transfer of risk from contractors to individual workers.

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?

Not applicable. I operate as an individual rather than through a corporate or partnership structure. However, from an individual SP perspective, standard RCT rates do not reflect actual liability once unpaid downtime, lack of paid leave, absence of pension contributions and irregular income are taken into account.

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?

For individual workers operating under RCT, embedding taxation into payments could reduce end-of-year shocks and improve predictability. However, the benefit depends entirely on accurate classification and fair treatment. Where individuals are subject to employment-like control but lack employment protections, embedding taxation risks further normalising that imbalance. Any benefit would therefore be limited unless changes are accompanied by clarity on status, worker protections and responsibility for downtime and overtime.

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?

Paying tax on income as it is earned may improve budgeting and reduce large end-of-year liabilities. That said, for individual RCT workers with irregular income, unpaid downtime, and no paid leave, PDR could negatively impact cashflow if rates do not accurately reflect real net income. Without recognition of income volatility and unavoidable periods without work, PDR risks placing additional financial pressure on individuals who already carry disproportionate risk.

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?

Potentially yes, if the system is accurate and responsive to real-world working patterns. In theory, PDR could simplify end-of-year filings and reduce preliminary tax shocks. In practice, this will only be effective if deduction rates are regularly updated and reflect actual income and expenses, rather than assuming steady earnings that do not exist for many RCT workers.

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?

I would be willing to report income and expenses regularly, provided the process is straightforward, proportionate and reflects the limited scope of genuine business expenses available to individual site-based workers. Compliance is more likely where systems are transparent, easy to use and demonstrably fair. Where individuals feel over-burdened without corresponding protections, engagement and trust are reduced.

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

As an individual construction worker operating under RCT, the main changes would involve more frequent and structured reporting of income and limited allowable expenses, as well as closer monitoring of deduction rates applied to payments. Any changes would need to be proportionate and recognise that individual site-based workers have limited administrative capacity and do not operate complex accounting systems.

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

If implemented accurately and fairly, the new regime could improve certainty around tax liabilities, reduce end-of-year tax shocks and simplify compliance. Improved transparency may also assist with personal financial planning. However, meaningful benefits will only arise if the system reflects the realities of irregular income, unpaid downtime and the absence of employment-related supports.

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

A phased transition period of at least 12 months would be reasonable, allowing sufficient time for guidance, testing and adjustment. For individual workers, adequate notice and support will be essential to ensure compliance without undue financial or administrative stress.

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

Reasonably confident, provided the system is simple, well-communicated and supported during transition. Individual RCT workers are already accustomed to regular reporting and compliance. Adaptation would depend on clear guidance, realistic timelines and recognition of the limited administrative capacity of individual site-based workers.

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

Increased accuracy of information submitted to Revenue

Greater certainty in relation to your tax affairs

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?

Any new eWHT system should clearly distinguish between genuine independent businesses and individual workers providing labour under direct control. Reform should not focus solely on tax collection efficiency but must also consider fairness, worker protection and long-term sustainability of the construction workforce. Without addressing issues such as unpaid downtime, lack of paid leave, pension exclusion and flat-rate overtime, changes to withholding risk reinforcing existing imbalances rather than resolving them. I would welcome continued engagement with Revenue to ensure that site-level realities are properly reflected in the final design and implementation of the system. Footnote: I would be more than happy to assist Revenue and the Department of Finance as a point of contact for site-level worker perspectives, should this be helpful during the consultation or implementation phases. Any such engagement would be on a strictly confidential basis. Contact email: obrienken67@gmail.com

