

Minutes of TALC Sub-committee on Collection issues

Date: 6 September 2022

Via Microsoft Teams

Agenda Item 1: Minutes of meeting held on 21 June 2022 and matters arising

The minutes were finalised and approved.

Agenda Item 2: Non-Resident Landlords

At 31 August 2022 Revenue published a Tax and Duty Manual (TDM) Income tax return form 2021 ROS Form 11 (Part 38-01-04), detailing the procedure for filing Form 11 2021 returns for non-resident landlords who did not have the relevant arrangements in place in 2021. Revenue has also prepared a webpage with practical information for non-resident landlords due for imminent release and ITI has provided observations on its contents. Practitioners requested that Revenue monitor common queries submitted to them to identify additional practical guidance to add to the webpage, as required. It was noted that there will be a cohort of non-resident landlords who have Irish income, other than rental income, and will therefore have to file a Form 11 in their personal capacity and a process to avoid duplication from the submission of two returns and receipt of two assessments will be needed. Practitioners considered that the requirement to submit two returns may be minimised for Form 11 2021, as these non-resident landlords may rely on the workaround provided in the TDM. The issue is more likely to arise in respect of 2022 Form 11 filings.

Revenue confirmed that it is tracking queries in relation to non-resident landlord filings and invited practitioners' feedback and examples that will act as useful worked examples for any required updates to guidance.

The tax treatment of corporate non-resident landlords changed to corporation tax from 1 January 2022. Income tax payments may have been paid over that companies may now wish to allocate to preliminary corporation tax. ITI asked if these allocations could be facilitated by agents sending a spreadsheet of allocations to the Collector General rather than by individual requests via MyEnquiries? Revenue requested further clarification from ITI.

ACTION POINTS

ITI to provide examples to Revenue related to non-resident landlords where two returns are required, when available.

ITI to clarify preliminary tax set off query.

Agenda Item 3: Issue re: Directors Emoluments

Previously ITI noted that it is cumbersome filling out the panels on the Form 11, with some confusion arising between requirements per the TDM and per the panels in the Form 11, and suggested more clarity would be useful, highlighting that directors' emoluments are a focus of Revenue reviews. Revenue has agreed to review this matter in the Form 11 2022 with a view to minimising confusion.

Agenda Item 4: Debt Warehousing scheme

For the majority of businesses in the Debt Warehousing Scheme Period 2 will end on 31 December 2022 and Revenue intends to contact taxpayers in October 2022 requesting they make arrangements to repay the warehoused debt. Those eligible for the April 2023 Period 2 extension will receive letters in February 2023.

Phased Payment Arrangements (PPA) must be applied for through the normal online channels and will be subject to caseworker approval. Revenue acknowledged the upcoming Pay & File season for

tax agents, and the scale of the task ahead for tax agents and Revenue working to put PPAs in place for over 70,000 customers by 31 December. Revenue is not currently setting an end date by which a PPA must be finalised, it is expected to be in early 2023. A standard PPA will have a down payment of 25% and duration of up to 36 months in duration, these applications can process very quickly. However, it is expected that many applications will be non-standard and additional documentation may be required in such cases. Revenue advised that ROS has been amended to allow VAT repayments to be offset against warehoused debt.

Revenue reassured the meeting that the Collector General's Division has a strong track record in agreeing sustainable payment arrangements with viable businesses. CCAB-I queried the timeframe to make a down payment once a PPA had been agreed, given that the immediacy of the payment acts as a disincentive for early engagement. Revenue agreed to assess the flexibility of the process in this regard.

As part of a compliance campaign commenced in May, Debt warehousing arrangements have been revoked from taxpayers that continue to have outstanding returns despite a number of reminders and contacts. The debt in the warehouse for revoked cases is now subject to immediate collection and standard interest rates. Customers can be reinstated back into the warehouse if outstanding returns are brought up to date and current taxes are maintained.

ACTION POINTS

Revenue to update practitioners on flexibility of down payment process to encourage early engagement by taxpayers

Agenda Item 5: ePSWT

Difficulties raised previously by Practitioners on the allocation of PSWT withheld in the medical sector where the treating doctor is employed by a practice or is one partner in a partnership that is assessable on the GMS income were again noted. By way of background, issues include practice visibility on tax withheld in relation to practice income as the credit is visible on MyAccount to the treating doctor only, and inability to claim the PSWT credit against practice income according to the partnership arrangement. Practitioners queried whether Revenue has an update on the matter.

