

Minutes of TALC Sub-committee on Collection issues

Date: 28 November 2023

In person & via Microsoft Teams

Agenda Item 1: Minutes of meeting held on 5 September 2023 and matters arising

The meeting was opened by Geraldine Hegarty (Revenue) who welcomed all and advised that this meeting marked the 100th meeting of the TALC Collections Sub-Committee. The minutes from the meeting of 5th September 2023 were proposed and agreed to be published to the Revenue website. Details of the action points from the meeting of 5th September 2023 were outlined and discussed:

- Revenue advised that they do not hold any publicly available information outlining the situation for self-employed Dept. of Social Protection (DSP) pensions where there are Phased Payment Arrangements (PPAs) in place. DSP should be contacted for this information.
- Debt Warehousing statistics with Divisional and Sectoral analysis as at the end of August 2023 have been published on the Revenue Website in September 2023.
- CT preliminary tax payments – Revenue understands the query related to ‘large companies’ that have a requirement to pay CT preliminary tax in two instalments. The bulk of large companies are marked as such on Revenue’s systems and their Revenue record is set up to enable the advance CT preliminary tax payment to be made on time. Some ‘large companies’ may not be marked as a ‘large’ case size on Revenue’s systems and therefore the option to make the advance preliminary tax payment may not be available automatically and the case/agent needs to contact Revenue to get the case record updated. Where there is an issue, practitioners are advised to make contact with Revenue.
- CG50A – Practitioners previously requested whether guidance could be updated to clarify when the date of disposal per the CG50A Certificate differs from the final signed contract if Revenue will accept the CG50 and provided a non-specific scenario setting out where instances like this can happen. On consultation with the appropriate areas in Revenue, it appears that the query arises very infrequently, and the Revenue response when any such query arises is to contact the customer/agent to confirm that the consideration has not passed and to request the amended closing date.
- Revenue advised that Tax Clearance can only be issued in the ‘Official Name’ of the taxpayer/entity as recorded on the Revenue systems – it is not possible to including the “Trading Name” as part of Tax Clearance.

ACTION POINTS

ITI to forward details regarding LONA issues.

Agenda Item 2: Temporary Energy Business Support Scheme (TBESS) Update

Revenue has advised that TBESS has now come to an end. Any claims received up to 30th September 2023 will be processed. Statistical reports were published on 21st November 2023 providing the general overview of the scheme. Approx. €150.5M has been paid out to over 25,000 businesses. Additional publication will follow in Q1 of 2024 as some cases are still on hand.

ACTION POINTS

Revenue to forward details of TBESS statistics (Provided 11th December 2023).

Agenda Item 17: AOB – Unregistered VAT & Flat Rate Farmers

Revenue advised that Farmers who are not registered for VAT are not, in the normal course, entitled to credit for, or repayment of, VAT incurred by them on their business inputs. Value-Added Tax (Refund of Tax) (Flat Rate Farmers) Order 2012, does provide for refunds to unregistered farmers who have incurred tax in relation to outlay on

(a) the construction, extension, alteration or reconstruction of that part of the building or structure which was designed solely for the purposes of a farming business and has actually been put to use in such a business carried on by him or her,

(b) the fencing, drainage or reclamation of any land which has actually been put to use in such a business carried on by him or her, or

(c) the construction, erection or installation of qualifying equipment for the purpose of micro-generation of electricity for use solely or mainly in his or her farming business.

Revenue encourage businesses to consider the Order in advance of submitting claims on ROS, as claims are administered in line with the Order.

CCAB-I queried whether the wording needs to be clarified – Revenue advised that the legislation is quite clear in these cases. ITI queried the process to make a claim – Revenue advised the process is an application through ROS and the provision of supporting documentation.

Agenda Item 3: Local Property Tax (LPT) Update

Revenue advised over 820,000 LPT reminder notices issued between 1st & 13th November 2023. Of these, almost 30% issued electronically through myAccount or ROS. The message to property owners was to ensure that they had a payment arrangement in place for 2024. As always, there is a range of payment options available to property owners, including Direct debit, Annual Debit Instruction (where the user can select any payment date up to 21 March 2024). Taxpayers can pay through deduction at source through salary or occupational pension, or pay in full by 10 January 2024.

Revenue also provided that there has been no change to how Revenue work IT/CT/CGT LPT Generated Surcharges following a query from ITI on the matter. It is correct to say that the Revenue Branch that deals with the liable person's income tax affairs work the case that is triggered upon filing the Form 11 where there is a LPT Liability or Outstanding Return. That team issues the Notice of Assessment with the surcharge. The surcharge cannot be removed until the LPT situation has been regularised, either through payment of the LPT liability or filing of the Return.

