

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?

simplifying the system is welcome

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

We were on 20% deduction for a long time. As our business grew, a 20% deduction off our full payment was unsustainable as this was our entire profit margin. As a Northern Ireland business, we could claim it back, but this normally took around 5 months. At one point, we were owed over £300,000 by the Revenue which nearly collapsed our business. We eventually were granted 0% status which has transformed how we operate. I would not welcome any move that would change our 0% status. We would either have to withdraw from the ROI market or significantly increase our prices

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?

N/A

- 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?**

N/A

- 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:**

Relevant Contracts Tax (RCT)

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

We were on 20% deduction for a long time. As our business grew, a 20% deduction off our full payment was unsustainable as this was our entire profit margin. As a Northern Ireland business, we could claim it back, but this normally took around 5 months. At one point, we were owed over £300,000 by the Revenue which nearly collapsed our business. We eventually were granted 0% status which has transformed how we operate. I would not welcome any move that would change our 0% status. We would either have to withdraw from the ROI market or significantly increase our prices

- 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 think deducting RCT off the full invoice is wrong. CIS tax in the UK is only on the labour element which seems fairer if required.

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?

we are now 0% for RCT

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?

not at all

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?

no

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?

as a small business, our accountant does this on an annual basis. Any increase to this will be additional burden and expense

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

additional admin resources

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

if our rate of RCT increases above 0%, we may increase costs or withdraw from the ROI market

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

5 years

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

hard to say until more information about my specific business is confirmed

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

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

Mailshots and guidance on the Revenue website

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?

