

1. Who are you:

Tax professional

2. Are you making a submission in relation to the proposals for a:

Both DW & SP (for tax professionals, representative bodies, RCT middle principals)

3. Please tick the sectors that apply to you:

Construction

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 move towards real-time withholding and increased certainty around tax liabilities is a positive development. Spreading tax payments more evenly throughout the year has the potential to reduce large end-of-year balances and improve cash-flow predictability for taxpayers. Increased digital integration may also reduce administrative duplication over time.

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

There is a risk that a PAYE-style withholding approach may not fully reflect the circumstances of self-employed subcontractors, particularly in the construction sector. Allowable expenses, fluctuating income and rate accuracy remain relevant and may not be captured effectively in a rigid real-time model. Short reporting timelines and limited flexibility could also create practical compliance and cash-flow difficulties, especially for taxpayers who rely on professional representation to manage their tax affairs.

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?

In principle, extending withholding tax where a suitable withholder exists may improve compliance and certainty. However, any expansion should be carefully targeted and supported by clear guidance, appropriate thresholds and sufficient flexibility to ensure it does not place disproportionate administrative or cash-flow burdens on affected service providers.

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?

I do not currently deal directly with PSWT in practice. However, any review of its scope should consider alignment with the broader eWHT framework, clarity of application and consistency of treatment across sectors, to avoid unnecessary complexity for taxpayers and agents.

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?

I do not operate as a Designated Withholder. My experience is as a tax professional supporting subcontractors subject to RCT. From this perspective, current RCT processes rely on information provided by taxpayers and require clear guidance and reasonable timelines to operate effectively without shifting responsibility beyond the intended parties.

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.

Not applicable.

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

Any application of RCT or PSWT should clearly define responsibilities between taxpayers, withholders and agents. Agents play a supporting role in facilitating compliance, based on information supplied, and should not be positioned as compliance guarantors or auditors of underlying transactions.

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

Withholding tax models such as RCT and PSWT are intended to improve compliance by collecting tax at source and reducing underpayment risk. Their effectiveness depends on accurate input data, clear rules and appropriate review mechanisms, while maintaining a clear separation of responsibilities between taxpayers, withholders and agents.

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?

If implemented appropriately, embedded eWHT processes could improve consistency of reporting, reduce duplication of data entry and support better visibility of tax positions for taxpayers. There may also be opportunities for improved interaction between business systems and Revenue systems, provided sufficient agent access and oversight are maintained.

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

Potential challenges include system readiness, data accuracy at source and the risk of overly rigid real-time requirements. For agents, it will be important that embedded

systems do not result in an expectation to independently validate or audit transactional data, and that reporting can continue to be based on information provided by clients within reasonable timeframes.

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

Not applicable

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

Accounting software is used to support client reporting and bookkeeping activities. Payment processing is carried out by clients directly.

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

No

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?

From experience supporting subcontractors who are subject to RCT, withholding can impact cash-flow and create a reliance on accurate and timely reporting by withholders. Where rates do not closely align with actual liabilities, end-of-year adjustments and refunds may still be required.

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

While I do not operate as a Specified Person, feedback from subcontractors indicates that withholding can provide certainty where rates are appropriate, but

may also create cash-flow challenges if deductions are excessive or inflexible. Clear communication and the ability to review outcomes remain important.

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

Withholding tax models such as RCT and PSWT are intended to improve compliance by collecting tax at source and reducing underpayment risk. Their effectiveness depends on accurate input data, clear rules and appropriate review mechanisms, while maintaining a clear separation of responsibilities between taxpayers, withholders and agents.

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?

Based on experience supporting corporate and partnership subcontractors, standard withholding rates do not always reflect actual tax liabilities in all cases, particularly where margins and expenses vary. This can result in over-withholding and reliance on later adjustments or refunds.

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?

For subcontractors, embedding taxation into payment processes may improve certainty and reduce large end-of-year liabilities. However, the overall benefit will depend on the accuracy of deductions, flexibility of the system and the ability to review and adjust outcomes where necessary.

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?

Personalised deduction rates may help smooth cash-flow over the year where they are accurate and reflective of individual circumstances. However, if rates do not

adequately account for allowable expenses or fluctuating income, there is a risk of over-withholding, which could negatively impact cash-flow for some subcontractors.

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?

If implemented accurately, the new regime may reduce the scale of end-of-year adjustments for some taxpayers. However, it is unlikely to fully remove the need for year-end reviews and reconciliations, particularly where individual circumstances vary.

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?

Regular reporting may improve the accuracy of personalised deduction rates. However, the practicality of frequent reporting will depend on the simplicity of the process and the availability of appropriate support. It is important that reporting obligations remain proportionate and do not create excessive administrative burdens.

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

Preparation for the proposed eWHT regime would primarily involve familiarisation with new guidance, updates to internal workflows and ensuring that accounting systems used to support clients are compatible with any new reporting requirements. Any changes should be incremental and supported by clear timelines.

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

If implemented effectively, the new regime may improve clarity around tax positions and reduce uncertainty for some taxpayers. There may also be efficiencies over time through more standardised processes, provided the system remains flexible and proportionate.

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

A phased implementation period of at least 12-18 months would be a reasonable timeframe, allowing businesses, agents and software providers sufficient time to adapt systems, processes and understanding.

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

With appropriate guidance, support and a realistic implementation timeline, the business could adapt to the new system. Confidence would depend on the clarity of responsibilities and the practical operation of the regime in practice.

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)

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?

Overall, the objectives of the proposed eWHT system are understood and supported in principle. However, it will be important that the final design recognises the diversity of business models, clearly defines responsibilities and avoids placing disproportionate administrative burdens on agents or taxpayers. A phased and well-supported implementation will be key to its success.