It is also correct that Agents are sometimes directed to the LPT Branch if they have questions regarding the LPT liability. At that stage, it is necessary to complete an agent link form for LPT if one does not exist on the system. The agent is then notified about the outstanding LPT obligations and what is required to correct the position. Once that is done, LPT paid or Return filed, Business Division/MED/LCD is notified that it is in order to cap or waive the Surcharge. Revenue is aware that Agents are often frustrated when they contact LPT Branch and there is no Agent Link on file. Regardless of whether the query is dealt with in LPT Branch or Business Division/MED/LCD an Agent Link is required for each property, rather than for each taxpayer. For LPT purposes, it is the property rather than the taxpayer that is the taxable entity. Some liable persons prefer to retain access to records relating to their principle private residences or other properties for their personal use. Some property records are associated with two or more liable persons. Revenue assures taxpayers /property owners that their records are secure and confidential and for this reason Revenue must

ensure that access to LPT records is granted only with their agreement. Revenue asks agents to specify the properties to which they require access by providing the following:

- The relevant Property ID/IDs and property address/es
- Written confirmation from the liable person that the agent is to represent them for specific properties.

In response to previous requests through Collection TALC, there is a specific Agent Link form on the Revenue website. Once an agent request is received, LPT Branch issues a letter of confirmation to the liable person advising that access has been granted to their agent for the specified properties. LPT Branch turn these cases around very quickly within a matter of days.

To avoid any delays, practitioners were advised to address any LPT issues in advance of filing an Income Tax return.

ITI queried if there was a need for an Agent link in cases where the LPT has been paid – i.e. was there a need for an Agent to get involved. Revenue advised they could see no reason for an Agent to be linked for LPT where the LPT return has been filed and the liability paid.

Agenda Item 4: Vacant Homes Tax (VHT)

Revenue advised that available data was used to identify approximately 25,000 properties (including 4,000 Local Authority Properties) to which VHT may apply. VHT Letters issued to property owners in early October 2023. Not everyone who accesses the VHT online Portal files a VHT return. Many properties are declared outside the scope of VHT, for example if the property is in fact occupied and therefore the property owner is not obliged to file a VHT Return. The VHT portal guides the user through 3 steps, which allows them to either file their VHT Return or declare that the property is outside the scope of the tax. As at close of business 19 November 2023, the 3-step process through the VHT portal had been completed in respect of c.50,000 properties. 19% of these related to properties where Revenue had written to the Property Owner (as outlined above). The remainder were property owners who accessed the VHT portal independently.

Overwhelmingly the activity on the Portal is dominated by declarations of properties that are occupied. Of the 49,782 properties reported by property owners, 44,421 or 89% have been declared Occupied. 5,055 properties have been declared vacant. Of these, exemptions have been claimed for approximately 2,000 properties. It follows that approx. 3,000 properties have been declared vacant with a liability to VHT. As at close of business 15 November 2023, there were exemptions claimed in respect of 1,965 properties.

The deadline for payment of VHT is 1 January 2024. After that date, Revenue will review the position in respect of properties owners who failed to respond to the VHT letters. A reminder campaign will be carried out for the non-responders and remaining non-compliant cases will be subsequently reviewed with a compliance campaign to follow.

The strategy to develop the VHT Preliminary Register was largely reliant on identifying properties with low energy usage. However, the response to the 25K letters to date has overwhelmingly confirmed that the properties identified are not in fact vacant. It was assumed that energy usage below a certain threshold indicated vacancy, customer engagement has strongly indicated otherwise.

CCAB-I sought clarification if “Holiday Homes” would need to be filed for under VHT. Revenue confirmed that the legislation states that a “residential property” has been vacant for 30 days or more in the chargeable period – it is liable to VHT, regardless of the use of the property.

Agenda Item 5: Non Resident Landlords & NLWT

Revenue confirmed that the repeat RN functionality is available since November 20th.

Revenue confirmed that the agent link form was updated to enable a client to give permission for an agent/advisor to act on their behalf for Non-Resident Landlord Withholding Tax (NLWT) - (or assist them with NLWT notifications or deductions). This is a change to the client link form and not to eRegistration. Practitioners were also advised that if an agent/advisor wants to file on behalf of a collection agent for income tax (the 'old' collection agent process), they should link to the client for Income Tax rather than NLWT.

