

Minutes of TALC Sub-committee on Collection issues

Date: 25 June 2020

Via Zoom

New members Andrew Thompson (ITI), Lorraine Sheegar (ITI) and Norah Collender (CCABI) were welcomed. The contributions of Kimberley Rowan and Sandra Clarke were acknowledged on their retirements from the Committee. Sandra Clarke was congratulated on her appointment as President of the ITI.

Item 1: Minutes of meeting held 28 November 2019

The minutes were approved.

Item 2: Matters arising

There were no matters arising.

Item 3: COVID -19

Revenue Services

Revenue informed practitioners that general phone services will be reinstated and offices re-opened on a phased basis from 20 July 2020 with the exception of TWSS phone support (PAYE lines reinstated 30 June 2020 in anticipation of queries relating to issue of tax credit certs on a week 1 basis) and LPT phone support (reinstated 2 July 2020 from 9:30am to 1:30pm).

Revenue encouraged continued use of MyEnquiries to raise queries. Practitioners appreciated the fast turnaround in using MyEnquiries which both Practitioners and Revenue agreed should be maintained going forward if at all possible. Practitioners also welcomed the extra tracking column denoting 'Status Completed'. Revenue informed Practitioners that an ebrief will issue outlining the update to the MyEnquiries tracking function.

Debt Warehousing Arrangement

Revenue confirmed that enforcement activity was on hold and would be re-introduced on an incremental basis in due course. Revenue are currently working through the legislative detail. There is currently 1.6 billion debt outstanding.

In response to Practitioners queries regarding the practical operation of the debt warehousing, Revenue confirmed as follows:

1. debt warehousing was available to non-SMEs on a request basis. Revenue are currently reviewing these Large Corporates Division (LCD) cases to clarify the current trading status;
2. in broad terms there is alignment of these non-SME cases with the TWSS requirements;
3. the importance of making a return was stressed to enable Revenue quantify the debt and obtain certainty for LCD's;
4. there is no application process for SME's as they are automatically in the system but LCD/MED must make contact with Revenue through MyEnquiries;
5. there is a review mechanism similar to TWSS (Review by Principal Officer);
6. LCD's will be notified of the terms of the arrangement (communication details to be worked out);

7. FAQ's, tied into the legislation, were currently being developed;
8. LCD's will be invited to set out a payment proposal as the expiry of the 12 month period approaches;
9. facilitation of payments is being worked on;
10. discretionary payments may be made during the period (without conditions/0%)
11. consolidation of debts may occur with a PPA considered as an option.

Revenue confirmed that there was on-going engagement with LCD's with outstanding returns even where payment is not possible.

"Non-warehoused" debt and interest

In response to practitioners queries raised, Revenue confirmed the following:

1. any change to the COVID information page will be communicated on the website. There are currently no changes to the PPA requirements;
2. the term of warehousing scheme had been extended by two months – to the end of August for those who wished to avail of it, at 0% interest. Furthermore, the 0% period is determined by a return to trade plus 2 months subject to the overriding condition of the submission of returns;
3. a separate column in ROS distinguishing warehoused debts and other debts will be considered;
4. Practitioners queried whether a down payment for a PPA is under consideration and Revenue confirmed that whatever payment is arrived at the focus is on a business' capability to honour the arrangement;
5. there is no change in approach to how Revenue appraise the viability of the business and the extent to which Revenue can be flexible about the duration of the PPA. Early engagement is encouraged and each case is considered on its merits;
6. compliance and enforcement pace is somewhat slower than pre Covid 19 for those trading normally e.g. September liabilities will be pursued in November at the earliest. Enforcement is not envisaged to take place until later in the year/early 2021; Revenue will update at September meeting in terms of compliance and enforcement.;
7. taxpayer could make a partial payment if payment or preliminary tax is not possible (as it not yet a debt);
8. a reasonable approach will be taken as regards the charging of interest over the months ahead but the onus remains on the taxpayer to be as accurate as possible in making returns.

Refund Processing

It was acknowledged that an electronic version of the PSWT is required going forward. IT resources are required to move this forward and it will remain on the agenda. Practitioners acknowledged that the acceptance of PSWT claim forms via MyEnquiries is helpful. Revenue confirmed that there was no plan to change the current process and that there was guidance on the website which provides clarity regarding operational and legislative issues that have arisen.

