

## Minutes of meeting of TALC Sub-committee on Collection issues

Date: 8 March 2018

Venue: Conference Room 1, Ground Floor, Blocks 8-10, Dublin Castle

### Approval of minutes of the meeting held 6 December 2017

The minutes were approved as proposed.

### Matters Arising

The chairman thanked the outgoing Collector General Mr Mick Gladney for his contribution to the subcommittee and wished the incoming Collector General Mr Joe Howley the best in his new role and noted that the committee members look forward to working with Mr Howley.

### Workplan

#### **PAYE Modernisation Update (Revenue presentation)**

Revenue gave an update on progress on PAYE Modernisation and the design of the ROS system.

Some of the main features of the new ICT infrastructure are:

- Submissions will be acknowledged in real time
- Warnings will issue if; the correct PPS number is not used or an incorrect RPN
- Submissions can be reviewed by filers and reconciled with payroll records

There is ongoing engagement with various stakeholders as the project progresses. At the current stage the focus is on employers and tax agents.

Payroll software suppliers will begin their testing phase at the end of the month. Revenue is working closely with the software suppliers, bi-weekly meetings are taking place.

The Revenue's national compliance campaign continues, the focus is on the; correct use of P2Cs, complete employee details and correct PRSI rates. Where risks are identified the appropriate Revenue compliance interventions are being taken.

Letters will issue from Revenue in April and September to all employers advising them of the new PAYE real time reporting system.

Revenue is reviewing the 2017 P35 returns and is currently issuing P2Cs to employers based on the information returned.

Revenue reviewed the employer registrations, according to their records, there are approx. 217,000 employers registered for PAYE, but only 165,000 with active employees. There are approx. 23,000 employers filing regular nil P30 and P35 returns. Revenue asked the committee for insight into the significant number of nil filings and if such employers should cease their PREM Reg. The committee discussed a number of reasons for such nil filings; economic conditions, newly tax registered employers, automatic registration for PAYE as part of the overall tax registration process and misunderstanding about the ease of deregistering and re-registering. Revenue will consider updating their guidance on this area to highlight the option to employers to cease their registration and re-register and other relevant clarifications.

Revenue asked for insight into how employers register for, and operate their payroll in cases involving directors' salary. The committee discussed the practice for employers to file their payroll returns on behalf of their directors separate using a second employer number while the payroll for employees is managed and filed by their payroll operator. This is because the salary details and personal information of directors is required to be kept private and separate.

Revenue visits to certain employers, mainly those with a small number of employees, will commence in May. The focus of such visits is to inform and assist such employers with their move to real time PAYE reporting. The visits will be carried out by the Revenue regions. The committee asked for an update at the next meeting on the key outcomes from such meetings.

### **Debt Management Services**

A more seamless integrated internal Revenue process is due to commence on 1 January 2019. A new system is under development to replace the legacy system. Revenue will provide an update at the next meeting.

### **MyEnquiries**

In response to practitioners' request for an offset function and examples submitted to Revenue in advance for their consideration. Revenue pointed out that manuals, etc. were updated to increase awareness of the offset functions already available within ROS. In relation to queries about correspondence about offsets, Revenue said that a new category could be introduced to MyEnquiries to make it easier to identify 'offset' queries, which would continue to be dealt with in accordance with Revenue's current customer service standards. Reducing the standard for replies to such queries would involve a wider discussion in Revenue. In relation to the request for a CGT and Income Tax offset function, Revenue advised that it is being reviewed as a facility on the Form 11, and would need to be costed and prioritised.

Practitioners suggested that Revenue review the Statement of New Liabilities and the RDI instruction for a method of introducing an offset facility. It was pointed out that Revenue operate offset instructions in accordance with Section 960H of the TCA.

Revenue confirmed that offset requests/queries should be directed to the relevant Tax District for IT/CT/CGT and to Collector Generals for VAT and PAYE/PRSI.

### **CAT Payments**

A facility for tax agents to make payments using RevPay is on the Revenue's development agenda. It is unlikely to be available before the second half of 2019.

Practitioners stressed the urgency for a solution to the current difficulties with CAT payments and the CAT online facility overall. Revenue reminded the committee of the current CAT Strategy 2018 – 2020. Revenue stated that they would be happy to meet with practitioners to discuss their CAT concerns.

### **VAT Registrations**

Ongoing delays noted but no particular concerns raised at the meeting.

### **ROS Issues**

Practitioners highlighted an issue whereby ROS will not accept PPS numbers for stamp duty purposes where the individual is not registered for Irish income tax. A case by way of example concerns a non-resident, non-domiciled individual who has an Irish PPS number but is not income tax registered; ROS will not accept the PPS number for stamp duty filing purposes. The advice from the Revenue ROS helpdesk was for the individual to submit a paper TR1. Practitioners also discussed the requirement to obtain a GNIB (now the Irish Residence Permit) in such cases. Revenue will consider the matter.

