

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:

Platform economy

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?

Potentially this could reduce the shocks caused by the swinginess of preliminary tax (ie. when my income fluctuates from year to year, it causes both my owed balance and estimate of the current year to move with it, doubling the tax impact of rises and falls in income - it balances out in the long term but means that years of significant growth are followed by a year of abnormally high tax burden)

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

I am concerned that this introduces an additional moving part into the process that could introduce confusion. My income is split between sources which would be affected by this and sources where no suitable withholder exists, so I would be continuing to file returns to report income, and until I see this in action or see worked examples, I could not be sure what my total tax burden will be until I file and see Revenue's estimation. This confusion could also be a source of errors, either double-reporting the same income, or failing to report some income.

- 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?**

Cautious. I am wary of any major changes to how a system functions on the grounds of "if it ain't broke, don't fix it". There are potential benefits to this change but I am not certain they outweigh the trouble caused by the change.

- 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 have no opinion on this as it is not relevant to me

- 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:**
- 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?**
- 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?**

It may reduce my flexibility. Currently, I file my tax return at the start of the year, and I know how much tax I'm going to need to pay for the year, and I then have ten months to pay it. This means I can choose when in that period I take on the extra work required to meet my tax burden. Under the new system, my stable platform income (subject to eWHT) will be slightly less for the second half of the year, requiring me to either save up ahead of time or forcing me to take on extra commission work (non-eWHT) during an already busy period. In practice, this means my tax burden is not evenly distributed throughout the year, but instead concentrated in the later months, impacting autumn trade shows, winter energy bills, and Christmas. I understand that I am an outlier in this regard and many self-employed people file their taxes in October. I'm sure this system would help them with compliance and not being surprised by a large tax bill late in the year, but I feel like this new system may actually curtail the benefit I get from being organised and prepared.

- 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?**

It's hard to know for sure until I see worked examples.

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?

If there is a tangible benefit to not reporting it (eg. keeping my eWHT income below the threshold where income tax is covered by tax credits and thus stable throughout the year), then no. See my earlier point about flexibility.

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

I expect I will have to save money voluntarily through the summer to pay for a lean winter.

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

None. I expect it will make business harder towards the end of the year as tax credits run out and I need to do 25% more work for the same income.

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

As a sole trader I could adapt immediately as long as appropriate instruction is provided.

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

Very

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)

Greater certainty in relation to your tax affairs

Calculation of downstream effects

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

Mailshots and guidance on the Revenue website

A temporary opt-in/opt-out period or phased introduction, if not the ability to opt out entirely

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?

The ability to opt out of the new system or remain grandfathered into the old system would be of benefit to me, specifically

