

Evaluation of Budget 2025 Compliance Measures

A revenue – raising Compliance Measure
was included in Budget 2025
The target yield was €70 million
This target was exceeded

Securing the Compliance Dividend from Standard Enforcement



Referrals to Revenue Sheriffs in 2025

86,516



Of which Standard Enforcement

66,909



Yield from Standard Enforcement

€126m

Supporting Reduction in Debt Available for Collection

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Publications relating to the evaluation of Budget compliance measures can be found here:
<https://revenue.ie/en/corporate/information-about-revenue/research/reviews/index.aspx>

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1 Executive Summary

Budget 2025 included a revenue-raising compliance measure, with a target of securing an additional €70 million in Exchequer receipts. This has been **significantly exceeded, yielding over €126 million**. This success is directly attributable to the implementation of the new Standard Enforcement (SE) facility within Revenue's Debt Management Services (DMS).

The SE system is the latest significant enhancement in DMS. It systematically reviews debt cases where taxpayers have failed to respond to statutory due dates for payment and debt reminder notices and initiates the process for debt enforcement action using a set of clearly defined rules.

Its introduction was a strategic response to enhance efficiency, systemise processes, ensure timely and consistent action on debt cases, and to optimise the allocation of specialist resources. The SE facility enables the progression of cases that previously may have remained inactive for lengthy periods due to resource constraints.

In 2025, SE processed 66,909 referrals to Sheriffs, representing 77% of all such referrals that year. The system directly resulted in the collection of over €126 million from taxpayers who had not responded to initial reminders or engaged constructively with Revenue. The broader impacts have been equally significant, including an 18% reduction in the overall debt available for collection and a marked improvement in the age profile of outstanding debt. Furthermore, compliance rates have increased, particularly among smaller businesses, suggesting the facility's effectiveness in promoting more timely payment behaviour.

In conclusion, the SE process has proven to be a highly effective innovation. It strengthens Revenue's "Engage, Encourage, Enforce" strategy by creating a credible and predictable consequence for non-engagement, while allowing skilled caseworkers to focus on complex cases and to provide support to taxpayers in genuine difficulty. This strategic systemisation of part of the enforcement process has enhanced fairness, improved collection efficiency, and delivered a substantial compliance dividend for the Exchequer.

Our experience is that the sooner debt is addressed the better and our preference is to deal proactively with compliant businesses that engage with us. Timely filing of returns and payments are the norm for the vast majority of taxpayers. However, an efficient and effective debt enforcement system is a necessary and essential part of any tax collection ecosystem.

2 Introduction

Budget 2025 included a revenue-raising Compliance Measure among the taxation policy changes:

Revenue will conduct a range of targeted compliance management activities in 2025. It is expected that additional Exchequer receipts of €70 million will arise from increased taxpayer compliance in a range of economic areas.

This paper analyses how the implementation of Standard Enforcement (SE) within Revenue's Debt Management Services (DMS) in 2025 yielded a significant compliance dividend.

This report follows a similar approach to analysis undertaken in respect of compliance measures in previous Budgets.¹ The outcome of 2025, and of prior years' evaluations are summarised in Table 1.

Table 1: Summary of Budget Compliance Measures

Budget Year	Measure	Target Yield (Full Year)	Estimated Yield
2016	Addressing non-compliance in the oil market	€10m	€35m
	Addressing non-compliance in the construction sector	€20m	€56m
	Deploy enhanced debt analysis tool to reduce tax arrears	€20m	€56m
	Increase resources to confront non-compliance	€25m	€26m
2017	Section 110 and Funds changes	€50m	€63m
	Tackling Offshore tax evasion	€30m	€88m
	Increase resources to confront non-compliance	€50m	€62m
2018	Employer PAYE compliance project	€50m	€77m
	eCommerce/Online business compliance project	€30m	€26m
	Tax avoidance and base erosion capacity	€20m	€20m
2019	Employer PAYE Compliance Implementation	€50m	€65m
2020	Dividend Withholding Tax (DWT) Compliance	€80m	€72m
2023	Range of Targeted Compliance Projects (Total):	€80m	€81m
	Share Schemes and Share Based Remuneration	-	€18m
	Preliminary End of Year Reconciliation Project for PAYE Taxpayers	-	€11m
	Targeted PAYE Compliance Interventions	-	€6m
	Employment Wage Subsidy Scheme Assurance Project	-	€32m
	CAT Debt Management	-	€14m
2024	Range of Targeted Compliance Projects (Total):	€120m	€73.5m
	Share Schemes and Share Based Remuneration	-	€17.5m
	Targeted PAYE Compliance Interventions	-	€12m
	Employment Wage Subsidy Scheme Assurance Project	-	€30.6m
	CAT Debt Management	-	€10.8m
	Online Platforms Project	-	€2.6m
2025	Standard Enforcement (SE)	€70	€126m+

Source: Revenue analysis.