**Simplification**

Practitioners raised these issues and Revenue advised that they will be considered along with the suite of IT developments going forward. FORM 11 -

Simplification of the pension calculation section

- a. CGT section – to allow you to tick a box to indicate if there has been no disposal in the year
- b. Explanation of the rental allowances section in “plain English”

Practitioners requested a pre-population of withholding tax credits, for example PSWT credits and DIRT. Revenue advised that currently such information is not captured by electronic means, such information is provided to Revenue manually i.e. by paper forms. Therefore it is not possible for this information to be pre-populated on the ROS Form 11 or Form CT1, the Revenue systems cannot support pre-population unless the information is supplied to Revenue by electronic means. Practitioners were advised that the request for an electronic withholding tax system is a policy matter.

**Form P45 Employee**

Revenue was asked if an individual leaves employment should they be removed from the P2C when the relevant part of the Form P45 has been filed with Revenue. Revenue responded that they do not review current year P2Cs, employees will be included at the beginning of the year and those who cease employment during the year will remain on the P2C. Such employees must be recorded on the P2C as they were an employee at some stage during the year.

Form P45 will not be a feature in PAYE Modernisation from 01/01/2019 and P2Cs will be replaced by the Revenue Payment Notification (RPN).

**VAT RTD Compliance**

Practitioners have identified areas of the RTD that require clarification and these will be submitted to Revenue for their consideration.

Practitioners suggested that smaller taxpayers below a certain threshold be exempt from the requirement to file the RTD.

Revenue advised that they are not experiencing any particular issues due to outstanding RTDs.

In the case of applications for tax clearance, RTDs for the previous two years must be filed with Revenue, otherwise tax clearance will not issue.

**PAYE Services**

Revenue advised that there is an up-to-date list available re which credits or rate band allocations etc. can be requested on the service. The list is published in Revenue Tax and Duty Manual at 2.2.2 and 2.3.1.

**Notional Allocation Form**

Practitioners had advised that reallocation requests made solely via TLS/MyEnquiries were not being accepted by Revenue and that the reallocation form has not been updated for full self-assessment legislation and still included reference to section 958 which is now obsolete.

Revenue advised that reallocation requests made solely via TLS/MyEnquiries are and have been accepted. Revenue further advised that that updating of the reallocation form is imminent.

### **Investment Undertaking Tax and Agent Link Forms**

Revenue was asked to consider adding an option for agents to link to Investment Undertaking Tax from the outset at Agent Link form stage on ROS. Revenue agreed to consider the request

### **Access to information following a change in agent**

Revenue reviewed the options available to provide historic taxpayer information to a new tax agent in line with Data Protection requirements. Given technology restraints at the moment there are not many options available to Revenue, one option under consideration is making past tax returns available to the taxpayer to view online which can then be passed to the tax agent.

This matter will be kept on the agenda.

### **Form 12 2017**

The online Form 12 is available since 1 January 2017. The paper form is due in the coming weeks. A Form 12S for 2017 will follow.

### **AOB**

ROS Inbox – Revenue will consider practitioners’ request for ROS to state the date a refund of tax issued.

VAT Form - Input and Output details – Revenue will look to provide the information on ROS to the tax agent who is not the VAT agent

Phone system – Revenue will review the duplication of the PPS number requests

CbCR ROS uploads – the upload success flag is not clear, filers still have to check that the return is filed correctly and accepted by Revenue. Revenue will look into this.

CbCR FAQs – at page 48 it states that agents should allow 24 – 48 hours for the reporting obligation to be registered however, in practice it is taking 3 days. Revenue will review this.

CbCR reporting period – Revenue was asked to clarify by way of a FAQ the reporting period in cases where the period differs between the ultimate parent and the reporting entity.

### **Dates for next meetings**

All meetings to be held in Conference Room 1, Ground Floor, Dublin Castle

Wednesday 13 June: 10.30 – 12.30

Tuesday 2 October: 10.30 – 12.30

Thursday 6 December: 10.30 – 12.30

### **Action Points**

	<b>Responsible</b>	<b>Timescale</b>	
Updates to Revenue guidance on PAYE registrations and related matters	Revenue	In advance of next meeting	
Revenue to review tax offsets suggestions from practitioners	Revenue	In advance of next meeting	

Review of the ROS rejection of PPS number in stamp duty filing cases for non-resident individuals.	Revenue	In advance of next meeting	
Practitioners to submit to Revenue areas of the RTD that require clarification	ITI	In advance of next meeting	
Option for agents to link to Investment Undertaking Tax from the outset at Agent Link form stage on ROS.	Revenue	In advance of next meeting	
Explore possibility for displaying the date of the tax refund on ROS	Revenue	In advance of next meeting	
ROS facility to provide information on VAT input and output details as returned on VAT 3	Revenue	In advance of next meeting	
Revenue to confirm the upload success for CbCR submission on ROS	Revenue	In advance of next meeting	
CbCR FAQs to be reviewed and updated where necessary	Revenue	In advance of next meeting	

**Attendees at the meeting:**

**CCAB-I**

Mr Gerry Higgins (chairman)  
Mr Ray Kilty  
Ms Kimberley Rowan

**Irish Tax Institute**

Ms Mary Healy  
Ms Sandra Clarke  
Ms Fiona Carney

**Revenue**

Ms Lucy Mulqueen  
Ms Maura Conneely  
Ms Ruth Kennedy  
Mr Leonard Burke

**Apologies:**

Ms Aisling Meehan – Law Society  
Ms Deirdre Barnicle – Law Society