

Minutes of TALC Sub-committee on Collection issues

Date: 25 November 2021

Via Zoom

Agenda Item 1: Minutes of meeting held on 7 September 2021 and matters arising

The minutes were approved and finalised in advance of the meeting.

An update was provided on a number of matters arising from the last meeting.

Practitioners had agreed to provide feedback to Revenue regarding the ePSWT system in relation to issues arising for some legal firms and legal aid where a payment is made to an individual solicitor instead of the practice. Practitioners noted feedback may be provided by the next meeting.

ACTION POINT

Law Society to provide Revenue with feedback on ePSWT issues arising from the payment of legal aid by the Courts services for Revenue's examination.

Agenda Item 2: Warehousing of Debt

Revenue noted Period 1 ("the Covid restricted trading phase") of the Debt Warehousing Scheme is scheduled to end on 31 December 2021, with Period 2 to commence on 1 January 2022.

Revenue has begun issuing letters to businesses availing of the Debt Warehousing Scheme in Revenue's Personal and Business Division. Revenue will also be contacting businesses in Revenue's Medium Enterprises Division (MED) and Large Corporates Division (LCD) that have applied for and been approved for inclusion in the Debt Warehousing Scheme.

The letters issued include a schedule of the tax returns that are outstanding if the business is not up-to-date with its tax returns. Revenue reminded that filing tax returns is important for tax clearance and is critical to participation in the Debt Warehousing Scheme and to quantify the VAT and Employer (PAYE) liabilities warehoused.

Revenue also reminded that PAYE (Employer) liabilities due in accordance with the December 2021 return (due 14 January 2022) and VAT due in accordance with the VAT return for November/December 2021 (due 19 January 2022) also qualify for inclusion in the Debt Warehousing Scheme Period 1, for eligible businesses.

In February 2022, Revenue intends to issue further letters to businesses participating in the Debt Warehousing Scheme to confirm the quantum of tax debt that has been warehoused.

A Revenue development to the Phased Payment Arrangement system (PPA) to allow warehoused and non-warehoused debt to be included in a single PPA is expected to be implemented in March 2022.

Practitioners had requested preliminary figures from 2020 Form 11 on the quantum of Schedule E warehoused under the extended scheme (for taxpayers impacted by section 997A) and for income tax warehousing generally. Revenue confirmed, in relation to the warehousing of income tax in tax returns filed for 2020, approximately 4,310 individuals availed of income tax debt warehousing (i.e. on the basis of at least a 25% reduction in their total income when compared to 2019, due to the impact of COVID-19 restrictions). 922 individuals availed of the extended scheme under section 1080B, as amended by Finance Bill 2021, to cater for those directors/employees impacted by section 997A whose PAYE was warehoused by their employers. Revenue considered that the number of individuals availing of the extended scheme was lower than expected and as indicated by representations.

Practitioners thanked Revenue and Department of Finance for the extension to the scheme as introduced under section 1080B, as amended by Finance Bill 2021. Practitioners considered that the extended scheme was necessary in the interest of equitable and fair treatment of the

directors/employees impacted by section 997A, whose employers' PAYE was warehoused. It was a very welcome development for practitioners and those directors/employees concerned about the crystallisation of a large tax liability on filing their 2020 Form 11.

Agenda Item 3: COVID-19 measures

Revenue update on Covid Restriction Support Scheme (CRSS) and Business Resumption Support Scheme (BRSS)

Both the CRSS and the BRSS are in the final stages at this point in time. Approximately 22,000 businesses have availed of the CRSS, with 94% of these businesses within the case base of Revenue's Business Division. 39 businesses are currently availing of the scheme. 47 appeals have been lodged with the Tax Appeals Commission in respect of claims for CRSS rejected by Revenue.

Revenue reminded of the 8-week deadline for the submission of CRSS claims, with reference to the triple "restart week" payment for eligible businesses which resumed trading on 22 October 2021 i.e. a closing date for claims of 17 December 2021.

The closing date for making an application under the BRSS is Tuesday, 30 November 2021. As of the week commencing 22 November payments of €5.5 million have been paid out with the majority of claimants in Revenue's Business Division case base. 130 BRSS applications have been refused. The rejections were due to the businesses not meeting the scheme conditions, for example, a business not actively trading or a Case II trade. No appeals have been lodged to date.

Tax clearance status for COVID Supports where additional time to file income tax returns granted

Practitioners sought confirmation that a taxpayer would still retain tax clearance (be regarded as tax compliant) where Revenue had agreed additional time with the agent to file the taxpayer's income tax return, due to exceptional difficulties arising from COVID-19.

Revenue confirmed that where additional time to file a tax return has been agreed, this should not have any impact on the tax clearance status of a taxpayer, provided the taxpayer does not have other compliance issues.