DWT claims received mid-May are currently being worked on. Revenue confirmed that the DWT unit continue to require the original reclaim forms and supporting documentation but while there were no plans to change this arrangement details of any specific claims that practitioners were having difficulties with could be passed on to Revenue. Practitioners pointed out that submission of a soft copy of the forms would be of great assistance. Revenue agreed to discuss this request with the unit.

ACTION POINT

Revenue to engage with the DWT unit re submission of soft copy reclaim form

Returns and Timely Filing

Practitioners expressed their concerns about the ability to submit returns on time particularly for the main compliance deadlines such as CT1 Filings and Pay and File in the current circumstances. Revenue requested that practitioners strive to file on time to ensure debts that need to be warehoused can be quantified. Practitioners pointed out that it was difficult to predict if returns will all be submitted on time in terms of getting access to original documentation in offices/staff issues and a short extension may be required. Revenue pointed out that a pragmatic approach has been adopted by Revenue throughout the Covid 19 crises. Practitioners expressed their appreciation of the flexible and helpful approach adopted by Revenue and asked that any change to the forbearance approach be communicated to avoid having to anticipate any sudden changes in policy.

Revenue reported that the system was still processing mainly agent return filings of CT1 with no evidence of a late filing problem. 75,000 filings were already received for CT1 2019.

Revenue confirmed that an IT release involving further pre-filing of data on the Form 11 would go ahead in July.

Revenue also confirmed that the surcharge for late filing of a CT1 is currently suspended.

Share scheme reporting – Deadline for submission of ESS1

Revenue reported an extension of the deadline for submission of Form ESS1 to 31 August, 2020.

Practitioners pointed out the system involved manually manipulating data to fit the Form ESS1 and pass the validation checks which can lead to inaccuracies. Practitioners asked if there was scope to streamline the system while ensuring that Revenue obtain the information that they need. Revenue agreed to engage with the Share Schemes Unit in this regard however noting that there is a competing pool for IT enhancements at present.

ACTION POINT

Revenue to engage with the Share Schemes Unit re streamlining ESS1 process

Item 4 – Debt Management Services Update.

Revenue updated practitioners that DMS moved well over the 12 month period prior to the health emergency. It is in pause mode now as all of the focus is on debt warehousing dealt with at Item 3.

Item 5: Wage Subsidy Scheme (TWSS) Update

Revenue reported that they were working on Version 16 of the TWSS FAQ's and acknowledged that this reflected the level of collaboration and co-design among Revenue colleagues and representative bodies. Revenue further reported as follows:

1. 56,500 employers have participated in the scheme at least once;
2. 550,000 employees have received payment;
3. 3.3 million payslips were processed so far under the scheme;
4. 1.6 billion has been paid out under the scheme
5. 7,000 employees have left the scheme;
6. the scope of the scheme has been extended to include those on maternity benefit, illness benefit and adoptive leave;
7. an eBrief/press release will issue shortly regarding the absorption of apprentices under SOLAS into the scheme (following on from an implementation a change to the TWSS which will accommodate apprentices returning to work who, in February 2020, were on an apprenticeship education and training programme run by SOLAS and were not on their main employer's payroll in February 2020);
8. there is no change to the eligibility criteria under the extension of the scheme.

Practitioners pointed out that My Account is showing that there a TWSS for the period of 'zero' whether employer was registered for TWSS or not. Revenue agreed that this was not correct and agreed to look into it on receiving the relevant screenshot from the ITI.

ACTION POINT

Revenue to investigate reference to zero amount TWSS in MyAccount where not relevant.

Revenue stressed that they have a responsibility to ensure good governance of the scheme considering the expense to the Exchequer so far and therefore must ensure they obtain evidence of how a business has been impacted by the pandemic. Revenue is asking employers to summarise the basis on which they believed they would be significantly adversely affected by the COVID-19 pandemic and would experience a reduction of at least 25% in turnover or customer orders (or other reasonable basis, where applicable) in Quarter 2.

