

Minutes of TALC Sub-committee on Collection issues

Date: 29 Sept 2020

Via Zoom

Item 1: Minutes of meeting held 25 June 2020

The minutes were approved.

Item 2: Matters arising

There were no matters arising.

Item 3: Warehousing of Debt

Revenue informed practitioners that two forms of letters were due to issue to customers warehousing debts by 15 October: one letter sets out the returns outstanding for Covid and non Covid periods and also the Covid period liabilities on record while the other letter confirms the liabilities that have been warehoused where the customer has filed all the relevant returns. Revenue agreed to circulate a copy of these letters.

Revenue informed practitioners that it was assumed that the standard 31 August end of period date applies unless Revenue are notified. It was noted that the second C-19 lockdown/Stage 3 restrictions does not necessarily lead to a shutdown of all businesses. Revenue confirmed they were taking a pragmatic approach: they are accepting that after a shut-down/restriction the tax period will re-commence from the second re-opening of the business.

ACTION POINT

Revenue to circulate copy warehousing of debts letters due to issue to taxpayers

Letters sent to Norah Collender on 08/10/2020

Item 4: Phased Payment Arrangements – “non-warehoused” debt and reduced interest rate

Revenue confirmed that they are aware that representations have been made to extend the Phased Payment Arrangements deadline of 30 September but that no decision had been made in this regard. Revenue suggested two options in response to concerns raised with practitioners where taxpayers are having difficulties complying with an Arrangement due to Stage 3 restrictions. The options are: self-service: a deferral of one month which involves no interaction with Revenue or an application for a payment break (which has been extended from six to twelve months).

Practitioners pointed out that the cessation of the Banks payment breaks may have an impact on Revenue payments. Revenue suggested that taxpayers should engage with Revenue if they have payment difficulties.

Revenue confirmed that all debt management activity and enforcement processes continued to be on hold.

Item 5: Pay and File Arrangements

Revenue referred to their eBrief which issued on 17 September confirming the four week extension for self-assessment/CAT returns i.e. from 12 November to 10 December 2020 for taxpayers who Pay and File through ROS.

Revenue informed practitioners of the removal of the online banking payment (EFT) option on the ROS Form 11 payment screen due to requirement for manual intervention and delays in allocating payments to taxpayers. Revenue agreed to circulate a note in this regard after the meeting.

While practitioners welcomed the extension date for returns, they raised concerns regarding those who cannot pay and sought an extension for this group also or at least an alleviation of surcharges.

Revenue agreed to co-ordinate with the ROS Help Desk to review phone helpline availability around the ROS Pay & File deadline and update at the next meeting.

Revenue confirmed that taxpayers were required to inform Revenue if they wished to move the RDI to 10 December.

ACTION POINTS

Revenue to circulate a note regarding the removal of the EFT payment option on the ROS online payment screen.

Revenue to review phone helpline availability around ROS Pay & File deadline and update at next meeting.

Item 6: Proposed Form 11 changes 2020

Revenue presented on the changes to the Form 11 explaining that changes were required to avoid unnecessary Revenue Intervention due to filers leaving non-mandatory fields blank, mandatory fields being populated as NIL and entering incorrect amounts.

Revenue explained that changes will be made to Extracts From Accounts, Self-Employed Section where the Turnover exceeds €20,000. This will impact approximately 31% of Form 11 filers and will involve changes to Form 1 also. Benefits envisaged include improving the integrity of data which will facilitate risk profiling, minimising unnecessary contact with compliant taxpayers leading to a more consistent approach to how cases selected for a Revenue Intervention and assisting accurate data entry by filers.

Revenue explained that the 'Capital Account and Balance Sheet Items' will now appear after the 'Adjustments made to Profit/Loss per Accounts' section.

Revenue informed practitioners of specific Changes to the Form 11 as follows:

- The Date of Birth field in the Personal Details Section is now mandatory;
- Purchases field in the Trading Account Items Section is now mandatory;
- Six existing fields in the Expenses and Deductions Section are now mandatory. Sub-contractors Other, Rental Expenses, Additional Staff Costs and Other Expenses – Negative/Credit Entries are new mandatory fields in this Section;
- A new calculate button (to populate Net Profit/Loss) has been added to Extracts from Adjusted Net Profit/Loss computation Section;
- Under Section Adjustments made to Net Profit/Loss Accounts, a new check box (if there are no entries) and a new calculate button (to populate 'calculated adjusted net profit/loss) has been added, seven existing fields are now mandatory and three mandatory fields have been added (Deduction for increase in carbon tax under section 664A, other Addbacks, Other Deductions);
- A validation message (where turnover exceeds €200,000) is now displayed to confirm if section completed with Nils in mandatory fields and other fields are blank in Capital Account and Balance Sheet Items Section.