¹ Evaluations of older Budget compliance measures are published at <https://www.revenue.ie/en/corporate/information-about-revenue/research/reviews/index.aspx>.

3 Debt Management Services (DMS)

3.1 Debt Management Services Overview

Revenue is committed to making tax compliance as straightforward as possible for all citizens and businesses. The primary goal is to foster a culture of voluntary compliance, which is the bedrock of a fair and efficient tax system. We recognise that the vast majority of taxpayers strive to be compliant. However, we also understand that individuals and businesses can face temporary financial challenges, cash flow issues, or unexpected difficulties that make paying tax on time a problem.

This chapter provides an overview of Revenue's Debt Management Services (DMS). It outlines our modern, customer-centric approach, which is built on the principles of engagement and support. Far from being solely a collection function, DMS is a vital part of our compliance support framework, designed to assist taxpayers who are experiencing genuine difficulties in meeting their payment obligations. DMS provides practical support and flexible solutions to help taxpayers manage their liabilities, prevent debt from escalating, and return to a position of compliance as quickly as possible.

3.2 How DMS works

The fundamental role of DMS is to manage and resolve outstanding tax, duty, and interest liabilities. The service is structured around a clear, three-tiered model: **Engage, Encourage, and Enforce.**

- **Engage:** The first and most important step is proactive engagement. Contact is made with taxpayers as soon as a payment issue arises to open a channel of communication. This engagement is conducted professionally, respectfully, and with the goal of understanding the taxpayer's specific situation.
- **Encourage:** Taxpayers who engage are provided with a range of tools and supports to encourage and facilitate payment. The primary tool is the **Phased Payment Arrangement (PPA)**, which allows taxpayers to clear their debt through a series of manageable, scheduled payments over an agreed period. This provides certainty, stops the debt from escalating, and avoids the stress and cost of enforcement action.
- **Enforce:** Enforcement action is always a last resort. It is reserved for the minority of taxpayers who will not engage or who deliberately refuse to pay their liabilities. These measures—such as referral to a Sheriff or Solicitor, bank account attachment, or attachment of earnings—are necessary to ensure a level playing field for the compliant majority and to protect the integrity of the tax system.

3.3 Support Measures

- **Proactive Communication:** Taxpayers and their agents are contacted via letter or secure Revenue Online Service (ROS) message if a payment is missed. This is an invitation to engage and find a solution.
- **Phased Payment Arrangements (PPAs):** This is the DMS flagship support mechanism. A PPA is a formal agreement that allows a viable business or individual to spread tax payments over time.
 - **Flexibility:** Arrangements are tailored to the taxpayer's ability to pay.
 - **Certainty:** It provides a clear path to resolving the debt.
 - **Protection:** A successfully implemented PPA prevents enforcement action.
 - **Accessibility:** Applications can be made easily through our online services (ROS) or by speaking directly with a case officer.
- **Dedicated Case Officers:** Taxpayers who engage with DMS have access to professional case officers who are trained to listen, assess the situation, and work with them to agree a mutually acceptable payment plan.
- **Online Services:** Through ROS, taxpayers can view their liabilities, communicate securely, and apply for a Phased Payment Arrangement, providing a convenient and accessible 24/7 service.

3.4 The Benefits of Engaging with DMS

Engaging with the DMS at the first sign of difficulty offers significant benefits for everyone.

For the Taxpayer:

- **Peace of Mind:** Resolving tax debt reduces stress and uncertainty.
- **Cost Avoidance:** Early engagement minimises exposure to interest and the significant costs associated with enforcement action.
- **Business Viability:** For businesses, a PPA can provide the breathing room needed to manage cash flow and continue trading successfully.
- **Maintaining a Good Compliance Record:** Proactively managing tax obligations helps maintain a positive compliance history with Revenue.

For the Exchequer and Society:

- **Building Trust:** A supportive and fair approach to debt management builds public confidence and trust in the tax administration system.
- **Fairness and Equity:** It ensures that all taxpayers contribute their fair share, creating a level playing field for compliant businesses and individuals.
- **Funding Public Services:** Efficient debt resolution ensures that vital funds are available for schools, hospitals, and infrastructure.

4 Introducing Standard Enforcement

The Standard Enforcement process (SE) was implemented in October 2024. This is the latest enhancement to our Debt Management Service (DMS) designed to manage the initial, high-volume stages of the enforcement process for tax arrears. After initial reminders and warnings fail to secure payment, SE implements a consistent, rules-based, and timely enforcement action. Its primary function is to progress debt cases to the first stage of legal action, which is typically referral to a Sheriff.

