

# Minutes of TALC Sub-committee on Collection issues

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Date: 5 September 2023

Via Microsoft Teams

## Agenda Item 1: Minutes of meeting held on 20 June 2023 and matters arising

The meeting opened with the proposal of the minutes from 20 June 2023. As there were no objections, the minutes were accepted and to be published to the Revenue website. Action points were reviewed from the previous minutes.

### ACTION POINTS

Revenue to clarify if there is information publicly available from Revenue outlining the stance for outlining the situation for self-employed DSP pensions where PPAs are in place.

## Agenda Item 3: Local Property Tax Update

Revenue advised that the statistics were published on the Revenue website in July – 95% return compliance for 2023 and 94% payment compliance. There are over 20,000 newly registered properties for 2023, owned by approx. 9,000 owners (split across approx. 7,900 single property owners and 1,200 multi properties). A reminder was given to practitioners to ensure that LPT is filed prior to the filing of Form 11 to avoid surcharges.

Vacant Homes Tax (VHT) TDM was published in August and the eBrief has been circulated. VHT is an annual tax that applies to residential properties in use as a dwelling for less than 30 days in a 12-month chargeable period. VHT was introduced by the Finance Act 2022, with the first chargeable period applying from 1 November 2022 - 31 October 2023. VHT is charged at three times the base Local Property Tax (LPT) rate (the rate excluding any local adjustment factor). It is charged in addition to LPT. The Manual outlines in detail when VHT applies, when properties are outside the scope of the tax, the obligations on chargeable persons, Revenue powers and certain exemptions that can be claimed. The VHT Portal will be live during the week commencing 18th September. Revenue will write to a small number of property owners where information available to Revenue indicates that the properties are vacant.

ITI queried whether taxpayers have to claim the exemptions for VHT, or whether they will flow through based on the LPT exemption on record. Revenue confirmed that there will be no VHT obligation where there is an LPT exemption. It was also outlined that VHT does not apply to uninhabitable properties – only to residential properties that are vacant. CCAB-I expressed a request to extend the filing date for VHT to 15th November in line with the other ROS filing dates.

## Agenda Item 9: PAYE

The end of year reconciliation process is underway, and Revenue continue to contact customers throughout the year to remind taxpayers to file their returns for 2019, 2020, 2021 & 2022. At this point in time there is no specific strategy to focus solely on TWSS and PUP underpayments, however as part of the normal end of year reconciliation there will be customers in that cohort who will have underpayments.

Regarding the Employment Detail Summary (EDS) issue raised at the June meeting, unfortunately with competing priorities at the moment ICT&L have advised that there were not the resources at this

time to reinstate access to the underlying payslips once the EDS is created. Revenue will consider adding some text to the next update to the ROS Form 11 Tax and Duty Manual to advise filers not to create the EDS if continued access to the payslips is required.

#### **Agenda Item 10: Proposed Enhanced Employer Reporting Update**

Outreach to the employers and agents is due to commence on 14<sup>th</sup> September and will be provided in phases of webinars starting with agents and Personal Division employers (approx. 60K) over six events (3 morning and 3 afternoon) running until the 3<sup>rd</sup> October. Further phases will be rolled out during September, and these will be for events taking place up to November. Notice will be issued via ROS inbox with a link to the event page where tickets can be booked free of charge. These sessions are being phased over the coming weeks using Revenue's Divisional case base as a selection criterion. A recording of a seminar will be made and published in the future. It is advisable for employers and agents to review their ROS inbox regularly. There are no current plans to use other media to highlight this process.

Engagements on the Enhanced Employer Reporting began at the start of the year (Jan 2023), with a large portion of employers receiving a notification in January outlining what was changing in the coming year. Revenue have provided further engagement since then, and with concerns whether the systems were going to be in place have also engaged at a high level with various software developers. The feedback received from software developers is that the systems are in place and testing is going well. CCAB-I queried the numbers of service providers that have engaged with Revenue on this matter. ITI also raised their concerns about the level of admin work, etc. that is involved with the introduction of Enhanced Employer Reporting.

With regard to ROS Certs/permissions for ERR, Revenue outlined that employer and financial agent ROS certs will be automatically updated with ERR permissions. The facility to update sub certs to include ERR permissions will be available well in advance of 1st January 2024.