Agenda Item 6: Debt Warehousing Update

Revenue outlined that as at the end of October, there is approx. €1.8Bn warehoused – mainly VAT and PREM liabilities. There are approx. 57,000 still availing of warehousing. 67% hold debt of less than €5,000. Approx. €1.5Bn of the debt is warehoused by c.5,500 customers – with debt of over €50,000 individually. Revenue are setting up a dedicated team to manage this particular case base. 1st May 2023 is the key date for taxpayers in dealing with their warehoused debt.

Revenue outlined that there is a 'Road Map' in place for dealing with the Debt Warehouse amounts, including continuation of the phone outreach campaign, and holding targeted webinars to be delivered in early 2024. Reminders will issue to customers with warehoused debt – these reminders will include a schedule of the debt the customer has warehoused. Revenue's priority will be to assist customers to address the payment of their warehoused debts as flexibly as possible. Key message remains for customers to engage with Revenue to address the debt, including agreeing PPAs now with a reduced down-payment and providing a payment break until 1st May 2024. There are also videos available on the Revenue website with details of how to apply for PPAs and payment breaks, etc. The cohort of approx. 25,000 businesses with debt of less than €1,000 are encouraged to settle the debts as soon as possible.

Revenue also outlined the phone outreach campaign started at the highest value of debt and worked its way down the list. There will be additional contact early in the new year. Reaction has been positive in the main. The message remains outlining the benefits of the Warehouse and the flexibilities available to settle the debt currently warehoused. CCAB-I advised that Revenue should update messaging on the percentage PPA down-payments that are now required, particularly for tax clearance.

CCAB-I outlined taxpayers can find it confusing and difficult to understand the amount of interest that will be applicable for a PPA. Revenue advised that a new 'easy-to-use' PPA calculator is currently being developed and will be made available on the website to assist businesses in understanding the payments options available based on indicative monthly repayment amounts or PPA duration.

ACTION POINTS

Revenue forward details of Debt Warehousing statistics (Provided 11th December 2023)

Agenda Item 7: Revenue Online Services (ROS) Update

Revenue confirmed that the Form 11 is due to be released for 1 January 2024, however it will not include the legislative changes included in the 2023 Finance Bill for Mortgage Interest Tax Credit or Rent Tax Credit updates, and those changes will be included in a later release of the Form 11. It is intended that the NLWT deductions, etc., will be pre-filled to the 2023 form and again that will be in a later version of the Form 11. The 'Form 11/Form 1 Firms' will be released for 1 January. The TALC request to prefill ePSWT information is being developed and will likely be included in a later version.

The Form CT1 2023 is available since April 2023, and the updated version of the Form CT1 2023 to include the R&D changes is due to be released shortly.

Agenda Item 8: VAT RTD

Revenue advised that the TDM will be available before the end of the year (2023).

ACTION POINTS

Revenue to publish the TDM (VAT RTD). (Published 16/01/2024)

Agenda Item 9: PAYE

Revenue outlined that the development for the Employment Detail Summary (EDS) has been pushed out due to competing IT priorities. ITI queried if the EDS is created for 2023, when the development is completed will customers be able to go back in to see 2023 – Revenue advised that as part of the fix, that would be the expected outcome.

ITI raised an issue that certain information is not currently available on the EDS – requiring practitioners to go into each payroll submission which can be very time consuming, particularly where payroll submissions are weekly. Revenue advised the EDS was created as a replacement for the P60 and so contains the same information that was traditionally available. Revenue requested ITI to forward information for consideration for inclusion on the EDS in the future.

Revenue outlined that for the years 2019, 2020, 2021, & 2022 – on average approx. 1.1M returns were filed for these years. 74% of these returns resulted in an overpayment. Excepting 2020, 10%-15% resulted in an underpayment (2020 was closer to 20%-25% due to PUP, TWSS, etc.).

ACTION POINTS

ITI to forward details of additional information preferred for inclusion on the EDS (forwarded 1st December 2023).

Agenda Item 10: Enhanced Employer Reporting Update

Revenue outlined they have had approx. 40 engagements with a mix of employers, representative bodies, agents, & software providers. Numbers of attendees at these engagements range for 40/50 to 1,000+. There are also ongoing sessions hosted on EventBrite – approx. 24-26 have been completed to the end of October with another 8 planned before 14th December 2023. Consideration is being given to providing additional sessions in the New Year.