Revenue also advised that a review of the tax clearance status of Revenue's Medium Enterprise Division (MED) and Large Cases Division (LCD) clients was carried out recently resulting in clearance being rescinded in 560 cases. 60% of the cases in question had outstanding returns and 40% had other compliance issues. Revenue confirmed that the VAT Return of Trading Details (RTD) return was not used as a source of non-compliance for the review and other compliance issues resulted in the tax clearance being rescinded.

Implications of 16 November Government announcement for Support Schemes

Practitioners requested an update on whether the public health measures announced on 16 November have any immediate implications for claims for supports, such as CRSS.

Revenue confirmed that the CRSS is due to cease on 31 December 2021, this date is set in legislation and there is no provision in the Finance Bill for its extension. In response to queries, Revenue noted it may be possible for nightclubs to qualify for the CRSS up to 31 December on the basis of the public health restrictions announced on 16 November if the eligibility criteria are met. Requests would be considered on a case-by-case basis.

Agenda Item 4: Local Property Tax (LPT) update

Revenue contacted 1.4 million property owners in respect of 2 million properties in advance of the LPT filing deadline. The provisional LPT statistics, published on 7 September, show that returns and payments are filed and fully up to date in respect of 1,357,800 properties. The 2022 LPT return compliance rate is now 79%, with a payment compliance rate of 89%. Revenue noted very strong engagement by property owners. €115 million has already been paid in respect of LPT for 2022, a total of €378 million in new payment arrangements have been put in place and a further €50 million is secured through annualised payment methods.

Over 91% of returns were filed online and over 50% of properties valuations fell into Bands 1 and 2. Revenue considered that the valuations are broadly in line with expectations and with CSO data, and preliminary analysis of valuations will be issued.

Practitioners noted a 6-7 week wait for a reply to queries in some cases and questioned whether extra case workers had been allocated to LPT given the large volume of correspondence on hand. Revenue noted it received in excess of 366,000 phone calls and 76,200 items of correspondence in relation to LPT. Revenue is working through the large volume of correspondence and work items that need to be actioned. Additional resources have been allocated to work through the items on hand. Approximately 3,000 to 4,000 work items are processed on a daily basis and Revenue is making significant headway on the backlog.

Revenue is working with certain taxpayers to help file the LPT returns where there are ongoing queries. Revenue is also assisting a number of taxpayers that have not met their LPT obligations.

In respect of the sale or transfer of residential properties, all properties sold between now and the end of the year must consider the LPT valuation for clearance purposes and Revenue has been working with the Law Society as regards clearances, which are processed with the 5-day customer service standard.

In response to queries regarding the Minister for Finance, Paschal Donohoe T.D., confirmation that information from the LPT returns would be used for vacant property tax, Revenue noted it is still at an early stage in analysing the data.

Practitioners raised the need to engage with Revenue to calculate interest on LPT arrears in advance of a property sale closing and whether there is scope for simplification, such as an online calculation tool. Revenue noted that maintaining the LPT register requires a lot of manual intervention as properties change ownership so frequently. However, Revenue may consider suggestions for simplification if practitioners wish to put forward suggestions.

Practitioners requested scope for the Agent Link Notification Form to be amended as currently the form does not include a check box for LPT, yet agents may be told by Revenue to complete the form to link to LPT. Agents may need to engage with Revenue in relation to an "LPT surcharge" on the income tax return for example. Revenue agreed to review the Agent Link Notification Form and consider including an additional check box for LPT.

ACTION POINT

Revenue to review the Agent Link Notification Form as regards an additional check box for LPT.

Agenda Item 5: Debt Management Services (DMS) update

Revenue confirmed it is continuing with a cautious and incremental approach to the resumption of Debt Management. Revenue is focusing on certain sectors based on risk factors and remains conscious of the impact of the pandemic on certain sectors. Revenue is making additional contacts with businesses before considering enforcement. The Phased Payment Arrangements continue to allow some flexibility and can provide for up to a 60-month term for repayment in certain circumstances. .

Agenda Item 6: ROS Issues

ROS Pay & File – number of returns filed by the deadline versus expected and root cause of service interruption on 9 November

Approximately 560,000 tax returns were filed by the extended ROS deadline of 5pm on 19 November, with €2.7 billion in tax paid (a 6% increase on the previous year).

Revenue received requests from 144 tax agents seeking additional time to file 4,700 income tax returns for 2020 on the basis of their exceptional difficulties in meeting the filing deadline, due to COVID-19. This is a significant increase on the prior year when 59 tax agents sought an extension. All of the requests received have been processed and the facility to make such a request has now closed.

Revenue reminded that ROS automatically applies a late filing surcharge when a return is submitted after the filing deadline. Therefore, the returns included on the lists agreed with Revenue will be surcharged by the system when filed and the surcharges will need to be removed manually by Revenue. Revenue intends to review the returns after the agreed extension date has passed and then remove the surcharges, where the returns are filed in accordance with the agent's agreement with Revenue.

