

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:

Construction

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?

APIs. If the transition is mandatory, the use of modern APIs for direct ERP integration is preferable to manual portal entries. However, the initial costs of this integration remains a significant concern.

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

The most critical concern is the impact on cash flow where money is tied up in the Revenue system instead of being used to fund projects.

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?

We are opposed to the general expansion of the withholding tax model to a broader range of service providers. To expand to more services creates administrative burden.

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:

Relevant Contracts Tax (RCT)

10. From the perspective of a DW, how does the current application of PSWT and/or RCT impact on your business operations?

The current application of RCT creates a significant administrative and liquidity burden. Despite our 0% RCT status, we must still operate a 'real-time' reporting regime that adds friction to our accounts payable process.

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?

As a Designated Withholder, the current RCT and PSWT regimes are administratively heavy and commercially restrictive. The RCT system requires us to perform high-volume reporting that provides no benefit to our operations.

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

In simple terms, RCT is a system where the "payer" takes a portion of the tax due before the "payee" ever sees the money. The Revenue Commissioners view this as a "collection at source" mechanism. Instead of waiting for a company to file a tax

return at the end of the year, Revenue ensures they get a steady stream of "down payments" throughout the year.

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?

While the concept of embedding tax processes into business systems appears beneficial in theory for reducing manual entry, for a large-scale engineering group, the practical challenges far outweigh the perceived advantages. We already operate a highly efficient, automated 0% RCT reporting process. Forced integration with a new, real-time eWHT API represents a significant 'unfunded mandate'.

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

The opportunities are only realisable if the system default to a 0% for proven "Low Risk" entities and does not introduce new administrative burdens.

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

Embedding tax isn't a simple software update. It is a complex systems integration project requiring significant investment in IT and change management. We are concerned about any API downtime or data mismatch, could trigger payment blocks, leading to delays.

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

450

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

Yes. SAP

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

Yes. SAP

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?

In simple terms, RCT is a system where the "payer" takes a portion of the tax due before the "payee" ever sees the money. The Revenue Commissioners view this as a "collection at source" mechanism. Instead of waiting for a company to file a tax return at the end of the year, Revenue ensures they get a steady stream of "down payments" throughout the year.

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?

Implementing the proposed eWHT is not a simple switch-on. It requires investment in ERP re-engineering to facilitate real-time API integration. The administrative burden of real-time subcontractor rate management will necessitate additional headcount in our finance department.

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

I don't see any benefit.

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

It's not possible to provide a definitive timeframe at this stage. This is dependent on end-to-end technical API specification and comprehensive testing environment and software provider upgrade availability. Until the full technical scope is known, we cannot access the required depth of ERP re-engineering.

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

Our confidence in adapting to the new system is contingent on the quality and stability of the infrastructure Revenue provides. We are 'Low-Confidence' that a smooth transition can happen quickly without major disruption to our operations, for the following reasons:"

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)

Preservation of working capital through 0% Personalised Deduction Rates for proven compliant entities

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

Clear guidance for software providers and a testing environment

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?

As an industry leader with a 0% RCT rate and a perfect record of compliance, Jones Engineering Group believes that the eWHT regime must distinguish between high-risk actors and proven 'Low Risk' corporate entities.

