

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?

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

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

We welcome the move towards a more modern and digitised withholding framework, particularly the improved visibility of withheld tax and closer alignment with income or corporation tax accounts. In principle, a more responsive and personalised system has the potential to improve accuracy and reduce large end-of-year adjustments for compliant businesses.

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

Our main concern is the potential cashflow impact, particularly if withheld tax is not credited in a timely and usable manner. In sectors such as construction, delayed access to withheld tax and a lack of automatic offset against VAT or corporation tax could place disproportionate pressure on small and medium-sized compliant businesses.

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?

We understand the policy objective behind expanding withholding tax to additional service providers, particularly in terms of improving compliance and consistency. In principle, a broader and more transparent withholding framework can support fairness across sectors. However, any expansion should reflect commercial realities. In sectors such as construction, service providers often operate with tight margins and delayed payment cycles. Without timely crediting and automatic offset of withheld tax, expanded withholding risks creating disproportionate cashflow pressure for compliant small and medium-sized businesses.

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?

We believe it is appropriate to review how PSWT is targeted to ensure it reflects current commercial realities. While the objective of securing timely tax collection is understood, the scope of payments subject to PSWT should be clearly defined and regularly reviewed to avoid capturing routine or low-margin services where withholding may create unnecessary cashflow pressure. Any expansion or retargeting of PSWT should take account of business size, sector characteristics, and payment cycles, and should ensure that withheld tax is credited and offset in a timely and practical manner for compliant service providers.

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?

From the perspective of a designated withholder, the current application of PSWT and RCT adds administrative complexity and places additional cashflow pressure on day-to-day operations. Managing withholding obligations alongside delayed project payments requires careful timing and creates operational risk, particularly for small and medium-sized contractors. In the construction sector, these smaller businesses play a critical role in engaging and paying the majority of site-based workers. When cashflow is constrained by withholding, the ability of contractors to pay subcontractors and workers on time is directly affected, increasing the risk of disruption at ground level and placing pressure on workforce retention.

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. We do not operate as a platform operator and therefore do not have experience of applying taxes to transactions for services provided through a platform in other jurisdictions.

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

From the perspective of a designated withholder, RCT and PSWT are established mechanisms for supporting tax compliance. However, their application places significant administrative and cashflow responsibilities on contractors, particularly where payment delays are common. In the construction sector, small and medium-sized contractors play a key role in engaging and paying site-based workers. Where withholding is applied without timely crediting or offset, cashflow pressure can directly affect the ability of these businesses to pay subcontractors and workers on time. A balanced approach that maintains compliance while recognising operational and cashflow realities is therefore essential.

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

Our understanding is that the withholding tax model under RCT and PSWT is designed to support timely and secure tax collection by deducting tax at source, reducing the risk of underpayment and improving overall compliance. By applying withholding at the point of payment, Revenue gains greater certainty while taxpayers spread their tax liability over the year rather than facing large end-of-year amounts. When applied proportionately and supported by timely crediting and offset, withholding can function as an effective and neutral collection mechanism. However, its impact on cashflow must be carefully managed, particularly in sectors such as construction where payment delays and tight margins are common.

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?

Embedding eWHT processes directly into accounting and business management systems could be beneficial in improving accuracy, consistency, and administrative efficiency. Integrated systems have the potential to reduce manual errors and provide clearer visibility over withholding obligations. However, the benefits will depend on system reliability, ease of integration, and the availability of transitional and manual fallback options. For small and medium-sized construction businesses, any system integration must be practical, resilient, and not create delays to payments or additional operational burden.

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

Embedding eWHT within normal business systems could create opportunities for improved transparency, more consistent compliance, and better real-time visibility of tax positions for both businesses and Revenue. For compliant operators, this may support more predictable tax management and reduce year-end uncertainty. It is also important that such systems actively support the progression of small and medium-sized businesses. In the construction sector, these businesses underpin the day-to-day workflow of site-based workers, and during periods of financial pressure or uncertainty, any additional strain on SMEs can increase the risk of workforce loss, including permanent emigration from Ireland. A supportive and proportionate system can therefore help protect both business continuity and labour retention.