Revenue requested practitioners' patience and forbearance in light of the work required from Revenue staff to manually remove surcharges in a significant number of cases. Updated assessments without surcharges will issue in due course after the extension date agreed with the practitioner.

Revenue's IT team noted that the ROS interruption on 9 November was caused by a network issue. Analysis is underway to identify the exact issue that gave rise to the disruption. The ROS service interruption was limited to approximately an hour. Revenue is working to ensure this issue does not happen again or if it does reoccur that the backup systems come into operation quicker to reinstate the ROS service quicker.

[iXBRL filings](#)

Practitioners sought feedback on the figures for filed iXBRL financial statements for the 31 December 2020 year end and raised the challenges in conducting company audits during a pandemic and its knock on effect on the preparation and finalisation of financial statements. In light of the exceptional circumstances, practitioners sought a facility to avail of additional time to submit iXBRL tagged final financial statements on a case by case basis, when the 23 December 2021 deadline could not be met. The recent extension of the CRO deadline in recognition of the difficulties caused by the pandemic was noted.

Revenue confirmed 44% or 8,376 iXBRL submissions with December year ends have been filed to date out of a total 18,835 submissions due. Revenue confirmed 2021 filings are ahead of expectations when compared to 2019 filing statistics.

It was noted that scope to submit draft iXBRL financial statements is set out in the iXBRL Manual but it is limited and the final financial statements are required.

Revenue confirmed there would be no formal extension to the iXBRL filing deadline on ROS. However, Revenue recognised that companies may need to seek and be provided with additional time to submit iXBRL accounts, on a case by case basis, where there are extenuating circumstances due to COVID-19. Revenue agreed to consider the matter further, engage with their colleagues and revert to practitioners with Revenue's position for circulation to members following the meeting.

ACTION POINT

Revenue to revert with a position for circulation to professional bodies' members regarding dealing with extenuating circumstances delaying the submission of financial statements in iXBRL format - Revenue response is reproduced in in Appendix.

Agenda Item 7: PAYE

[PAYE Payment Processing](#)

Practitioners requested whether PAYE payments receipts could be modelled on the income tax output or whether the current email output for a PAYE payment could show the taxpayer's name and registration and payment amount.

Revenue had insufficient time before the meeting to consider the matter fully and agreed to review the issue and revert separately. Revenue requested some examples from practitioners on the issues encountered. Revenue confirmed it would not be able to include a taxpayer's name and registration on an email confirmation as it is not secure. Revenue agreed to consider the overall request but noted as Revenue is entering peak season for PAYE, Revenue could not commit to reverting quickly.

ACTION POINT

CCAB-I to provide examples of the issues encountered to aid Revenue's consideration of how information could be provided.

[Update on the introduction of Statutory Sick Pay from 2022 and interaction with payroll reporting](#)

Practitioners requested an update on the implementation of the Sick Leave Bill 2021. CCAB-I noted it wrote to the Department of Trade and Enterprise (DETE) raising concerns on the short lead in time for implementation and lack of consultation with stakeholders.

Revenue confirmed at the meeting that it could not provide an update and the matter is between the Department of Social Protection and DETE.

[Budget changes for 2022](#)

Revenue's systems will implement the Budget changes to tax credits and the standard rate cut off point for 2022 on the weekend of 27/28 November. The Tax Credit Certificates for 2022, reflecting Budget 2022 changes, will be available from the first week of December.

Revenue confirmed any underpayment of TWSS-related tax and or COVID-PUP for 2020 will be coded forward and shown on the Tax Credit Certificate for those taxpayers that submitted their tax returns and selected to have the underpayment coded over 4 years. Revenue expects increased contacts from taxpayers in January when employees will experience a change in their net pay as a result of the adjustment to their tax credits.

During 2022, Revenue will contact PAYE taxpayers who have not filed income tax returns for 2020 and have an underpayment of tax. In addition, Revenue is planning an active communication campaign on the updated Tax Credit Certificate. Revenue does not have data on the number of employers that paid their employees' tax liabilities arising on subsidy payments made under the TWSS.

[Agenda Item 8: Reporting on subgroups – My Enquiries/iXBRL](#)

[iXBRL](#)

No further update at this time.

[MyEnquiries](#)

The MyEnquiries subgroup met on 24 November. Revenue provided an update on service delivery with Revenue analysis to measure performance against the customer service standard, showing that over 90% of replies to agents are now issuing within the 20-working day service standard.

It was acknowledged at the sub-group, that the professional bodies promotion of the "exceptional contacts" facility for queries outstanding more than 20 working days had increased contact (to 10 and 20 contacts over the last two months increased from 1 or 2 contacts per month). Practitioners also noted the importance of reducing the customer service standard below 20 working days, and the need for some telephone contact through, for example, outbound calls and phone numbers for the exceptional contacts to expedite delayed response. At the sub-group meeting, Revenue took away the matters raised for further consideration.