#### **ACTION POINTS**

**Revenue to provide numbers of service providers engaging for the Enhanced Employer Reporting.**

#### **Agenda Item 16: Revenue Phone Lines**

Revenue consistently reviews the service offerings in order to balance the demand for service channels with the resources available. Revenue's priority continues to be the online contact channel, which receives between 2 and 3 times more contacts than the telephone service. Attention is drawn to the 'exceptional contacts' channel where there is a genuine sensitivity around time, cash flow pressure etc. Service demand is largely being driven by the macroeconomic environment i.e. more people in employment. Analysis is being undertaken with a view to being able to prioritise certain cohorts of taxpayer who are not able to utilise our online service channels. There are no deliverables or measurables to report at this time.

#### **Agenda Item 2: Temporary Business Energy Support Scheme**

The deadline to submit TBESS claims is 30<sup>th</sup> September – practitioners were reminded to fully submit the claims before the deadline. The facility to make the claims from the period 1<sup>st</sup> September 2022 to 31<sup>st</sup> July 2023 is still available on ROS. Eligible businesses who have not yet registered or completed

their claims should do so before the deadline. There are a number of incomplete registrations/claims on the system – practitioners are reminded that it is a two-step process with registration being necessary as a first step to access the scheme followed by the claim submitted. A ROS inbox notice was issued in the past week to businesses with a partial registration complete to remind them to complete the registration prior to the deadline. There were also a number of cases noted with no active ROS DigiCert, and in these cases the agents will either get a phone call or ROS inbox notice to remind their clients. Information remains available on the Revenue website on the scheme and the process. Claims will not be accepted beyond the deadline date.

#### **Agenda Item 4: Non-Resident Landlords**

Coming to the end of August, there were approx. 4,300 Non-Resident Landlord Withholding Tax (NLWT) notifications in respect to 3,300 properties. There are over 1,000 filers – and approx. €10M in rent declared and €2m in withholding tax. The figures do not include HAP at present, but Revenue are working through files relating to HAP. It is expected that the figures will rise by approx. one third with details from HAP.

One of the unexpected outcomes from the project is registration clean up. There is an increase in LPT registrations for properties that were previously not registered for LPT, there is an increase in non-resident landlords being registered for IT. The NLWT system continues to be enhanced throughout 2023. The repeat RN functionality, and the amend RN functionality, are due to be fixed in October, and ROS debit instructions and card payment options are due in November.

Revenue acknowledged there is additional administration with the NLWT system. However, the non-resident landlord withholding, or collection agent provision has been on the statute books for many years and was not being operated correctly in some cases and efficiently in most cases. Revenue is aware that this has been a significant reason for contact and multiple contacts from customers/agents/collection agents, etc. The changes to enable deduction and reporting (NLWT) aim to improve the situation.

Queries previously raised over non-resident couples having to file more than one return were addressed. A non-resident couple is separately assessed, which is separate to operating the NLWT system. Non-residents require separate returns whether they earn rental income or not, and that may be a matter that may be raised elsewhere.

Revenue acknowledged that the mid-year changeover is not ideal and are willing to be pragmatic. As discussed previously the easiest way to deal with that is that the existing arrangements – where there is a collection agent in place – run to end-year. The NLWT legislation was written in a way that provides flexibility to stakeholders. While it is correct that non-resident landlords who are now engaging in NLWT will need to submit two returns for the 2023 period (one under the collection agent TRN, and one under their own PPSN) the other option is to maintain the “old” system and engage with NLWT from 01/01/2024. Revenue have dealt with Helpdesk queries on that basis. Where there is ‘continuity’ from an existing system/process to a new one, there may be changeover issues and Revenue is willing to consider suggestions to simplify the administration associated with multiple filings for 2023.

ITI noted a tax agent may act on behalf of a collection agent, e.g. making the RNs on behalf of the collection agent and queried whether an “agent link” to the collection agent is required. Revenue noted the system was designed to enable collection agents (or tenants) access the system directly and make the RNs but confirmed an update to the agent link form to include NLWT permissions could be considered. ITI also acknowledged the flexibility in the design of the NLWT, for example, if a non-resident landlord with a collection agent sought to have the tax deducted from the landlord's own bank account.

CCAB-I queried as to whether it is possible for a “traditional tax agent” to be linked to chargeable persons for the purpose of NLWT to assist with filing returns as some people don’t generally interact with Revenue. Revenue will look into the possibility of developing this feature.

