

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:

Professional services

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

Very positive - I strongly support the proposed direction

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

It appears as if the system will improve our cashflow with less WHT charged by the DW. In the current system 10-20% of our cashflow is held within the WHT system and we are faced with either a simple reimbursement from Revenue when we submit our CT return each year (this approach can impact cash flow) or an administrative burden trying to reclaim some of the WHT during the year.

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

Delays in contracts being paid or errors in the system during the first years of establishment

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?

I don't understand this part of the system, currently the DW that withhold tax from us are all government or semi-state entities. Who are the new suitable withholders?
Private entities?

- 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?**

No view on this

- 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:**
- Professional Services Withholding Tax (PSWT)
- 21. Where you are currently subject to PSWT and/or RCT, how does the current application of withholding taxes impact on your business operations?**
- Impacts cash flow and sometimes additional admin costs
- 22. From the perspective of a SP, what are your views on the application of RCT and/or PSWT, as the case may be?**
- Currently the administrative burden surrounding reclaiming WHT is too high for a small company like ours and unless cash flow is severely restricted, as it was in our first few years, we will wait to reclaim the WHT as a refund once we have submitted our annual CT return
- 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?

No. We are charged WHT at 20% of the contract value, but the CT rate on our profits is 12.5%. The average annual percentage profitability for our company is 5%, so our actual tax liability is significantly lower than the WHT retained by Revenue

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?

Very beneficial, providing us with extra funds throughout the year to invest into the company and our employees

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?

I don't think this is applicable for me or our company, but personally I don't see why Revenue could not calculate PDRs from SMEs based on our Revenue data

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?

I think PDR is a good system but as I've stated above I would like Revenue to calculate PDRs for SMEs like ours

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?

For SMEs such as ours Revenue already have 20 years of data. Is it not possible to look at the trends in the data over the last 5 years and then use this to produce a PDR (or reduced rate) that will be more relevant for us than the current 20% WHT rate

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

Minimal changes

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

Improved cash flow and less administration costs

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

If it is a simple enough system we should be able to adapt in a few months

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

Very confident

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)

Reduced administrative workload

Increased accuracy of information submitted to Revenue

Improved cash flow

34. 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

Mailshots and guidance on the Revenue website

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?

No