Revenue also agreed to follow up on whether the number of PAYE notifications in ROS can be streamlined.

[Agenda Item 9: ePSWT](#)

Practitioners requested an update on CCAB-I's submission made in September 2021 and on practical solutions to deal with the issues arising with allocation of the credit in the context of doctors' practices. Revenue advised that it is not in a position to respond to the submission as of yet.

Revenue has engaged with the HSE regarding the GMS contract which has provided background on the legislation under which doctors must operate, which differs from legislation relating to pharmacies, and the consequential impact on PSWT certification and the issue of payments. Revenue has had preliminary discussions with Revenue Legislation Services on the technical issues but has had insufficient time to carry out an analysis of the issues and identify the number of cases not IT registered in their own name to identify the volume of doctors impacted. Practitioners considered it useful to retain this issue on the agenda for further update in 2022.

ACTION POINTS

Revenue to respond to CCAB-I submission.

Issue arising from interaction of ePSWT and GMS contract to be brought forward to 2022 agenda

Agenda Item 9: AOB

Finance Bill amendment in relation to corporate non-resident landlords – process where Collection Agent is currently in place

Practitioners noted Finance Bill 2021 amendments to the tax treatment of corporate non-resident landlords from January 2022 to bring them into the charge to Corporation tax (at 25%) rather than income tax. Practitioners queried the position with regards to situations where a Collection Agent is already in place to collect the rents and file a tax return. For example, must the corporate register for Corporation tax and Collection Agent deregister from January, and what will happen with preliminary tax payments already made under the Collection Agent's tax number, must contact be made with Revenue to allocate payments?

Revenue noted that Finance Bill 2021 is yet to be enacted and therefore it is not in a position to provide definitive answers, however, guidance will issue in due course should the section be enacted.

Revenue expects that the Collection Agent will be able to register for corporation tax online and then the income tax registration will be ceased from 31 December 2021. A new corporation tax registration would be put in place from 1 January 2022. It is expected that the Collection agent will be able to self-serve these amendments on ROS. In respect of preliminary tax, even though income tax registration will be ceased, Revenue expects the Collection Agent can file the income tax return and will still be linked to that tax head. Revenue welcomed feedback or queries on procedural aspects.

RCT bulk rate reviews in early 2022

Revenue will be running a RCT Bulk Rate Review (BRR) in early 2022 on sub-contractors dealt with by Business Division. Revenue intends to issue correspondence in advance to cases that may be impacted by the BRR, to provide an opportunity for sub-contractors to address any outstanding compliance matters ahead of an actual rate change. The issue of such letters will start in December 2021, with rate changes to be applied over January and February 2022. This will be the first BRR for this cohort of taxpayers since September 2019.

Director salaries and payments from the prior year on Form 11

Practitioners queried communications received from Revenue staff querying payments/bonus included on the Form 11 arising from the prior year. Revenue asked for details of the issue arising with a view to engaging with staff if required.

Chair 2022

The Chair thanked the committee for the constructive engagement over 2021. CCAB-I will be in the Chair for 2022.

Irish Tax Institute	Revenue
Mr Stephen Gahan (Chair)	Mr Joe Howley
Ms Mary Healy	Ms Maura Conneely
Mr Paul Wallace	Mr Pat Murphy
Mr Andrew Thompson	Ms Geraldine Hegarty
Ms Lorraine Sheegar (Minutes Co-ordinator)	Ms Katie Clair
	Ms Maureen Marray
Law Society	Mr James Fagan
Ms Ruth Higgins	
Ms Deirdre Barnicle	
CCAB-I	
Ms Norah Collender	
Mr Gerry Higgins	
Ms Carla Manning	
Ms Maud Clear	

Appendix

Item 6 iXBRL Filings - Revenue's response following the meeting

"Further to Item 6 on iXBRL Filings from TALC Collections on 25 November, we have issued an internal update to Revenue colleagues to say that some companies may be unable to submit their iXBRL financial statements for the year ended 31 December 2020 before the 23 December 2021 deadline due to difficulties completing audits and signing off on financial statements during the ongoing Covid-19 pandemic.

As such, we've advised that they may see an increase in requests for waivers of Corporation Tax surcharges where the iXBRL submission is filed late and/or requests for tax clearance in the absence of the iXBRL submission.

We then reminded colleagues that they may waive the Corporation Tax surcharge or issue tax clearance on a case-by-case basis when a company is genuinely unable to file the iXBRL financial statements due to extenuating circumstances, for example where key personnel are absent due to Covid.

Affected companies should contact their operational branch via [MyEnquiries](#) where they wish to request a waiver of the Corporation Tax surcharge and/or request tax clearance."