## **ACTION POINTS**

**Revenue to consider adding NLWT to Agent Linking.**

### **Agenda Item 5: Debt Warehousing Scheme Update**

Revenue outlined that the balance held in the warehouse as at the end of July 2023 was approx. €1.9Bn for just over 60,000 businesses. Of this total, approx. 25,000 (42%) have a debt of less than €500. 66% of businesses with debt warehoused have debts of less than €5,000. Approx. 6,000 businesses have debts of over €50,000, which accounts for approx. €1.6Bn of the total debt warehoused. The key message remains to consider repayment plans – whilst there remains no obligation to pay the amounts before 1<sup>st</sup> May 2024, interest has been accruing on the debts from 1<sup>st</sup> January 2023 (1<sup>st</sup> May 2023 for those with the extended warehouse). Practitioners were reminded to advise clients of the obligations to pay the debts or enter into a repayment plan prior to 1<sup>st</sup> May 2024. Payment plans can be activated now, with a minimal down payment and monthly repayments commencing on 1<sup>st</sup> May 2024. Revenue would strongly urge customers with debts of less than €500 to pay off the amounts as soon as possible, as Phased Payment Arrangements (PPAs) are not available for debts of under €500.

Revenue also provided an update on how the 3% interest rate will be charged and collected. Where a customer is availing of a PPA, the accrued and projected 3% interest rate is calculated and included in the schedule of payments for the duration of the arrangement. For taxpayers not availing of a PPA and making full or partial payments, the interest charge of 3% can only be calculated on Revenue’s systems retrospectively – when it can be confirmed that payment for a warehoused period has been received in full. At that point, Interest will be calculated and charged on DMS and a notice will issue to the taxpayer for collection. This process will commence shortly.

An outreach campaign commenced in July 2023 – beginning with the approx. 600 customers with over €500,000 warehoused. This is a phone campaign with the objective of outlining the interest savings and benefits of early payment, and the payment options available to the taxpayers to repay the debt.

Revenue appreciates that some taxpayers continue to experience cash-flow difficulties – the advice remains to engage with Revenue at the earliest opportunity to discuss options available to assist. Practitioners were reminded that most of the flexibilities around PPAs that were introduced during COVID (minimal down-payment, extension to 60 months, etc.) remain in place. One particular change was mentioned with regard to the supporting documentation required – from the end of September, Revenue will require the upload of the ePPA1 form (the PPA application form) in all cases. Depending on debt value, supporting documentation will be required – for PPAs for over €50,000, bank statements will be required – for PPAs over €100,000, cash flow statements and management accounts will be required. It was emphasised that Revenue can request additional documentation in any case regardless of PPA value if deemed necessary to negotiate and agree the final arrangement.

CCAB-I queried if there are different rules for PPAs for warehoused amounts vs non-warehoused amounts. Revenue outlined that there are no different rules except for the different interest rates that apply. During Covid, Revenue enhanced the PPA facility to give the option of consolidating warehoused and non-warehoused debt into one PPA where a PPA is already in place prior to warehoused amounts coming due. It was also outlined that every case is appraised on its merits and a decision is then made on the appropriateness of the PPA (i.e. down-payment, term, etc.). CCAB-I also asked for any statistics

on debt warehousing, particularly on the sectoral breakdown of the debt, to be shared with the TALC collections group when published.

#### **ACTION POINTS**

**Revenue to provide available statistics on Debt Warehousing.**

#### **Agenda Item 12: Debt Management Services (DMS)**

Revenue outlined that it intends to resume the calculation and charging of Interest on Late Payments (ILP). ILP is a statutory charge on late payments of tax debts. It is designed to compensate the Exchequer for loss of revenue due to the delayed payment of tax, to encourage timely payment of tax in the future and to ensure equity across the customer base. Revenue intends to issue interest warning notices for the first occurrence of a late payment followed by the raising of an interest charge for further late payments. The charge will apply to late payments of VAT and PREM from the July 2023 period onwards.

#### **Agenda Item 6: ROS**

Revenue confirmed that it is not possible to have more than one tab open online in ROS as a security feature. RPF is accessed from the login page, so if a user has an online session in progress, he or she cannot afterwards open RPF at the same time. Revenue indicated a workaround is to have the user save a shortcut to the RPF in their browser – bookmark it or mark it as a favourite. A link is also available from the ROS Help link when logged into ROS – click “Return Preparation and Offline” and then select “Return Preparation Facility”.

