

Summary of Internal & External Reviews Decisions issued in 2017

	Type of Review	Summary of Request	Decision	Summary of Reviewer's findings
1.	External	External Review requested in respect of Revenue's decision to set aside a pre-transaction opinion concerning a commercial transaction on which Capital Gains Tax (CGT) Retirement Relief was based. The taxpayer also complained that significant delays had occurred in Revenue's dealing with his tax audits.	Against Taxpayer	The Reviewer found in favour of Revenue in relation to the commercial transaction as the original opinion was founded on an incomplete understanding of the detail of the transaction. He noted that legal issues involved could be advanced during the ongoing tax appeals process. The Reviewer agreed with the taxpayer that there had been excessive delays by Revenue in the progression of the tax audit. He recommended that the taxpayer should receive a full apology and not suffer any punitive interest payments directly attributable to such delays.
2.	Internal	Internal Review requested re alleged delay in answering Revenue's LPT line when customer called from abroad. The customer is seeking monetary compensation for the cost incurred when contacting Revenue.	Against Taxpayer	The Reviewer was satisfied that Revenue made every effort to rectify previous errors as quickly as possible. He also advised there is no legislative provision for reimbursement of expenses (calls and postage).
3.	External	External Review: Taxpayer was gifted a plot of land by an uncle. The current use value was declared at that time and supported by an auctioneer's valuation. Stamp duty and Capital Acquisitions Tax (CAT) were paid based on that valuation. The agent contends that the valuation represented "potential Value" and not 'current use' (agricultural) which they claim was substantially lower.	Against Taxpayer	The Reviewer determined that the decision of the Inspector and the Local Reviewer, that the correct valuation of the land for CAT purposes is its market value at the relevant date. The valuation should not be revised to reflect the current use value at the relevant time as suggested by the agent.

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4.	Internal	The taxpayer sought an Internal Review in relation to the use by a Revenue official of the description of being engaged in a 'Fishing Expedition' in relation to a request to be provided with all relevant material on which Revenue relies to support its various assertions/assessments relating to the client.	Against Taxpayer	The Reviewer determined that Revenue had used professional and appropriate language in all correspondence with the taxpayer. He did not find any evidence to support the contention made by the taxpayer that the tone of the correspondence was unacceptable, confrontational or provocative.
5.	External	External Review requested in respect of interest charges arising due to failure to pay the correct amount of preliminary tax. Certain companies decided to become 'early adaptors' to a change in policy by the International Financial Reporting Interpretations Committee (IFRIC) in relation to income recognition on the sale of prepaid vouchers. As a consequence both companies experienced a 'spike' in profits. This 'spike' in profits is claimed to have led to a circumstance whereby they have failed to correctly satisfy preliminary tax requirements. The agents are seeking concessionary treatment for their clients in relation to statutory interest charges arising.	Against Taxpayer	The External Reviewer is of the view that the approach adopted by Revenue in this case is appropriate and that the legal and technical approach taken in interpreting the relevant legislation is in order.

6.	External	The complainant is not satisfied with the manner in which his VAT repayment claim was managed by the Collector-General's Division of Revenue. The complainant asserts that he was given incorrect information by Revenue and that Revenue repeatedly failed to supply him with the information he had requested and that his complaints were not addressed in a timely manner.	Partly Revised	In summary, the Reviewer found that Revenue had breached its Customer Service Charter when dealing with this case, e.g. by disallowing some invoices that should have been allowed and by not responding within time limits etc. However, the Reviewer also found that the taxpayer needs to become more familiar with the various tax codes, rules and guidelines, in the various jurisdictions in which the company operates to avoid similar incidents in the future.
7.	External	Revenue refused her 'temporary exemption' from Vehicle Registration Tax (VRT) on the ground that Revenue is satisfied that the business is carried out other than in Northern Ireland. The complainant disputes this assertion by Revenue and has sought an external review for a full examination of the evidence on the criterion of principal use in Northern Ireland.	Partly Revised	The Reviewer found that there were failures on the part of the applicant to provide sufficient evidence to substantiate the claim and that the onus is on the applicant to convince Revenue that relief is due. The Reviewer also found that certain aspects of the case could have been handled better by Revenue and noted that the dispute started in respect of one vehicle and essentially continued on when that vehicle was replaced; he opined that it would have been preferable for Revenue to treat the application in respect of the second vehicle as being a new application. The Reviewer also stated that in his opinion Revenue's complaints protocol should not be used as a substitute for the formal Tax Appeals process.
8.	External	Complainant has requested an External Review of the decision by Revenue to charge interest on income tax due. The complainant has claimed the taxpayer was in a start-up position and in those circumstances did not have a history of trading, to determine with accuracy, the outcome of the first years trading.	Against Taxpayer	The Reviewer found that the taxpayer had been in receipt of rental income (case v) for a number of years and therefore subject to 'pay and file'/self assessment provisions. The reviewer points out that the taxpayer had open to him, the option to elect to pay 100% of the previous year's liability (on case v income) in order to avoid exposure to interest charges. The taxpayer however did not do so; as a result the consequences set out in the legislation have been duly applied. The reviewer has concluded that Revenue have acted prima facie in accordance with the law and accordingly has rejected the complaint.

