

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:

Construction

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?

Real time collection of taxes, not waiting a year (or longer) for withholding tax to be repaid

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

The PAYE modernisation was badly managed. Lots of confusion and resulted in lots of additional administrative work for a long period. Poor communication from revenue, uncertainty from tax advisors and software providers

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?

I'm not sure what this question even means. A simplification of language from Revenue would be much appreciated - many people are business owners but not fluent in accountancy/tax terminology

- 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?**

Yes - we are a small architectural business with a turnover of c.£400-500k. We regularly find that we are owed in excess of £50k at year end in PSWT. The PSWT refund often takes over a year to be repaid. This is a huge financial burden for us. We are always tax compliant. Why is my small business being asked to finance public works projects?

- 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?

See answer to Q.11 - a significant financial burden for a small business carrying out public sector services. We often provide team services with many consultants and sub-consultants (usually other small businesses). The administration involved in calculating withholding tax for each team member/business, applying it to their invoices, and then refunding the tax after Revenue has repaid it (usually a year or two later) is far too onerous. In fact, it is so onerous that we don't do it. We pay the consultants in full and take the burden of the 20% reduction in payment on ourselves. 50% of our work is private sector so we use this to cover the cash flow deficit from public works. This feels both ridiculous and deeply unfair.

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

See answers to Q11 & 13

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 - we usually have a c.â,¬50k refund (which is c.10-15%) of our total annual turnover

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?

If it means we don't have to wait in excess of a year for a refund, it's potentially a good idea. I'm still not sure why public services aren't taxed in the same manner as private sector services though.

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?

N/A

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 it makes it simpler and helps with cash flow then I would welcome it. But the transition needs to be managed properly by revenue. The PAYE modernisation was a disaster in terms of communication and real world application

- 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?**

Depends on how simple/easy it is to do. Will it result in additional accountancy fees for my business?

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

No idea - this survey is the first I have heard of eWHT. See previous comments re poor communication

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

I'm still not totally sure what it will involve. I have read your eWHT background and eWHT explained sections and am still in the dark about the basics of the scheme and how it will apply to my business.

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

6 months - with lots of training, communication, and assistance from revenue. The change to PAYE modernisation had a very hard deadline which caused a lot of stress. There didn't seem to be a transition period

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

Very confident - if the new processes are user-friendly and transparent

- 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

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?