Revenue advised there are currently approx. 74 Service Providers registered to engage with Enhanced Employer Reporting – and that approx. 55-60 providers attend the “service user group” meetings. CCAB-I queried if Revenue are confident that enough of the service providers are engaged to cover enough of the employers. Revenue advised that PSDA members account for about 50% of

those attending the unit group meetings and the remaining are various other entities. These meetings continue to be held.

Agent access is live, and agents can now apply for their authorities. 'Financial agents' do not need to take any action as the ERR permissions will be automatically applied. For 'payroll only' clients they must cancel their 'payroll only' authorisation and reapply for 'Payroll and ERR' in ROS. A temporary facility has been offered to agents with 6 or more clients where they are currently listed as 'payroll only' informing them of the new options for ERR that are available and offering the facility to send the relevant forms to Revenue for updating. This facility required agents who need the new permissions for these clients to submit the details by 1st December 2023 as the system goes live in the second week of December. Revenue will consider late submissions. Agents with 5 or less will get a letter explaining the need to apply for the new permissions in ROS themselves. The TDM issued recently and will be updated before the end of 2023.

A recorded webinar is available on the Revenue ERR hub and instructions/guidance on how to file the ERR submissions through the ROS service screens or the file upload. There are instructions to be published to the ERR hub surrounding conversion of files from .CSV files to JSON file.

IT raised a concern around the conversion of files for small businesses who may not necessarily have the IT capabilities to comply with the requirements. Revenue advised they are aiming to make the guidance more 'business appropriate' rather than 'technical appropriate'. ITI also queried if it would be appropriate to provide a template for small businesses – Revenue advised there will be feedback provided when a file is uploaded but will look at guidance to make sure it is as clear as possible. Technical areas have advised that a template is not the best option as many things can go wrong – Revenue would not have the capacity to support this.

CCAB-I expressed that this process should be made as simple as possible as they are concerned that it is an onerous process for something that should be easy. CCAB-I also outlined that their members are concerned that due to December time restrictions, payrolls will be running early – they are concerned about the turnaround time for de-registration/registration for 'payroll agents'. Revenue advised that the turnaround is approx. 1-2 business days.

CCAB-I also expressed they feel communication hasn't been clear as to what a 'Financial Agent' is versus a 'Payroll Agent'. Revenue will take that point back and consider.

ACTION POINTS

Revenue to update the TDM and FAQ document for ERR

Revenue to forward link to the recorded webinar for ERR

Revenue to publish instructions and video with instruction for conversion of files for ERR (all published/provided through the ERR Sub-Committee)

Agenda Item 11: Debt Management Services (DMS) Update

Revenue advised that the Debt Management System (DMS) is currently operating as 'Business as Usual', with Demands, Estimates, etc. issuing in timely fashion. Revenue's message remains – if a customer receives a notice please don't ignore it, and if there is a difficulty in addressing the compliance issue, contact Revenue to discuss the options available to rectify the situation. Revenue also reminded practitioners that the IT/CT non-filer programme is now operated through DMS – again, if customers receive a notice under the IT/CT non-filer programme, action as set out in the reminder is required, i.e. file the outstanding return or deregister if no longer a chargeable person. As is standard, there will be the usual collection slowdown of action over the Christmas period.

CCAB-I raised a query over a change in the Finance Act whereby there will no longer be a requirement to be a chargeable person solely on the basis of holding a foreign bank account – will customers need to de-register their Income Tax registration. Revenue advised that the customer who is no longer chargeable is required to cease his or her income tax registration. Revenue agreed to include a reminder about this in the annual ROS Form 11 reminder that issues annually in mid-year.

ACTION POINTS

Revenue to include a note in the ROS reminder to deregister for IT as appropriate following a change in the Finance Act

Agenda Item 12: Pay & File 2023

Revenue provided an update that 592k returns were filed which is up nearly 4%, and some 97% of timely filed Forms 11. ROS payments were €3.2bn, up nearly 5% on last year. Revenue also provided that 366 cases entered a PPA for Income Tax 2022 for €1.7M of Income Tax liability.

Revenue outlined there was an issue with the Statement of Net Liabilities (SNL) on 1st November 2023 which resulted in refunds issuing rather than amounts being offset to the customer's 2023 Preliminary Tax as requested on the SNL. The issue was identified quickly and fixed. However, c.1,000 customers were impacted and will be contacted in early January 2024 to review their Preliminary tax position for 2023.

Revenue noted the issues raised by ITI about the absence of the agent copy of the Form 11 output for returns filed on November 14 and 15 and is following up on the matter raised.