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9.	External	External Review Requested: The complainant received a final demand letter for amounts outstanding for the income tax years 1997/98, 1998/99, 1999/2000, 2001 and 2002. The amounts outstanding for the above years were as a result of amended assessments which had been carried out several years earlier and which the taxpayer disputed and continues to dispute. The complainant has stated that due to the amount of errors made by Revenue in his case he disputes these amended assessments.	Partly Revised	Rather than address each individual element of the complaint, the External Reviewer considers that they can be incorporated into one general finding, in that in his opinion this case has been handled by Revenue inappropriately. It has taken an inordinate length of time to approach resolution, numerous opportunities to facilitate its settlement were missed, matters were allowed to drift and drag on for many years - the External Reviewer accordingly concludes that Revenue have not dealt with this case in accordance with the Revenue's Customer Service Charter and recommends that at the very least the taxpayer is due an apology from Revenue.
10.	External	External Review Requested of the decision by Revenue to refuse the taxpayer's request to discharge his social insurance contributions in advance of his income tax debts in order to qualify for the State contributory pension.	Against Taxpayer	The Reviewer pointed out that in accordance with Revenue's Complaints and Review Procedures as set out in Leaflet-CS4, he may only intervene where Revenue's actions are clearly contrary to the legislation. Having noted the legal arguments advanced by both parties he has concluded that Revenue's refusal to, in effect, disaggregate an aggregated sum is not considered by him to be 'clearly contrary to the legislation'. He therefore concludes that no intervention by the External Reviewer is therefore warranted.
11.	External	Request for an External Review in relation to the conduct of a Revenue audit, including the perception that certain interviews were conducted in an inappropriate fashion.	Partly Revised	The Reviewer recommended that Revenue check that the officer concerned was not conflicted and acted impartially at all times. The Reviewer found that most aspects of the complaint relate to two meetings, he pointed out that he could only opine on the evidence presented to him as to what had allegedly taken place at those meetings, and given the absence of any such reliable proof is unable to find in favour of the taxpayer.

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12.	External	Requested in relation to a dispute regarding Revenue's right to collect unpaid PAYE from company directors resulting from disallowance of credit under Section 997A TCA 1997. The agent claims that S997A is being used to shift the liability of the company on to the shoulders of the director, contrary to company law on limited liability. It is alleged enforcement action is being attempted on the company and director in respect of the tax on the same income.	Against t/p	The Reviewer found that Revenue is acting within its rights by carrying out its legal responsibilities in applying the provisions of section 997A to collect the taxes owed from the taxpayer. Revenue were also found to be acting equitably by suspending legal action to collect the taxes from him given that the company has entered into an agreement to settle the liability.
13.	External	Review requested of Revenue's refusal to deal with refunds on the basis that section 865 of the Taxes Consolidation Act 1997 imposes a 4 year time limit on making refunds.	In favour of taxpayer	The Reviewer found that the taxpayer had made a number of requests to Revenue for reviews within the 4 year period. Based on the circumstances of this particular case the Reviewer found that those requests should be treated as valid claims for refunds satisfying the four year time limit.

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14.	External	Review requested in relation to the calculation of the taxpayer's VAT liability during an audit. The complainant alleges that the auditor refused to have the audit reviewed. An attachment order was sent to the complainant's main contractor even though an agreement had been reached for a lesser amount of VAT.	In favour of taxpayer	The reviewer has found that Revenue did not operate in accordance with law and regulation in assessing and collecting VAT from the taxpayer. She also found that the conduct of the audit and the issue of the Notice of Attachment did not meet the Revenue customer service standards and Code of Practice for Revenue Audit requirements. She also considers that the Notice of Attachment issued in this case without sufficient due diligence on the part of the Collector General. The reviewer also found that the estimation of the amount chargeable to VAT at standard rate represented the normal negotiation process that occurs when a Revenue audit is undertaken and settled and that the approach taken was reasonable.
15.	External	Treated as Withdrawn/Discontinued and agents notified on 23/02/2017 by the Tax District		