Revenue has no update on the progress of this matter. Practitioners highlighted the need for clarity and a practical solution and ITI outlined the status of its engagement with RLS division on the matter.

There was no update regarding a proposed meeting between Revenue's RLS division and practitioners.

Agenda Item 6: VAT RTD

Revenue confirmed that a new TDM on VAT Return of Trading Details (RTD) is being developed and a draft version will issue for practitioner review before finalisation. ITI had submitted some suggested areas for clarification in guidance.

ACTION POINTS

Revenue to issue draft TDM for review.

Agenda Item 7: Tax clearance certificates

Revenue re-iterated that taxpayers deal with outstanding compliance issues to ensure they retain valid tax clearance status.

Agenda Item 8: ROS

Bulk RCT letters to issue second Saturday of each month. The letter now gives a reason for change in RCT rate so no need to login to ROS.

CCAB-I queried Form 11 2021 upgrade message on ROS Offline application. Revenue confirmed that the message will continue to appear after the user has downloaded the upgrade and should be ignored. Revenue is working on a fix.

Practitioners queried whether or not information that had been entered in the ROS Offline regarding Form CT1 2021 before the IT release of August 15 could be recovered. Initially Revenue thought it could. However, following the meeting Revenue confirmed that

- CT1: Any returns that had been received by Revenue **before** the IT release of August 15th were fixed by Revenue and can be accessed, viewed, etc. now.
- However, any ROS Offline CT1 forms that were work in progress in the Offline before the IT release on August 15th need to be restarted again before they can be submitted to Revenue. (An eBrief and updated TDM were subsequently released on 13 September to outline a technical fix for impacted ROS offline returns and clarify that Revenue resolved issues on impacted ROS online returns).

ITI reported an error message received when accessing prepopulated Form 11 2021 stating the form could not be amended, even though it had not yet been filed. Revenue noted the IT update had no impact on the ROS Form 11 but case details can be provided so it can be investigated.

ACTION POINTS

ITI to forward error message details to Revenue for follow up.

Agenda Item 9: eCG50

Revenue plan to issue an updated TDM after 10 October 2022. Revenue confirmed that its release is delayed as there are still issues regarding the size limit of 10MB for file submissions and is investigating a fix.

ACTION POINTS

Revenue to issue updated TDM and investigate a fix for size limitation.

Agenda Item 10: CG50

The Law Society identified issues regarding non-resident entities disposing of an interest in security over Irish land where the Irish land makes up less than 50 per cent of the overall security package.

Revenue agreed to forward the issue to RLS for consideration. Revenue will follow up on matter.

ACTION POINTS

Revenue to contact RLS for review of issues.

Agenda Item 11: Non-resident DWT refund claims

CCABI-I highlighted the additional requirement of dividend vouchers for non-residents making DWT refund claims as Revenue will not accept a foreign Tax Pack as evidence of DWT deducted. Revenue outlined its need to verify the authenticity of a claim and the chain of ownership, particularly in situations with complex dividend flows. Hence its requirement for exacting supporting documentation and strict implementation of its procedures.

Revenue confirmed that the DWT section will contact relevant agents directly to progress matters.

ACTION POINTS

Revenue to raise this issue with specific unit dealing with the case.

Agenda Item 12: Ulster Bank/KBC exit from Irish banking market

Revenue thanked practitioners for reminding taxpayers to update their bank details for both online payments and repayments where they have changed banks as a result of Ulster Bank and KBC exiting the market. There will be further reminders and pop-up messaging on the appropriate customer-facing screens from 10 October 2022. A reminder notice will issue in the coming month to ROS registered customers who continue to use an UB/KBC account for their recurring payments and refunds. Revenue confirmed it is accommodating the 'switching code' and processing switcher forms as they are received.

Agenda Item 13: LPT Update

Revenue reported significant compliance rates for LPT for 2022, with 91% returns compliance to date and an estimate of 96% payment compliance for some two million properties. Revenue engaged in 500,000 phone calls relating to LPT compliance so far in 2022.

As the valuation date of 1 November 2021 applies to all properties, a notional valuation at that date is required for new properties not existing at that date. Revenue recognised that this may cause some confusion for taxpayers. Revenue advised that local authority adjustment factors for 2023 would be available after October.