ITI also raised a query over RDI's being rejected. Revenue advised they were aware of issues in a small number of cases where cases were merged, but not aware of any general issues – requested ITI to forward specific details of cases affected.

ACTION POINTS

Revenue to provide breakdown of online filers vs Return Preparation Facility (RPF) users. (provided 12th December 2023)

Revenue to follow up on practitioner issues from 14th/15th November.

ITI to forward details of specific cases where RDI's were rejected.

Agenda Item 13: Form 12 Filings & AVC Claims

Revenue outlined that it has always been a requirement for a taxpayer/agent to provide supporting documentation to verify a claim for AVC relief. Heretofore, claims made on a Form 12 would be diverted for manual verification, following which a Revenue officer would request supporting documentation. The enhancement to myAccount frontloads this requirement at the point of filing the return in order to ensure that information is included at the earliest point in time possible. If a formal AVC certificate is not available, the taxpayer/agent can upload a document which details the same information, which is required to be input on the Form 12 in any event. The absence of communication of this change prior to its implementation is due to an unfortunate oversight, for which Revenue expressed its regret. This was acknowledged by ITI who outlined that changes like this can have a large impact on smaller clients so it is better to be informed prior to any changes.

Agenda Item 14: Rent Tax Credit

Revenue advised that Rent Tax Credit (RTC) claims can now be made on the Form 12 for 2022 for newly qualifying claimants. For those who have already filed a Form 12 ITR for 2022 they can amend the claim if now qualifying. Revenue also advised there were 251,156 Form 12 claims for RTC for 2022 with 72,625 in year claims currently for 2023.

Revenue also outlined that 7,600 RTC claims were made on the 2022 Form 11 (of the 590k+ returns filed). The amendments to the RTC eligibility for 2022 provided for in Finance Bill 2023 have not been included in the Form 11 2022. Given the smaller volume of RTC claims on the Form 11, the process by which the updated claims can be made is being considered and depending on the work involved, may involve a manual process. After the Finance Act provisions are enacted, updated guidance will be issued and the updated process will be communicated there. It was confirmed that it is not possible to add the 2022 RTC claim on the Form 11 2023 as it needs to be part of the 2022 tax year on the customer's record. In reply to a query, Revenue will consider updated guidance about how any refund arising could be processed and if it is possible to deal with customer/agent requests that any refund arising be offset to preliminary tax 2024 (which ordinarily would require a MyEnquiries contact).

ACTION POINTS

Revenue to update the TDM and Website for ability to claim the Rent Tax Credit on the Form 12

Agenda Item 15: ePSWT

Revenue confirmed that the warning message is intended to highlight that any changes to the prefilled information can give rise to follow-up queries. The wording can be looked at to reflect that. Regarding a query about the changes in the Finance Bill 2023, the detail of the legislative change is published on the report stage amendments on the Oireachtas website (at this [link](#), and section 38 includes the updates to legislation which aim to provide that the HSE can make payments under the GMS scheme to a partnership).

The medical practitioner to whom the new section 1008A applies and who is in a medical partnership as defined within that section will furnish the tax number of the medical partnership to the HSE and the HSE will operate PSWT on the partnership tax number, as the income is deemed to be that of the medical partnership. Section 1008A if enacted will come into effect from 1 January 2024. The payments will be made to the partnership under its tax reference number and the PSWT deduction will be notified and recorded under that reference number. CCAB-I asked Revenue to outline how and when the partner(s) and partnership would make a joint declaration that the GMS payments and attaching PSWT were to be allocated to the partnership.

Agenda Item 16: Remote Working Relief

Revenue advised that statistics for Remote Working Relief (RWR) by sector are not available. However, they provided the following overall detail:

2020 – 115,526 claims on Form 12 to the value of circa €15m
2021 – 107,247 claims on Form 12 to the value of circa €17m
2022 – 102,103 claims on Form 12 to the value of circa €31m
2023 – 50396 In year claims to the value of €704k

Agenda Item 17: AOB

- As the 2023 comes to a close, the chair of TALC Collections Sub Committee moves from Revenue to the Law Society.
- Law Society will engage with Revenue for the handover of Chair/Secretary duties.
- Meeting dates for 2024 will circulate in early 2024 in line with Main TALC dates.

In attendance:

Revenue

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

CCAB-I

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

Law Society

Deirdre Barnicle (via Teams)

ITI

Mary Healy
Paul Wallace
Andrew Thompson
Lorraine Sheegar