

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?

Neutral/undecided - I need to know more before forming a view

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

It's unclear from the existing documentation how this would affect our organisation. We are usually in a With Tax reclaim position and have to wait many months and complete financial statements and CT1 returns before we can reclaim our monies which creates a cashflow issue for the business

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

Not sure how the new system will address the situation above. We would recommend that once the previous years CT threshold has been reached all, supplementary Withholding tax withheld should automatically be refunded to the company (from which monies were withheld).

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?

In general, I don't see an issue with it but would expect that many smaller service providers will voice significant concern.

- 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 I think this is probably appropriate - the state should be protected in the event of non-payment of taxes by service providers it engages.

- 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?**

It has a negative impact on cashflow as the amount withheld dwarfs the annual CT liability. We pay our VAT and PAYE as normal also during this period and would suggest that once the previous year CT threshold has been reached (in terms of monies withheld) any excess should be refunded (as suggested on an earlier question above) or offset against PAYE and VAT liabilities

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

Have outlined above the current difficulties and suggestions on how this could be alleviated.

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, the amounts withheld dwarf the tax liability and result in cashflow difficulties. I'm aware that interim hardship claims can be made but the system should/could be more agile

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?

Not sure exactly what this means ?

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?

N/A for our business but I imagine this will be strongly resisted by a large cohort of individuals/sole traders who may use current year profit to pay last year's tax (notwithstanding the existing of preliminary tax which I'm not sure operates as accurately or efficiently as it could (from the state's perspective). If there's an acceleration in how tax is collected it will lead to significant cashflow issues for smaller operators, I'd imagine.

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?

Unsure if it will - income tax return filing will remain a task to be completed and preliminary tax issue as noted above will be replaced by a potentially higher deduction?

- 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?**

Would try to avoid additional reporting by the SME sector - the admin burden is high as it stands and adding to that would be unwelcome.

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

Hard to answer without seeing the full proposals

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

If it results in improved cashflow to our business , that would be a significant benefit.

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

2-3 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

Greater certainty in relation to your tax affairs

Avoiding cashflow issues due to excess WT collected

- 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

Helpdesk or dedicated Revenue contact

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?

None, other than outlined in the answers provided above