4.1 The Core Purpose and Strategic Role of SE

The system was designed to address several key organisational challenges:

- **Efficiency and Scale:** Previously, the manual capacity to refer cases to enforcement meant that many lower-value debts would age significantly before action could be taken, reducing collection prospects and undermining the credibility of payment deadlines.
- **Timeliness:** Delays in enforcement can reduce the likelihood of successful collection. This facility ensures that once a debt reaches a critical point, action is taken promptly and systematically, positively influencing future behaviour
- **Consistency and Fairness:** It applies a pre-defined set of rules objectively to all similar cases, ensuring consistent application of the Collector-General's enforcement decision. This ensures that taxpayers in comparable situations are treated in the same manner, which is a cornerstone of fair public administration.
- **Resource Optimisation:** The system frees up highly skilled debt management caseworkers to focus on more complex, high-value, or sensitive cases that require negotiation, financial analysis, or bespoke strategies (e.g., insolvency, company liquidations, complex legal challenges).

4.2 The Standard Enforcement Process: A Step-by-Step View

The process follows a clear set of pre-defined rules.

Step 1: Engagement with taxpayer

Revenue follows a clear process to encourage taxpayers to engage and resolve their outstanding tax issues before a case is escalated to enforcement. In brief, the process is as follows:

1. **Statutory due date** – this is the deadline date that taxpayers are required to file their tax returns and pay their liabilities.
2. **Request for Payment** – Where a customer has not paid their liability, a Request for Payment issues shortly after the due date for paying a tax liability has passed. This request includes details of the tax(es) due and affords the taxpayer a minimum of 7 days to engage.

3. **Final Demand** - In the absence of taxpayer engagement during the period allowed in the first notice, a final, critical warning letter known as the **Final Demand** will issue. This is a legally significant document that informs the taxpayer that Revenue *will* proceed with enforcement action (e.g., referral to the Sheriff) if payment is not made within a specified period (e.g., 7 days). This serves as a final opportunity for the taxpayer to comply before incurring further consequences and the potential of further costs.

Step 2: Case Identification for Standard Enforcement

If the taxpayer fails to engage i.e. fails to pay, fails to make contact, or fails to agree an arrangement by the deadline on the Final Demand, the predefined rules will determine the most appropriate next step. The primary and most common next step is **referral to the Sheriff**.

These pre-defined rules typically include:

- The debt has passed the statutory due date.
- Initial reminder letters have been issued and have expired.
- The taxpayer has not made contact to arrange payment or has defaulted on an agreed arrangement.
- The debt value falls within a certain range.

Step 3: Referral for Standard Enforcement

- **How it Works:** The Standard Enforcement process systemises the referral, implementing the decision of the Collector-General to refer the debt to the Sheriff for enforcement. Based on the taxpayer's address, DMS identifies the correct County Sheriff. The system then generates the necessary legal instruction—the "Sheriff's Warrant" or instruction and transmits it.
- **What the Sheriff Does:** The Sheriff is an independent Officer of the Court, empowered to pursue and collect outstanding debt, including seizing and selling a debtor's goods and assets to satisfy the outstanding tax debt.
- **System Tracking:** Once the case is referred, DMS updates its status to "With Sheriff," allowing for systematic tracking and management of all cases assigned to them.

While Sheriff referral is the current Standard Enforcement channel, the system can also be configured to refer cases to Revenue's External Solicitors for other actions, such as seeking a court judgment, though this is more common in subsequent, non-standard enforcement phases.

5 Compliance Dividend in 2025

5.1 Referrals to Revenue Sheriff

As shown in **Table 2**, a total of 86,516 referrals were made to Revenue Sheriffs in 2025, with a combined value of €347.91million. Standard Enforcement processing was used in the vast majority of these cases, accounting for 66,909 referrals (77%), while the remaining 19,607 (23%) were processed through non-standard channels.

Table 2: DMS Standard Enforcement

Referral Processing	No.	%	Value (m)
DMS - Standard	66,909	77%	169.75
Non - Standard	19,607	23%	178.16
Total	86,516	100%	347.91

5.2 Impact on Collection

In terms of outcomes, at a high-level, 88% of SE referrals and 86% of non-SE referrals for the period have an outcome recorded to date.

Table 3 : Outcomes by Standard Enforcement

Outcome Recorded	Number	%	Value (€m)	No Outcome Recorded*	Number	%	Value (€m)
DMS - Standard	58,792	88%	152.72	DMS - Standard	8,117	12%	17.03
Non - Standard	16,837	86%	158.69	Non - Standard	2,770	14%	19.47
Total	75,629	87%	311.41	Total	10,887	13%	36.50

*Referrals with no outcome recorded are cases still with the Sheriff.

Referrals with an outcome recorded can be subdivided into paid and unpaid outcomes as seen in table 4.

