

Minutes of Main TALC meeting
5 March 2024 at 14.30
Revenue Offices at Bishop's Square, Dublin 2 and via Microsoft Teams

Item 1 Minutes of Meeting held on 5 December 2023

The minutes were agreed.

Item 2 Review of sub-committee workplans for 2024

The Chair noted the workplans of the various sub-committees had been circulated in advance of the meeting. The workplan for the MyEnquiries sub-committee will be discussed at their meeting in April.

It was noted that TALC Direct and Capital Taxes and TALC Indirect are technical working groups with evolving agendas. The workplans for these sub-committees are reflective of their current agendas.

The appropriate reporting relationship for the ERR sub-group was discussed. It was agreed that, while it is appropriate to TALC Collections, as it has been a standing item at Main TALC for much of last year, the sub-group will continue to report into Main TALC for now and this can be reviewed again at the June meeting.

Item 3 Update from the Chair of the TALC Sub-Committee on the Simplification of Business Supports

This sub-committee is chaired by Revenue.

Revenue reflected on the group which was established to look at simplification of the administration of supports for businesses. It was noted that the sub-committee, as with all elements of TALC, is focussed on administrative matters and cannot make policy recommendations. In its work to date the group has broken down the various supports for small businesses based on the business life cycle. Recent meetings examined supports relevant to the startup and growth phases of a business. In addition to the regular TALC members, the sub-committee has sought engagement from business representative groups such as the SFA, ISME and Scale Ireland. A representative from the SFA attended two recent meetings. The accessibility of information for businesses has been considered by the sub-committee and SFA are liaising directly with Revenue's Communications Branch on matters that arose from the discussions. The group aim to submit a formal report to Main TALC by end June 2024.

Practitioners noted the good engagement within the group and found the SFA attendance helpful. The work of the group is a useful exercise in examining the administrative procedures in place and considering what options may exist for administrative simplification.

Item 4 Update on Enhanced Reporting Requirements

Revenue noted the sub-group are continuing to meet. The latest press release confirmed over 20,000 employers reporting in January. Revenue has held a number of webinars again this year and attendance at these was very good, with over 1,000 participating in the first webinar. Another webinar is scheduled for 21 March and Revenue intends to continue with webinars as part of its efforts to support people to comply. Some practitioners commented that they are continuing to hear of issues with uploading files and mentioned the inability to upload an excel file with the information. Revenue confirmed there are three options available in these scenarios and that there are no plans to extend the facility to upload Excel files.

Practitioners queried whether communication of the reporting requirements could be targeted at the specific sectors where issues are arising, maybe holding further information sessions for these sectors. Revenue confirmed it will consider this. Data will assist in identifying any potential gaps and it may be possible to focus engagements with certain sectors based on this data.

The CCAB-I mentioned a third-party webinar where there appeared to be some confusion amongst employers as to what constituted a “small benefit”. Revenue confirmed it would be happy to receive details of this with a view to feeding into the FAQs if there are common areas of confusion. Revenue confirmed it had provided a detailed written response to a query raised at the ERR subgroup relating to the issue of the interaction of section 112B and section 985B.

Practitioners raised the broad scope of Revenue’s interpretation of the legislation if gifts unrelated to work such as flowers given on employee life events, including funeral wreaths, are liable to tax. Revenue noted that, in general, emoluments are liable to tax unless there is a specific legislative exemption in the Taxes Consolidation Act. The small benefit exemption has a legislative basis and Revenue has no basis to disregard any specific type of benefit. The matter of the exemption applying to a max of the first two benefits received if their cumulative value does not exceed€1,000, rather than applying to total benefits in the year up to €1,000 is a policy matter. Practitioners considered that the latter approach would be more practical, if the Minister was minded to consider the underlying policy and amend the legislation.

Item 5 CCAB-I/ITI List of priority IT requests

The Chair noted the list had been on the Main TALC agenda throughout last year. While there were some “quick wins”, much of the remaining items required significant IT development. It was noted the item regarding share options was no longer relevant following Finance Act changes last year. The tax clearance item is in hand. Revenue emphasised that its IT development resources are very tight and suggested a review of the list with practitioners to identify if there are particular items causing serious issues. Practitioners noted that the current constraints on ROS developments were considered when developing the list. Consequently, the list had been whittled down to the top priority issues.

