

1. State the name of the organisation you represent (if applicable).

Office of Public Works

2. Who are you:

Government department/agency

3. Are you making a submission in relation to the proposals for a:

Designated Withholder (DW)

4. Please tick the sectors that apply to you:

Construction

5. After reading about the proposed new eWHT system, how would you describe your overall reaction?

Somewhat positive - I think it's a good idea overall

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

Potential ability to streamline internal checking processes. Reduction in queries from RCT and PSWT suppliers. Inclusion of all construction (design-build contracts) related activity under the same tax treatment.

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

How will the monthly returns be completed, one return only for eWHT (RCT, PSWT)?
What changes will be necessary to be made to our financial system (Integra Centros) to accommodate the roll out of eWHT?

8. 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?

Not applicable as OPW are currently the withholder for RCT and PSWT.

- 9. 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?**

In order to remove interpretations / doubt of application, an expansion of the description of professional services with in-depth descriptions (similar to the VAT rates database) would be helpful.

- 10. Please indicate if you currently operate:**

Professional Services Withholding Tax (PSWT)

Relevant Contracts Tax (RCT)

- 11. From the perspective of a DW, how does the current application of PSWT and/or RCT impact on your business operations?**

The application of the current RCT and PSWT regime is well imbedded in processing standards.

- 12. 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.**

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

The application of RCT and PSWT is accepted as part of the supplier payments process and currently operates efficiently and effectively.

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

Understanding of RCT and PSWT rules is high within OPWs processing areas as training needs are maintained and managed on an ongoing basis.

15. 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?

The current system interactions happen after the payment has been approved for processing but before issue. It is unclear from the information presented, how much further embedment will be required, from an OPW perspective.

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

See 17. above.

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

See 17. above.

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

Between 5,000 and 6,000 per month.

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

Yes, Integra Centros (Capita IB).

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

Yes, Corepay (Access Group).

21. Please indicate if you currently receive payments which are subject to deduction of:

22. Where you are currently subject to PSWT and/or RCT, how does the current application of withholding taxes impact on your business operations?

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

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

Understanding of RCT and PSWT rules is high within OPWs processing areas as training needs are maintained and managed on an ongoing basis.

25. 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?

26. 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?

27. 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?

28. 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?

29. 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?

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

There will be system reporting changes required when the extent of changes are known. User application testing for acceptable of the new eWHT system to Integra Centros.

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

Continuation of high standards in respect of RCT and PSWT application and collection.

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

Willing to discuss and further explore when full details known.

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

Very confident.

34. 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

Increased accuracy of information submitted to Revenue

Helpdesk or dedicated Revenue contact

Clear guidance for software providers and a testing environment

35. 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

Clear guidance for software providers and a testing environment

Clear guidance for software providers and a testing environment

36. 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?