Revenue noted that a late filing surcharge in respect of income tax, corporation tax and capital gains tax can be applied where a liable person is not fully compliant with their LPT obligations. There are currently circa 30,000 Form 11s exposed to the LPT surcharge. Customer service notices advising non-compliant cases will be issued in September/October 2022. Practitioners requested sight of a sample letter.

ACTION POINTS

Revenue to provide practitioners with a sample letter.

Agenda Item 14: Debt Management Services

Revenue noted that it has now returned to standard debt collection for all customer, including Business and Personal Division customers. This includes the issue of requests for payments, the issue of VAT estimates in the absence of a VAT return and the use of enforcement action where debts remain outstanding. Any customer who has lost the benefits of the warehouse (revoked) as part of the recent compliance programme will have warehoused periods included in standard debt collection processing and be subject to standard interest charges.

Agenda Item 15: PAYE

Where PAYE individuals (non-resident) had exercised all the duties of their PAYE employment abroad during 2021 (as they relocated during or post pandemic), in some instances PAYE was deducted from their remuneration and the employees are now seeking a PAYE refund under section 821(1)(a)(ii) TCA 1997. Practitioners sought clarification of the supporting information Revenue require to validate and process the refund. Revenue noted that, in the absence of employer confirmation, confirmation is required from the foreign tax authority as to the employee's foreign tax position. Practitioners asked if the Form 12 could be designed to capture relevant information to reduce multiple contacts. Revenue advised that no changes are planned but may be considered in the future; taxpayers can submit relevant information through MyEnquiries.

Agenda Item 16: Reporting on subgroups – MyEnquiries/iXBRL

TALC MyEnquiries sub-group had met 31 August 2022. Practitioners requested a published customer service standard.

Agenda Item 17: iXBRL Submissions – Tagging Errors

Revenue provided draft material for inclusion in iXBRL TDM in advance of meeting for practitioner review. ITI noted it had circulated a list of the errors highlighted to members following a meeting with Large Corporates Division in March. Their inclusion should further help to reduce the instances of these errors. This draft material was agreed for publication.

Agenda Item 18: Pay & File

Bulk issue payment reminders for Pay & File will issue next week. An eBrief is to issue with details of extended telephone services during the upcoming filing season.

Revenue advised that Form CT1 2021 error messaging has been fixed.

Revenue advised that ROS Offline Form 11 2021 upgrade message continues to appear following the upgrade and can be ignored when the taxpayer has made the upgrade. A fix is being developed to remove the glitch.

October is a blackout period so the only update will be applied on 10 October 2022. Practitioners requested that taxpayers and their agents be made aware of this impending update sooner rather than later so work schedules can be arranged accordingly.

Practitioners are concerned that no guidance has been provided regarding the ePSWT issue impacting some GP practices. Revenue is to follow up on the matter.

Revenue confirmed that paper returns received shortly after 31 October 2022 should be marked 'timely' in light of 31 October 2022 falling on a bank holiday.

ACTION POINTS

Revenue to following up on guidance required for PSWT issue impacting some GPs.

Revenue to notify taxpayers and agents of upcoming 10 October 2022 ROS updates.

Agenda Item 19: SCARP Process

Practitioners requested an update on SCARP advisors requesting arrangements with Revenue. Revenue received 10 applications to date, of which 9 have been decided, with 8 opting in. The draft TDM is expected in the next few weeks. Practitioners agreed that Revenue should deliver a presentation of the process to members.

Agenda Item 20: AOB

- Revenue advised that letters will issue to Form 12 taxpayers inviting them to finalise their affairs for 2019, 2020 and 2021. The letters will issue to PAYE individuals across all age brackets.
- The next meeting will take place virtually on 22 November 2022.

In attendance:

CCAB-I

Gerry Higgins (Chair)

Carla Manning

Gráinne McDermott (Minutes Coordinator)

Gearóid O'Sullivan

Law Society

Deirdre Barnicle

ITI

Lorraine Sheegar

Mary Healy

Andrew Thompson

Paul Wallace

Revenue

Maura Conneely

Maureen Marray

Geraldine Hegarty

Katie Clair

Sinead McNamara

Joe Howley

Alan Greaney

James Fagan

Paddy Purtill