

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?

Withholding tax is punitive and expanding it and digitalising it is only putting more stress on SME's. Revenue have been abusive to my company in the past in holding several times my Preliminary tax liability until year end when my tax return is submitted.

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

The two step approach requiring the payer to submit to revenue before paying me is just another delay.

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?

There should be no further expansion of withholding tax. Currently with sub consultants on my team, I regularly have an oversubscription of my Preliminary tax and cannot get revenue to release it. If this is expanded further it will cripple my company.

- 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 stated because I do a lot of work with state and semi state I have a lot of WT in credit at all times, I assume any changes are unlikely to impact on this, but there needs to be a fair way of getting a reimbursement where large amounts of WT are held in credit.

- 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?

It is crippling by the time we get to year end and our cash reserves are low due to accumulation of PSWT and VAT bills are rising and we cant do an offset becuae Revenue are not being fair with its allocation.

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

I dont see why there is a need for PSWT when a company holds a current tax clearance certificate.

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?

No, they are grossly over stated. I have received a substantial refund every year after submission of our accounts. - See Q` 15

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?

It is not beneficial, it assumes I am making a 20% profit and collects on the gross amount. If I have invoice a fee, possibly 10-15% of that fee might contribute to profit, and I am a limited company so I would pay 12.5% Corporation tax on the profit, therefore a more accurate PSWT would therefore be 1.87% (12.5% of 15%). If I was a sole trader paying 42% tax, then the PSWT would more likely be 6.3%. The current rate of 20% is completely inaccurate, and if it were expanded to more of our clients as suggested in digitalisation, then it would cripple us completely.

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?

See Q17 above, I believe the rate would have to reduce substantiallyh

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. Unless Revenue play fair and look at track record and cashflows and refund where appropriate mid year.

- 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?**

My figures are always live and accurate, but it serves no purpose, I have to wait until my accounts are filed to get a refund.

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

I am the business owner, if any more reporting systems come in on top of the already strenuous payroll reporting, my future fund reporting, expense payment reporting etc then I will have to employ a full time accounts person.

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

None absolutely none.

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

Do you really care? Its a dictatorship

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

Very confident, because revenue will bring out a new download to make it efficient to collect our money and bank it.

- 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)**

Its not important to me, I am already suffering enough

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

DO not bring in another software or another portal.

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?

Each month for payroll I now require four different types of submissions, Payroll to revenue, Payroll expenses, COmpany pension submission and now My future fund submission. Any change to the PSWT must become part of the monthly VAT system and not another portal. Do not create another portal or software.