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

The main challenges would relate to system integration, reliability, and the cost of implementation, particularly for small and medium-sized businesses with limited internal resources. Ensuring compatibility between accounting, payroll, and withholding systems may require additional time, training, and support. There is also a risk that system issues or rigid real-time processes could delay payments, which is a significant concern in sectors such as construction where cashflow timing is critical. Adequate transition periods, clear guidance, and manual fallback options will therefore be essential to ensure adoption does not disrupt normal business operations.

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

On average, we make between 10 and 20 payments per month to service providers and subcontractors, depending on project activity and stage.

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

No. At present, our financial processes are managed manually. We collect VAT receipts, invoices, and supporting documentation and maintain our financial records using structured Excel-based databases.

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

Yes, we are an employer for PAYE purposes. Payroll reporting is currently managed with the support of our accountant, using Revenue Online Services (ROS), rather than through a dedicated payroll software package.

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?

Our understanding is that the withholding tax model under RCT and PSWT is designed to support timely and secure tax collection by deducting tax at source, reducing the risk of underpayment and improving overall compliance. By applying withholding at the point of payment, Revenue gains greater certainty while taxpayers spread their tax liability over the year rather than facing large end-of-year amounts. When applied proportionately and supported by timely crediting and offset, withholding can function as an effective and neutral collection mechanism. However, its impact on cashflow must be carefully managed, particularly in sectors such as construction where payment delays and tight margins are common.

- 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?**

To prepare for the proposed eWHT regime, we would expect to implement more structured digital processes for recording payments, invoices, and tax deductions, potentially including the adoption of accounting or payroll software. This would also require additional staff training, changes to internal workflows, and ongoing system maintenance. For small and medium-sized construction businesses, these changes would involve significant additional costs and operational effort. Adequate transition periods, clear guidance, and practical financial and technical support will therefore be essential to enable compliance without placing undue pressure on cashflow or day-to-day operations.

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

As a small construction business operating with very limited cashflow and a lean team of two people, the most important benefit we need from the new regime is stability. Any withholding applied must be credited and usable quickly, so it does not remove the working capital we rely on to pay subcontractors and keep projects moving. For us, the system should reduce uncertainty and pressure, not add to it. If the regime provides timely crediting, automatic offset against VAT and other liabilities, and simple processes that do not require major new costs, it would give compliant businesses the breathing space needed to focus on delivery rather than survival. Small and medium contractors are central to the daily workflow of construction workers. When cashflow is squeezed, workers are the first to be affected and may leave the sector or the country. A system that supports predictability and cashflow neutrality would help businesses like ours to retain labour, continue operating, and gradually progress instead of being forced to scale back.

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

For a small construction business with limited internal resources and largely manual financial processes, a reasonable timeframe would be 12 to 18 months, including a phased transition period. This would allow sufficient time for planning, staff training, system changes, and budget allocation without disrupting day-to-day operations or cashflow. Any practical guidance or training provided by Revenue during this transition would be very welcome and would greatly assist small and medium-sized businesses in adapting confidently and compliantly to the new system.

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

We are cautiously confident that our business could adapt to the new system within a reasonable timeframe, provided it is implemented in a supportive and proportionate way. As a small business working very hard with currently low income and limited cashflow, it is essential that we are not financially squeezed during the transition period. Our work is long-term in nature, and the value of what we do often materialises later. Any understanding, communication, and practical support from the system—such as engagement with small business owners, training opportunities, or a realistic view of whether directors can sustain themselves financially—would be greatly appreciated. We are living through a period of significant economic and structural transition. In this context, it is important that the system works alongside people and small businesses, giving them the space and confidence to adapt, grow, and contribute sustainably over time.

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

Better visibility and control of information held by Revenue

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

Mailshots and guidance on the Revenue website

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?

To ensure the proposed eWHT system supports progression rather than regression for small construction businesses, we would strongly encourage a phased and proportionate implementation for SMEs. Practical measures such as a short grace period during transition, faster crediting and automatic offset of withheld tax for cashflow-sensitive businesses, and clear, targeted training delivered directly by

Revenue would make a meaningful difference. Simple tools within ROS, such as an option to apply withheld tax credits directly against upcoming VAT or corporation tax liabilities, would significantly reduce cashflow strain without increasing risk. Ongoing engagement with small business owners during the early stages of implementation would also help ensure the system reflects real operational conditions on the ground and supports workforce retention in a sector facing ongoing labour shortages.