Table 4 : Outcomes for Sheriff Referrals

Paid Outcome*	Number	%	Value (€m)	Unpaid Outcome**	Number	%	Value (€m)
DMS - Standard	49,717	85%	126.24	DMS - Standard	9,075	15%	26.48
Non - Standard	13,475	80%	113.01	Non - Standard	3,362	20%	45.68
Total	63,192	84%	239.25	Total	12,437	16%	72.16

*Paid Outcome includes amounts fully paid and amounts secured under a Phased Payment Arrangement.

**Unpaid Outcome includes cases where no assets were found, or the debtor was uncontactable.

In total 66,909 SE referrals to the Sheriff during the period resulted in €126.24m (Table 4) either being collected or covered under PPA to date. This uplift in collection, directly attributable to the Standard Enforcement process, is a strong outcome as it reflects cases that would otherwise have remained outside of operational reach. Prior to the introduction of SE, the number of referrals actioned was attributable to available resources, with cases prioritised for enforcement on a value and/or age basis. Very little, if any, of the 66,909 cases would have been referred to enforcement in the absence of DMS SE, hence it can be confidently concluded that the vast majority of the €126.24m outcome achieved is attributed to SE.

5.3 Impact on Debt

Table 5: Debt Profile

Period	Debt	Appeals	Insolvency	Available for Collection (DAC)	Enforcement	Phased Payment Arrangement	Remainder Under Collection (RUC)
March 2025 €m	€3,074	€689	€110	€2,275	€395	€1,264	€616
March 2026 €m	€2,328	€384	€81	€1,864	€362	€932	€570
+/-2025	-24%	-44%	-26%	-18%	-8%	-26%	-7%

In the period, DAC and RUC decreased by 18% and 7% respectively and the amount of debt covered under PPA has decreased by 26%. The impact on DAC and RUC is twofold – the reduction in debt attributable to the outcomes arising from SE and the impact on debt arising from caseworkers now having more time to focus their efforts on bringing higher value egregious cases to an appropriate conclusion.

5.4 Age of Debt

With SE fully operational in the period, table 6 demonstrates that the age profile of debt has improved, with a reduction of 18% and 7%, respectively, in debt <2 months old and debt 2-12 months old, along with a reduction of 4% in debt >12months old, evidencing that SE has enhanced the efficiency and recovery of short-term debt reducing the risk of long-term arrears.

Table 6: Age of Debt

Period	< 2 Months	2-12 Months	> 1 Year
March 2025	€102m	€176m	€338m
March 2026	€84m	€163m	€324m
+/-2025	-18%	-7%	-4%

5.5 Impact on Taxpayer Behaviour and Compliance Rates

SE facilitates the timely referral of lower value cases to the Sheriff. As mentioned earlier in this paper, these are cases that are unlikely to otherwise have been reached by caseworkers in the normal course due to resource constraints. Failure to deal with cases in a timely manner undermines the messaging in the final demand, perpetuating poor behaviour as taxpayers anticipate that Revenue will not action enforcement in the timelines advised, thereby reducing the incentive for timely compliance. It is expected that the impact of SE on taxpayer behaviour will continue to support increased compliance rates, particularly in the 'Other' category in Table 7.

Table 7 : Compliance Rates

Return/Payment Compliance	Due Month Dec-24	Due Month Dec-2025	Due Month + 1 Dec-24	Due Month + 1 Dec-2025
Large Cases (>€500k)	97%	97%	99%	99%
Medium Cases (€200k-€500k)	94%	95%	99%	99%
Other Cases (<€200k)	84%	85%	92%	93%

6 Conclusion

The introduction of Standard Enforcement in October 2024 represents a significant advancement in how Revenue delivers on its core strategic commitment to maintain fairness and efficiency in the tax system. Standard Enforcement ensures that all taxpayers are treated consistently and that enforcement action is taken promptly when engagement fails. The facility aligns with Revenue's strategic goal of maximising voluntary compliance by creating a credible and predictable consequence for non-payment, while simultaneously allowing our skilled staff to focus on providing personalised support to taxpayers facing genuine financial difficulties. The results—with nearly 67,000 cases processed and over €126 million recovered—demonstrate how technological innovation can enhance both taxpayer experience and compliance outcomes. Most importantly, the facility supports Revenue's broader mission of building public trust by ensuring that the compliant majority can see that non-compliance has swift and fair consequences, while those who engage with us continue to receive the support they need through our Debt Management Services.

In summary, Standard Enforcement is a critical technological and procedural tool that enables Revenue to conduct timely, fair, and efficient enforcement at scale, forming the backbone of its debt management strategy.

With a yield in excess of €126m from the introduction of Standard Enforcement, the target of €70 million for the Budget 2025 compliance measure has been exceeded.