

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:

Transportation

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

Very negative - I do not support the proposed direction

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

None

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

Dear Sir / Madam, I am a self-employed taxi driver and I am writing to express my strong opposition to the proposed expansion of withholding tax to the platform economy, insofar as it would apply to self-employed taxi drivers. Taxi drivers operate on very tight margins and have exceptionally high and unavoidable running costs, including fuel, insurance, vehicle finance, maintenance, licensing, SPSV compliance, and regulatory fees. Withholding tax applied to gross payments made through platforms would not take account of these costs and would significantly reduce drivers' day-to-day cash flow, making it difficult to meet basic business expenses. Apps and platforms already submit full income details to Revenue under existing reporting obligations. Therefore, this proposal does not introduce new transparency but instead introduces an additional layer of tax collection that unfairly impacts compliant self-employed workers. A major concern is that under this proposal I would effectively be taxed on gross income, as platforms do not report business expenses. Platforms only show gross fares and the commission paid to the

app. They do not account for the substantial additional expenses incurred in operating a taxi business. For example, if my gross income after app commission is €35,000 per year, Revenue would assess tax based on this figure under a withholding system. However, this is not an accurate reflection of my taxable income. My annual business expenses typically amount to between €16,000 and €18,000 per year. This means my actual net profit is approximately €17,000 per year, and I currently and correctly pay tax on that net profit under the self-assessment system. Taxing me on gross income rather than net profit would be incorrect, unfair, and financially damaging. It ignores the reality of how self-employed businesses operate and places taxi drivers at risk of over-taxation and severe cash flow pressure. Unlike employees, self-employed taxi drivers are taxed on profits, not turnover. Any system that withholds tax at source on gross fares shifts financial risk unfairly onto individual drivers and creates the likelihood of ongoing refund situations at year-end, while drivers struggle to cover essential costs throughout the year. Taxi drivers already comply with self-assessment obligations, submit annual returns, and pay Income Tax, PRSI (Class S), and USC in line with existing rules. The proposed measure appears to penalise compliant self-employed workers rather than addressing non-compliance in a targeted or proportionate way. I am also concerned that this proposal blurs the line between self-employment and employment, undermining the independent contractor status of taxi drivers while offering none of the protections or benefits associated with employment. I respectfully submit that traditional self-employed taxi drivers should be excluded from any withholding tax regime. At a minimum, any alternative approach must fully account for legitimate business expenses and protect drivers' cash flow. I urge the Department to reconsider this proposal and to engage directly with representative bodies for the taxi sector before proceeding further. Thank you for the opportunity to make this submission. Yours faithfully, A Self-Employed Taxi Driver

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?

Will be incorrectly taxed

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?

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:

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

Not yet

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

Shouldn't be applied to taxi drivers

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?

Will be incorrectly taxed

- 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?**

Huge impact because we will be taxed on gross income not net income

- 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?**

No it will be negative impact

- 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?**

I don't know

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

No benefits

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

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

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)

None

34. What supports from Revenue would be of most benefit to you in transitioning to the new regime? (Select a maximum of 3)

None

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?

Please don't go ahead with this.

