

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?

Somewhat negative - I have some concerns about aspects of the proposal

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

Single WHT rate for all suppliers in scope may simplify the admin efforts involved for our Accounts Payable team on an ongoing basis.

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

1) Implications for our key suppliers/sub-contractors, especially those who had a 0% applied previously. Eg. possible impact on their cash-flows / financials; additional admin effort for them; potential impact on the cost of quotes they provide for services/projects in the future; concern over the willingness of foreign vendors to do business with our company in future. 2) Will there be a requirement for our company to implement an API / software to manage this ? Our company hasn't used a software interface for RCT previously. It is managed between our financial system and ROS (via Excel upload etc).. 3) As our company has a large number of suppliers within scope of RCT, there will be a significant initial set-up effort to change the rates etc. for all suppliers.

- 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?**

More suppliers within scope may result in more admin for both our company and those additional 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?**

Not applicable

- 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?**

As our company has a very large number of suppliers within scope of RCT, manual admin effort is required by our Accounts Payable team in advance of payment runs in order to ensure the appropriate RCT rate is applied to each supplier.

- 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?**

1) Increased admin effort for our company and suppliers. 2) If rates are increased for some suppliers, there are unknown risks/implications for our key suppliers who may provide specialist services which our company is dependent on.

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

Allows tax to be paid by suppliers/sub-contractors in instalments rather than based on one annual corporation tax / income tax return.

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?

It may help reduce admin effort over time but I am concerned about the system/software changes which may be required to achieve this.

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

It may help reduce admin effort over time but I am concerned about the system/software changes which may be required to achieve this.

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

We are concerned about the system/software changes which may be required and the availability of resources required to implement this.

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

70-90

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

Oracle

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

Megapay & ROS

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?

Allows tax to be paid by suppliers/sub-contractors in instalments rather than based on one annual corporation tax / income tax return.

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?

1) Change WHT rates for a large number of suppliers 2) Possible software implementation of API or configuration of our Oracle system

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

Less time spent on changing RCT/eWHT rates for each supplier in advance of each payment run.

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

Depends on the feasibility of implementing an API or configuration changes to our Oracle financial system.

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

Depends on the feasibility of implementing an API or configuration changes to our Oracle financial system.

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

Retaining services provided by our key contractor suppliers.

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

Industry/professional body support

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?

