

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?

Very negative - I do not support the proposed direction

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

None

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

Cashflow - currently business can manage its cashflow as the rate of WHT is consistent. Unreliable IT systems - IT systems have been proven not to be reliable or accurate, the payer will have to regularly update its system realtime rates, creating greater risk of error.

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?

It seems an unnecessary use of resources when rates of income tax compliance and collection are high amongst professional service providers - the resources could be put to better use improving the existing customer services

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?

No

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 can be awkward when the withholder calculates it incorrectly, or simply withholds a different amount than they reported. In general it works ok.

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?

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?

It is fairly close - not different enough to spend millions on a revised system with its own set of problems

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 beneficial. Many businesses are paid seasonally and are attuned to managing their cashflow to pay suppliers, wages and various taxes. Interfering with that has a knock on effect for business already struggling with increased costs and additional administration

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?

It is impractical as the rate can vary depending on other income a person has - which may have ceased, or decreased but such changes won't be captured so there is a risk of overpayment of WHT creating cashflow concerns for business owners.

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?

Unlikely, my priority is to run my business efficiently and effectively providing professional services to my clients, growing my business to support my family and my employees. I do not need any extra filing demands on my time. While time is infinite in theory, each business operator has limited hours in a day/week/month/year to operate a successful business rather than feeding data to an IT system that will never be satisfied. What you suggest, on top of all the other systems you have landed on business such as ERR will lead to unnecessary stress, reduce the business performance and may lead to the termination of a business

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

New IT systems, constant data input, constant review, lack of leisure time and extended administrative hours

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

None

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

It is not a reasonable proposal so no timeframe is reasonable

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

I would retire and close the business

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

No cost impact, mental, physical or financial

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

I don't envisage anything helping as it is fine as it is

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?

The Department of Finance should spend its resources more efficiently

