

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?

Somewhat positive - I think it's a good idea overall

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

The possibility of real-time transparency.

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

Your information in the preceding pages does not specifically state that those businesses with a trading loss in a past year, would have a flat rate deduction of nil, while that loss was being cleared, though it is implied by some of the principles outlined. It would be confidence building if a specific statement to that effect were included in the information.

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?

Good, subject to my answer to Q9.

- 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?**

As a software development and ICT consultancy company, we often find that the line between the two is blurred in the contracts we undertake for state and semi state bodies. Software development is not subject to PSWT but ICT consultancy is. We often find that work we have done that we regard as software development is having PSWT deducted, which is irritating. Looking ahead to eWHT, it is clear that if the flat rate is decided by Revenue, based on dialogue with the DW, then if the DW officer responsible has a poor appreciation of the nature of the work being done, then erroneous information, for rate determining purposes, may be passed to Revenue. Firstly, how would you propose to address this. Secondly, would it make sense to remove ICT consultancy from liability under this tax?

- 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?**

At times it has a damaging impact on our cash flow. As an SME, cash flow is the lifeblood that keeps the business going.

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

no comment

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 if we are clearing a trading loss situation from a previous year.

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?

Sounds like less admin for us if it works well, but more admin for us if something goes wrong.

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?

n/a

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

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?

very likely

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

Don't know at this stage

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

Reduction in admin costs

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

no comment

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

very

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

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?

What about the possibility of dialogue between the DW and SP in the system, as a check and balance. The success of the system is going to a large extent depend on the accuracy of what the DW reports to Revenue. Dialogue between the DW and SP, prior to reporting by the DW to Revenue, could help increase the accuracy of reporting, and avoid mistakes.