On Practitioners request, Revenue agreed to take on board concerns and include the reason for requesting additional information in the Changes to Form 11 Guidance i.e. to avoid unnecessary Revenue intervention. Practitioners also suggested that showing evidence of the reduction in interventions following the changes made would be helpful to their members. Revenue also agreed to consider reducing information boxes on the Form 11 if there is information that is not necessary.

ACTION POINTS

Revenue to include reason behind changes to Form 11 in guidance.

Revenue agreed to consider reducing the information boxes on Form 11 if appropriate.

Item 7: DMS update

See item 3 above.

Item 8: ROS Issues

Revenue confirmed that there were no particular updates to report other than the prescription of Form CT1.

Item 9: PAYE Modernisation

Revenue reported on the following stats:

1. 4.5 million submissions this year
2. 177, 500 employers submitting information this year;
3. 740,000 statement of liabilities have issued for year ended 2019;
4. 98% tax returns online.

The high level of electronic usage was noted.

Revenue informed practitioners that the end of year processing systems are in place with an end of year statement now available through MyAccount. PAYE customers can make a return, apply for health expenses and Stay & Spend credit and finalise liabilities through My Account.

Revenue noted that TWSS/PUP were not taxed in real-time which will impact on PAYE customers liabilities. A press release regarding the reduction in tax credits over a four year period for any TWSS/PUP tax liability issued on the 25th of September. Revenue confirmed that customers could elect to partially or fully pay the liability but where this does not occur it is coded. Revenue also explained that employers could reverse out of TWSS by repaying the subsidy and the employees' tax burden. Furthermore consideration is being given to allowing employers to opt to pay the employees tax burden in part or in full and this would not be considered a BIK. Version 19 of the FAQ's will outline these options. Revenue recognised the importance of getting the right message across and thanked the practitioners for providing platforms for enabling this.

Practitioners queried if the flu-jab was considered a BIK or a work related expense. Revenue agreed to examine the request and revert.

Revenue explained how the Stay & Spend credit system will work: the credit is available from 1 October to 31 March. To avail of the credit taxpayers must download the receipt tracker app (which can also be used for health expenses, trade expenses, tuition fees etc.) and upload the receipts (either to the App or MyAccount) spent with registered providers (currently 1,324 providers registered). The receipts will be pre-populated to the 2020 tax return.

ACTION POINTS

Revenue to update TWSS FAQ's.

Revenue to examine request on flu-jabs and BIK.

Item 10: Reporting on subgroups

myEnquiries sub-group:

Revenue confirmed that they were not aware of any issues. Practitioners again welcomed the fast turnaround on queries raised via MyEnquiries. Practitioners suggested that certain queries could be dealt with a quick call. It was suggested that a meeting of the sub-group might take place in January.

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Revenue reported that the deadline for the filing of CT1 had just passed.

Item 11: PSWT (update item)

Revenue reported that the plan to work on e-F45 has been pushed back to devote resources to the stimulus measures but that the business case had been made and development was expected in 2021 (second half).

Item 12: AOB

Revenue confirmed that the update to the website regarding non-residents rental income will be completed shortly.

Revenue reported that September return filings were down 7 to 8 thousand.

Revenue confirmed that the Reconciliation Process is a work-in-progress. Practitioners again stressed the difficulty with meeting the 31 October deadline and the immense pressure on clients and agents in the months from September to December. Revenue pointed out the implications for the reconciliation process e.g. employee refunds, if payment/return deadlines are extended. Both Revenue and Practitioners acknowledged that the issue was of concern.

Practitioners welcomed the surcharge suspension and asked for it to be maintained.

Attendees

Law Society	Revenue
Ms Ruth Higgins (Chair)	Mr Leonard Burke
Dr Rachael Hession (Minutes Co-Ordinator)	Ms Maura Conneely
	Mr Gearoid Murphy
Irish Tax Institute	Mr Pat O'Shea
Ms Mary Healy	Mr Joseph Howley
Ms Lorraine Sheegar	Mr Justin Walsh
Mr Paul Wallace	Ms Leanne Cowen
Mr Andrew Thompson	Ms Gillian Morrow
CCAB-I	
Mr Gerry Higgins	
Ms Nora Collender	

Next Meeting

17th November 2020 at 10:30 am.