

1. Who are you:

Individual/Business

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:

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?

WHT charged will be based on turnover / perceived tax liability based on previous tax returns rather than current 20% retention which will improve cash flow for small businesses like ours

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

In the current system while the paperwork in allocating WHT certs against tax liability is straight forward, it appears that there is internal difficulties within Revenue in allocating the set off against tax liability, ie WHT used to offset Vat / Paye payments for a 2 month period is initially accepted, however in next 2 month period a demand is also issued for the previous months liability which in turn suspends ones tax clearance tax. New system needs to ensure this issue is fixed

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?

Agree with expansion

- 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, while we agree with the principal of WT, the amount charged to an organisation should be reflective of their potential end of year tax liability. For a small business ie under â,~200,000 annual sales and where a large portion of their income derives from Sate bodies the 20% WT retention can greatly affect cashflow.

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

Professional Services Withholding Tax (PSWT)

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

Cash flow, Tax clearance certs as offset can take time to be allocated by Revenue. In our practice we have had a specific 2 month vat liability period which was discharged by WT offsets affect our Tax Clearance Cert 3 times over a 12 month period

- 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?**

Professional Services Withholding Tax (PSWT) a system where tax is deducted at source ie state bodies from a payment before the income reaches the supplier,

rather than relying on the supplier to pay the full tax later through their tax return.
RCT applies to construction operators

- 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 is hoped that reduce errors in the system for both payee and revenue

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

Will improve compliance and risk reduction, better decision making, cost savings and improve relationship with payee and Revenue

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

Correct classification and effective engagement by both parties

- 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?**

Office account package ie zero accounts software

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

Collsoft

- 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?

Professional Services Withholding Tax (PSWT) a system where tax is deducted at source ie state bodies from a payment before the income reaches the supplier, rather than relying on the supplier to pay the full tax later through their tax return. RCT applies to construction operators

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?

Unknown

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

Increase cash flow and allocation / refund of WT

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

2 months

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

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

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

Industry/professional body support

- 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?**