Revenue outlined that an update was done some time ago to prevent users progressing to the RPF form details in unsupported browsers. The period and form selection boxes should be “greyed out” in Firefox. If users are having difficulty saving forms, they should ensure that they are using the up to date link: <https://www.ros.ie/rpf-web/rev/offline?!lang=en> and that they are noting carefully where they are saving the returns. Regarding the query that the EII3A relief was not being carried through to the Income Tax computation on the 2022 Form 11 – this was fixed on 28<sup>th</sup> August 2023. A query surrounding “search” functions in ROS – it was outlined that search is available on ROS by Date, Tax Type, and Form Type. Revenue also confirmed and apologised that there were technical difficulties following an IT release on the previous Saturday – which included significant technical work on a ROS database migration. An issue arose and service was affected from 9AM to 1:20PM. The phone lines were closed, and the downtime message was displayed to users when they tried to login to ROS.

Practitioners were requested to forward details of any cases where there was an issue with the “acknowledgement” for the filing of a CT return.

#### **ACTION POINTS**

**Revenue to forward ROS screens as outlined above**

**Revenue to provide update on setting up CT preliminary tax payments**

**Practitioners to forward details of specific cases where there is an issue/confusion over acknowledgement notices for CT returns.**

### **Agenda Item 7: VAT RTD**

Revenue to update and forward draft TDM when available.

#### **ACTION POINTS**

**Revenue to forward draft TDM when available.**

### **Agenda Item 8: eCG50**

A query was forwarded regarding clarification in guidance when the date of disposal per the CG50A Certificate differs from the final signed contract. Revenue outlined that the belief is that this situation shouldn't arise – specific case details were requested.

Another query arose for clarification on the requirement to be agent-linked to the CGT tax head – Revenue clarified that the agent link is required unless the agent is otherwise already linked for Income Tax or Capital Acquisitions Tax. In addition, a query was raised regarding technical issue such as uploading larger files and any scope to increase the size of files that can be uploaded which Revenue was examining – Revenue advised that an IT release has been processed recently on this matter. The TDM around this issue is currently being updated to reflect same – it will be the end of September before this is published.

#### **ACTION POINTS**

**Practitioners to forward example cases where the date of disposal per the CG50A Certificate differs from the final signed contract to consider the scale of the issue.**

### **Agenda Item 11: Exit from the Irish Banking Market of Financial Institutions**

In advance of Pay & File, Revenue has carried out a review of customers registered for Income Tax who continue to have an Ulster Bank or KBC bank account on an active RDI mandate for Income Tax Payments. Revenue will send one final reminder to these customers to update their details in advance of Pay & File.

### **Agenda Item 13: Pay & File**

Revenue outlined that there are no planned ROS developments in advance of Pay & File. Rental income pre-filled data should have been available online by the end of August 2023 but was slightly delayed – this will be available this week. "Tips and Tricks" TDM (38-06-01a) is currently being updated and will be available soon. At this point, Revenue have noted approx. 175,000 filings at this stage – slightly up on 2022. CG's will issue the usual payment reminder outlining key dates for balancing payments, preliminary tax, etc. An eBrief will issue towards the end of September outlining extended hours of the ROS helpdesk, payment support, etc. ITI queried as the CT filing date is a Saturday this year, would there be support available on that date? Revenue outlined that there would not be ROS technical support available on that date.

#### **Agenda Item 14: ePWST**

ITI & CCAB-I raised a number of queries and comments on ePWST – these comments/queries are to be dealt with by another forum (TALC Direct/Capital Taxes Sub-Committee). Revenue advised that where the PSWT information is pre-populated from ePSWT, the expectation is “to submit accurate data on the Form 11 return where it is filed”. Where the data is incorrect, it should be highlighted immediately to Revenue.

#### **Agenda Item 15: Vat 58 & Data Breaches**

Background: Revenue have become aware of instances where agents had incorrectly input the wrong taxpayer’s information – resulting in a data breach. A query was received from ITI regarding how Revenue treats the issue and what action is taken. Once notified Revenue advise Data Breach Section and IT team to remove incorrect records and block any issue of incorrect output resulting from the incorrect data submitted. The agent is advised that the Revenue will be investigating it as a data breach and contact will be made with all the taxpayers involved as required. Agents should consider their own obligations under the Data Protection requirements.

#### **Agenda Item 17: Variances in experiences of clearances replacing “Letters of No Audits”**

ITI outlined that they have received feedback on inconsistencies in Revenue’s approach to the ‘e’clearances that replaced the Letter of No Audit/Clearance for estate cases and non-resident vendor CGT and noted there may be merit in the LONA group re-engaging to assess its operation not that the procedure is a year in operation. Revenue outlined that there is guidance available for staff and will remind/outline to staff where necessary – example cases were requested. It was also outlined that replies on these matters issue to the requestor, there is no mention in guidelines (Part 45-01-05 or Part 46-01-02) that the reply would issue to the agent.