Revenue pointed out that it is not a deep forensic examination or a risk based compliance issue and that the proofs are relatively simple. Employers are given 5 days to respond to the request for evidence and practitioners raised concerns that this time frame is too short. Revenue noted that the subsidy will not automatically cease if there is no response but Revenue will actively follow up with employers who do not meet the 5 days response time and payments may cease if employers do not co-operate. Request for proofs will issue to ROS inbox directly with the agent copied on letters via MyEnquiries. Requests will issue in tranches over several months. Practitioners raised concerns on the blanket approach of Revenue's review of the TWSS and queried why it is necessary to issue letters to employers such as e.g. hairdressers which were clearly closed and Revenue pointed out that there has been a significant amount paid out to date and it must be checked that the employer did correctly qualify and further that employers have passed the support received on to the employee. Revenue confirmed that the correspondence is a check and not a compliance intervention.

Item 6: PAYE Modernisation

Revenue confirmed they were still receiving 75% of returns in the normal fashion. 570,000 returns have been submitted electronically which is a substantial increase on last year. 600,000 statements of liability have issued. Revenue are continuing to evaluate the use of the J9 on the PMod system.

Item 7: ROS issues

Revenue provided an update as follows:

1. The CT1 TDM has been updated to deal with the CT change of accounting period and issued on the 9th June. The system can deal with accounting periods that are shorter than 12 months. If the accounting period is longer than 12 months the system requires the period to be split and a combination of the two shorter periods submitted. Revenue is considering a separate TDM to deal with the change to the accounting period as a lot of queries are being received on short accounting periods. Revenue have invited feedback from practitioners.
2. The new eCG50 process has commenced and the eCA24 is currently with the Law Society for comment. Revenue welcomed the practitioners feedback received to date.
3. Revenue is encouraging transactional taxes practitioners e.g. solicitors to register for ROS Transaction Advisor Identification Number certificate (TAIN) to avail of its functionality. Solicitors submitting applications must be registered for a TAIN. A lot of functionality in ROS requires a TAIN and this development was necessary. The TDM will show the updated understanding of TAIN to reflect that it relates to tax agent or transactional adviser to provide comfort to solicitors that they are not taking on additional tax obligations. Revenue pointed out that they could not have a separate solicitors TAIN link. Revenue agreed to check if an IT38 can still be filed without a TAIN as is currently the case. Mark Bradshaw of Revenue is interacting with the Law Society in relation to the electronic version of the Inland Revenue Affidavit being developed and due to be rolled out in September.

ACTION POINT

Revenue to check if an IT38 can be filed without a TAIN

4. Revenue is working on the Revenue app starting with a receipts tracker. Due to security uploads the ability to log into ROS via the app will no longer be available.

Item 8: Reporting on subgroups

1. myEnquiries sub-group: 2,800 agents have availed of the change of address tracking through ROS;
2. Revenue continue to work on the CT1 offsets. They pointed out that it is not built for 2020 despite best efforts.

Practitioners welcomed the changes/updates to MyEnquiries and recognised the importance of retaining the MyEnquiries sub-group. Practitioners again welcomed the fast turnaround on queries raised via MyEnquiries.

While it was understood that the iXBRL sub-group had disbanded Revenue invited practitioners to raise any issues with them regarding iXBRL. Revenue are not aware of any current issues.

Item 9: PSWT (update item)

Revenue confirmed that there was no update and welcomed any suggestions to improve the process such as uploading CSV files to assist.

Item 10: AOB

Practitioners sought clarity on whether there was an obligation on both collection agents and non-resident landlord to submit a Form 11. Revenue agreed to issue clarification on this point.

ACTION POINT

Revenue agreed to update information on the non-resident rental income and collection agents.

It was agreed that the next meeting be held on 10 Sept at the later time of 2pm.

Attendees

Law Society	Revenue
Ms Ruth Higgins (Chair)	Mr Leonard Burke
Dr Rachael Hession (Minutes Co-Ordinator)	Ms Maura Conneely
	Mr Gearoid Murphy
Irish Tax Institute	Ms Lucy Mulqueen
Ms Sandra Clarke	Mr Pat O'Shea
Mr Paul Wallace	
Ms Lorraine Sheegar	CCAB-I
Mr. Andrew Thompson	Ms Norah Collender
Ms Mary Healy	Mr Gerry Higgins
	Ms. Maud Clear