

1. Who are you:

Tax professional

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

Designated Withholder (DW)

3. Please tick the sectors that apply to you:

Construction

4. 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

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

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

The new system will definitely suit larger principal contractors but there needs to be an alternative for smaller principal contractors. As an example I have one small business that still uses manual books and very infrequently uses sub-contractors. To require them to move to potentially expensive accounting software that has an eWHT API for a small number of annual submissions would be an unnecessary and excessive cost to their business over and above the current ROS system.

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?

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?

9. Please indicate if you currently operate:

Relevant Contracts Tax (RCT)

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

We have developed clear systems to deal with RCT. We are dealing with smaller principal contractors so the ability to upload contracts and payments through ROS is a small administrative burden.

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?

This would definitely be beneficial but would the costs outweigh the benefit? If the providers of cloud accounting software to smaller businesses, such as QuickBooks and Xero, can integrate the new eWHT process into their software at a minimal cost then the benefits would be worthwhile. If they can't and smaller businesses are required to invest in far more expensive software then it's hard to see how any benefit could outweigh the cost.

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?

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

ROS and QuickBooks Online

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

BrightPay

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

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

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

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

This will depend on whether new software has to be implemented

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

None, only likely to keep costs the same at best.

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

6 months

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

That would depend on whether the change requires new software and the resulting change of internal systems and associated training.

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

Seamless integration of taxation with your business systems

No increase in costs

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

Ensuring that as many software providers are on board as possible, particularly those aimed at smaller businesses

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?

