

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?

Very negative - I do not support the proposed direction

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

Any move towards transparency, real-time reporting, and reduction of long delays in reconciliation is welcome in principle. However, these benefits are theoretical unless the underlying basis of withholding is corrected. Modernising a flawed system without fixing its core design risks entrenching existing problems.

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

The proposal does not address the central structural injustice of PSWT for contractor-based healthcare providers. In our case, PSWT withholds 20% of gross revenue, despite the fact that the majority of that revenue (approximately 66%) is passed directly to clinicians and never constitutes income or profit for the company. As a result, Revenue routinely withholds sums far in excess of any tax that could ever be due. For a limited company, the maximum tax liability is 12.5% of net profit, not 20% of gross turnover. This is not a timing issue but a fundamental mismatch between withholding and liability.

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?

Expanding withholding taxes into further sectors without first resolving these structural flaws is deeply concerning. In sectors such as healthcare, where payments include large pass-through costs, expansion risks destabilising service delivery and undermining State policy objectives.

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?

The targeting of PSWT requires urgent review. We provide service on behalf of the HSE conducting Assessment of Needs and Autism Assessments. Clinics operating under HSE contract should be explicitly excluded. These services are not discretionary commercial activities but essential public services delivered on behalf of the State.

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?

PSWT is having a severe and disproportionate impact on our business. For example, on a €1,000 HSE invoice, we pay €660 directly to the contracted clinician, leaving us with €330. Despite this, €200 is withheld by Revenue under PSWT. After paying the clinician, only €140 remains to cover all business costs. Revenue is therefore withholding money that does not belong to the State and never will. This creates an immediate cash-flow crisis that threatens business viability.

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.

N/A

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

PSWT may be appropriate in certain professional sectors, but it is wholly inappropriate for contractor-based healthcare models. In our view, PSWT should be abolished for healthcare services delivered under State contract, rather than amended or modernised.

13. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?

Withholding tax is intended as a compliance mechanism. However, when it results in the State holding funds that are not and never will be due as tax, it ceases to be a compliance tool and becomes an unjustified appropriation of working capital.

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?

N/A

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

N/A

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

N/A

17. What is the estimated number of payments that you make to SPs each month?

N/A

18. Do you currently use software for processing payments and or managing the finances of your business? If so, what packages do you use?

N/A

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

N/A

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?

Withholding tax is intended as a compliance mechanism. However, when it results in the State holding funds that are not and never will be due as tax, it ceases to be a compliance tool and becomes an unjustified appropriation of working capital.

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?

No amount of internal system change can mitigate the fundamental problem that PSWT withholds excessive sums unrelated to actual tax liability. Technical readiness is irrelevant where the policy itself is flawed.

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

There would be no meaningful benefit to our business unless withholding on gross revenue is abolished for our sector. Automation of an unjust system does not resolve the harm it causes.

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

A reasonable timeframe would be immediate abolition of PSWT for healthcare services delivered under State contract. Delayed reform is incompatible with service sustainability.

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

Low confidence. The business cannot adapt to a system that systematically removes working capital that does not belong to Revenue.

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)

#NAME?

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

#NAME?

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?

PSWT in its current form is already forcing clinics out of operation. The State has no right to retain funds that are not owed to it. If AON assessment clinics collapse, responsibility will lie with a tax policy that ignores economic reality and public service dependency. The country faces a crisis in assessment services. Yet revenue puts in place mechanisms that make it near impossible for us to operate.

