

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:

Arts

4. After reading about the proposed new eWHT system, how would you describe your overall reaction?

Neutral/undecided - I need to know more before forming a view

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

anything to make it more efficient

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

Not convinced it will work, and it stills withholds tax before profit /liability is reached

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 the arts it is mostly sole traders, operating on very low fees, so it should not be applied at all. Expanding this would be even worse than now

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?

Definitely should be reviewed. It is ridiculous that a low fee sole trader in the arts is being treated the same as a major supplier like housing developer. I have just had PSWT applied to a payment which is a tranche payment of a contract. The amount taken was 20% of that figure, but the fee included costs - about a third of the figure, so I was effectively taxed on costs, which would be deductible. There is no mechanism to separate costs from profit. Also, I know that too much tax was taken even for the year, but again, no way to correct this. Now I have to ask for an interim refund, and have spent hours chasing information I need. It is and has caused hardship as I STILL have to bankroll the costs myself.

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's a mess. waste of time chasing interim refund, major cashflow problems, personal hardship.

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

It should not be applied to small amounts - if a total contract (in the arts) is 10-12K it is generally inclusive of costs and often spread across two or three years. These are not big sums and very likely to have minimum tax liability

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?

no - way too high, no allowance deductible for expenses and costs

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?

Depends how much is taken and how easy it is to correct

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?

PDR impact depends entirely on including deductible costs; I don't want to have to be sending in receipts throughout the year, that would be very onerous. Also, if this happens, we are left with all the risk and no benefits - will it include a A rated Social Insurance credit? Sick pay entitlement? Holiday pay?

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?

This is not any help at all

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

Endless receipts organising and reporting, a lot of wasted time

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

none (unless - see above)

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

3 years

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

Self employed always adapt

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)

taking less or no PSWT

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

Train the client side accountants and personelle

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?

It needs to be tailored specifically to the needs of sole traders/artists in the Arts. If it is more efficient and cuts our middlemen then it will help. You might consider the PSWT being capped at the minimum self employed payment to qualify for self employed social insurance credits; for those in the arts on low incomes this would be more viable and realistic. The income- and therefore - tax liability for artists is generally very low.