#### **ACTION POINTS**

**ITI to forward example cases where there are inconsistencies in practice noted.**

#### **Agenda Item 18: SCARP Process**

Revenue continues to be fully engaged with the SCARP process and has open and frank conversation with the Process Advisors (PA) on all their cases. To date, Revenue has received 43 notifications (Rescue plans agreed – 27, Revenue voted against – 1, Revenue opted out – 4, Withdrawn by PA – 8, Objections from other Creditors – 1). The reason for opting out will always be for previous non-compliance with the Taxes Acts, but in the cases to date, also incorporated poor engagement by the PA or trust issues with the taxpayer and the information provided. The reason for voting against the proposal was “too many unanswered questions on the Director’s behaviour and an insignificant dividend.” The majority of cases to date have been in the hospitality, retail, construction and construction related sectors.

While the process must ensure a dividend to creditors above a liquidation equivalent, the goal is not to set the dividend as close to that minimum as possible but to try and achieve a maximum dividend for all creditors. A point to note is the new section 228(1) of the Act which has been amended to introduce a new directors’ duty which provides that a director of a company shall “*have regard to the interests of its creditors where the directors become aware of company’s insolvency*”.

Revenue expect the number of SCARP applications to rise when the Debt Warehouse Scheme ends.

#### **ACTION POINTS**

**Revenue to forward “one page” outline surrounding the SCARP process.**

#### **Agenda Item 19: Section 216D TCA 1997 micro-generation of electricity**

Revenue advised that this matter is considered traditional Case IV income. While there is no particular TDM on this matter – there is “Notes for Guidance” under Part 7 TCA 1997 (Income Tax and Corporation Tax Exemptions) S.216D (pages 58 & 59). As this is Case IV income it should be dealt with as Case IV income is normally dealt with. On the Form 11 - the logical place is “G - Irish Other Income”, on the Form 12 it would be the “Non-PAYE income” which is under “Fees & Commissions”. With regard to the exemption, the income should be reduced by the amount of the exemption – in this case by €200, i.e. the amount included on the return should be net of the exemption.

#### **Agenda Item 20: Partnerships and eTax Clearance**

Revenue outlined that the issue of Partnerships and the naming of same on Revenue systems has been discussed for some time. Revenue issue the tax registration number for Partnerships in the names of the partners rather than the trading name as the trading name for a partnership is not recognised as a separate legal entity currently under Irish Legislation. The trading name is and should be recorded as an “alternate name” or “trading name” on the Revenue systems. This is not a new practice. The tax clearance is issued in the “Official Name” of the registration – i.e., the names of the Partners. It was outlined that if a Partnership requires tax clearance – all partners will need to be tax compliant.

It is recognised that there is a restriction on the number of characters available for official names for registrations. The Official Name and Alternate Name fields have a restriction of up to 70 characters long. Regarding the update of partner’s information from the Form 1 – the relationship and percentage split is recorded and updated from the Form 1, however a change in the name of the partnership registration is not driven by the Form 1. Rather the customer would need to inform Revenue directly of the change in name by MyEnquiries/email.

#### **ACTION POINTS**

**Revenue to investigate whether it is possible to include the trading name of Partnerships as part of tax clearance**

#### **Agenda Item 21: AOB**

CCAB-I highlighted feedback from members regarding unprompted qualifying disclosures, where the members felt they were being subjected to “on the job training”, with queries coming in piecemeal requests. It was outlined that this feedback would be more suited to TALC Audit Sub-Committee rather than the TALC Collections Sub-Committee.

- Next meeting set for 28<sup>th</sup> November 2023. It is intended that this meeting will be in-person in Sarsfield House, Limerick to mark the 100<sup>th</sup> TALC Collections meeting.



In attendance:

**Revenue**

Geraldine Hegarty (Chair)  
Alan Greaney (Minutes Coordinator)  
Maura Conneely  
Maureen Marray  
Katie Clair  
Paddy Purtill  
Martin Hunt  
Denise Ganly  
Dan Oosthuizen  
Apologies – Aisling Malone  
Sinead McNamara  
Davena Lyons  
Joe Howley

**CCAB-I**

Gerry Higgins  
Carla Manning  
Gráinne McDermott  
Apologies – Gearoid O'Sullivan

**Law Society**

Deirdre Barnicle

**ITI**

Mary Healy  
Paul Wallace  
Bernie Feely  
Andrew Thompson  
Lorraine Sheegar