Item 6 Debt warehousing scheme developments

Revenue gave an update on recent developments. A total of €1.6bn debt is now warehoused. In 70% of cases the warehoused debt is less than €5k. The announcement by the Minister to reduce the interest rate to zero was a key development. Revenue hope to start issuing refunds to any businesses that already paid interest in the next week. In terms of communications regarding the outstanding debt, Revenue is holding webinars and also undertaking a phone campaign to the largest debt cases. Letters will issue later this month to customers with warehoused debt, reminding them of the 1 May deadline for either paying the debt or engaging to establish a payment arrangement. The letters will give details of each customer's outstanding warehoused debt. The ePPA facility on ROS can be used for PPA terms of up to 60 months. Where a business needs a longer time, they need to engage with Revenue.

Practitioners commented that they are trying to get the message out to businesses to engage but are concerned that some are not fully aware of the implications, particularly that they will be in 10% interest territory come May if they have not engaged with Revenue. Revenue's letters this month will highlight the implications of failure to engage by 1 May. Practitioners would like to be aware of the cases where the taxpayer has not engaged and is at risk of losing the benefits of the warehouse scheme. Revenue will share the generic letter and agreed to include a line in the letter to encourage businesses to share the correspondence with their agent if assistance is required. Revenue is also examining scope to notify the agents of taxpayers who have not engaged on their warehoused debt, when Revenue conducts its warehouse completion process after the 1 May deadline.

In the interim Revenue will continue with its webinars and will continue to link in with the SFA. There are also a number of "how to" videos on the Revenue website explaining how to apply for a PPA on ROS etc.

Item 7 R&D Specified Returns

Revenue noted that there was a specific issue with 2022 returns which arose because the CT1 for 2022 had been released before the requirement for the Specified Return arose and a work-around was needed. This should not arise in 2023 as the fields are now fully embedded in the CT1. There is a surcharge waiver in place for companies with earlier accounting periods where filing was delayed because of the R&D return issue.

Practitioners commented that they are having problems filing 2023 returns, in particular using a particular popular software package, and expressed concern regarding the 1-year time limit on claiming R&D refunds. Revenue confirmed that refunds would not be denied on the basis of an IT glitch. Revenue reps will brief the relevant business area in Revenue.

ACTION: Revenue representatives to brief the relevant business area in Revenue on the points raised by practitioners in relation to 2023 returns with a view to resolving the difficulty as soon as possible.

Item 8 Treatment of tax refunds claimed via agents

This item was added at the request of one of the practitioner representative bodies. The body queried the process whereby a tax refund can be paid to a bank account that is not in the name of the taxpayer. Revenue clarified that where a taxpayer mandates that payments are to be made to an agent, Revenue will act on that mandate. Revenue does not approve agents – that relationship is a commercial relationship between the taxpayer and their advisors. Revenue also confirmed that where a taxpayer’s bank account details with Revenue are updated, the taxpayer is notified via Revenue’s systems. Revenue’s security systems are of a high quality, particularly where bank account details are being provided.

Item 9 AOB

Under AOB Revenue noted that a draft TDM on Employment Classifications had issued to practitioners on Monday, 4 March via TALC Direct and Capital Taxes. Feedback can be made by Wednesday, 27 March. Revenue hope to publish the TDM in April. The TDM currently has 19 examples, and each example applies the 5-step framework as set out in the Supreme Court judgment. Revenue noted that the examples cannot cover every scenario.

ITI	Revenue	CCAB-I	Law Society
Anne Gunnell Mary Healy David Fennell Pat Mahon Tom Maguire	Joe Howley (Chair) Brian Boyle Tom James Mairead McGuinness (secretary) Apologies: Eugene Creighton	Enda Faughnan Brian Purcell Peter Vale Cróna Clohisey Gráinne McDermott Gearóid O’Sullivan Apologies: Paul Dillon	Aidan Fahy Caroline Devlin James Somerville Sonya Manzor