

Minutes of Main TALC meeting
27 June 2024 at 2.30pm
Revenue Offices at Bishop's Square, Dublin 2 and via Microsoft Teams

Item 1 Minutes of Meeting held on 5 March 2024

The minutes were agreed.

Item 2 Updates from sub-committees

The Chair noted that updates from the various TALC sub-committees had been circulated with the meeting pack.

Practitioners mentioned that a solution to the VAT 56A issue was being finalised following good engagement on the matter within the TALC Indirect sub-committee.

The Chair noted that earlier in the day Revenue's report on the findings of the public consultation on modernising the administration of VAT had been published. Discussions on the ViDA proposals are ongoing at EU level.

Item 3 Future direction of TALC MyEnquiries subgroup

A note on the future direction of the MyEnquiries subgroup of the TALC Collections sub-committee and its achievements to date had been circulated with the meeting pack. Revenue noted that the subgroup was set up in 2019 to deal with specific MyEnquiries issues. It was acknowledged that there had been many positive outcomes, MyEnquiries tracking being one example. Revenue noted that many of the items currently being discussed in the subgroup were proper to other TALC sub-committees. A number of items had been taken over by TALC Collections.

Practitioners noted that a key aim of the MyEnquiries subgroup, when established, was to address practitioners' issues regarding Revenue's responses to queries submitted via MyEnquiries. Welcome technical developments have been made to the MyEnquiries platform and to expand 'self-service' options on ROS, following engagement at the subgroup. However, MyEnquiries response time remains a topic consistently raised with the professional bodies by members.

It is acknowledged that Revenue receives a large volume of queries via MyEnquiries, especially at peak periods. However, MyEnquiries response time is a critical component of Revenue's customer service to practitioners (and taxpayers) to support compliance. Revenue had noted at the subgroup in 2023 that Revenue's published Customer Service Standards were being reviewed. Practitioners requested an update on the outcome of this review at the next Main TALC meeting. Considering the overarching importance of service delivery, including response time, practitioners considered that discussion of this topic is more appropriate to Main TALC.

Revenue acknowledged the overarching customer services aspect and agreed it could remain with Main TALC, while TALC Collections should be the proper home for the practical day-to-day issues.

It was agreed to discontinue the MyEnquiries sub-group and to have overarching customer service issues considered at the next Main TALC meeting.

The committee discussed the value in investing in ROS to future-proof ROS and expand 'self-service' options, while acknowledging the current constraints on IT expenditure given commitments arising from international developments.

Item 4 Update from the Chair of the TALC Sub-Committee on Simplification of Business Supports

A draft report of the sub-committee was circulated to Main TALC representatives in advance of the meeting. Revenue delivered a short presentation setting out the work of the sub-committee over the previous six months and its key findings, noting the significant amount of work completed. It thanked the practitioner bodies for their contributions to the process.

The objective of the sub-committee was to modernise and simplify access to business reliefs for the SME sector. The business life cycle framework was used to structure the business reliefs and group them into three stages – start-up, growth and maturity. The group then identified the challenges for SMEs in accessing supports at each stage. Two main themes emerged from this work – **certainty** (of conditions and potential consequences of the relief) and **awareness** (knowing what is available at particular stages of the business cycle). SMEs are keen to ensure that when they avail of supports, they remain in compliance with the relevant legislation and avoid risks of support being clawed back.

In relation to these two themes, the sub-committee identified potential benefits for SMEs that could be achieved through improved communications, and through provision of information focussing on the needs and perspectives of SMEs. This would include a restructuring of the information provision on Revenue's website, enhancements to the suite of TDMs available and investment in wider awareness of tax reliefs and associated conditions. A list of the agreed administrative measures is provided in the report.

Revenue emphasised that as TALC is purely an administrative forum, the sub-committee could not make any recommendations in relation to the various policy matters raised by practitioners throughout the process. Practitioner bodies could bring such matters to the attention of the Minister for Finance as part of the normal Finance Bill process, but they are not a matter for TALC.

Practitioners acknowledged the work done by the sub-committee and felt it was a positive process overall and very open throughout. Some practitioners commented that the process was somewhat constrained by the limitations of the TALC forum in that many of their concerns were policy matters. It was nonetheless a very positive process, and the administrative recommendations were welcomed. The timing of updating and issuing TDMs was mentioned, and practitioners noted they were awaiting clarification regarding

publication of updates to a particular TDM. Revenue will take this back to the relevant business area.

The report was endorsed by Main TALC and the next stage is for Revenue to present its conclusions to the Board and the Minister for Finance. Revenue will prioritise implementation of the recommendations and will keep practitioners updated through the TALC forum.

[The report has since been presented to the Board and the Minister and is now published on the Revenue website.]

Item 5 Debt warehousing update

Revenue noted the scheme had come to an end and reflected on the final statistics which had been published. In 93% of cases the debt was now either paid in full, in phased payment arrangements (PPAs) or had been paid by offsetting against tax refunds.

Revenue thanked practitioners for their support throughout the process, including the outreach programme. The scheme was an overall success. A significant amount of work went into the scheme with seven bulk issues of notices to customers, targeted telephone campaigns and various informational events and webinars. There had been good engagement with agents and with representative bodies such as ISME and IBEC.

An unprecedented level of PPAs were entered into in the weeks leading up to the May deadline. There are currently 12,747 cases in a PPA with a total debt of €1.2bn and 95% of these provide for debt to be repaid within 5 years. Revenue emphasised that the message to these businesses is to keep their pay and file obligations up to date in order to retain the 0% interest benefit of the Warehouse Scheme.

The committee acknowledged the work carried out by practitioners and Revenue including the high volume of PPAs that were set up in a short timeframe.

Item 6 Update on Enhanced Reporting Requirements

Revenue confirmed that up to 36,000 employers had made submissions as at the end of May 2024, and the statistics showed a real effort from employers to comply. Some small technical issues had been raised in the sub-group, which was continuing to meet and deal with issues.

The main change at this point was that Revenue has confirmed a service for compliance approach would continue to apply until December 2024, but that this was a revised service for compliance as from July Revenue expects employers to be filing. If they are having technical issues preventing them from filing, they should contact the Revenue helpdesk. Revenue has already begun to reach out to employers not filing returns and some of the operational divisions have issued 'nudge' letters. 79,000 letters have been issued by Business Division. While Revenue will not be seeking penalties at this stage, it does expect that employers should be filing returns.

Revenue also mentioned the future of the ERR subgroup and that the group should not continue indefinitely. Practitioners noted that at the recent ERR subgroup meeting, Revenue had proposed that the subgroup should continue to meet until September and then disband and practitioners agreed with this proposal.

Practitioners noted that once Revenue had reviewed ERR submissions, it may be useful to discuss patterns in compliance through the relevant forum. For example, to discuss whether employers may be under or over-reporting expense payments following analysis of the data.

Practitioners raised some queries about the submissions made, the percentage filing on time and the utility of information received. Practitioners also queried whether there had been much response to nudge letters. As the letters were only issued recently there was no update yet on responses. Information as to timing of returns filed would only be available through compliance interventions or a detailed analysis of returns. Revenue emphasised again, that while some employers are not filing, overall, there is a strong level of submissions.

Practitioners expressed some concerns over employers deferring payment of expenses for employees. They also conveyed to Revenue that they were seeing good awareness amongst employers, but many are encountering administrative difficulties with the timing for filing which is stipulated in the legislation to be on/before the reportable benefit is given. It was queried why this could not be monthly. Some practitioner bodies commented that they had addressed the point in their pre-budget submissions. Practitioners also wondered if the continued service for compliance approach had been communicated outside of TALC.

Revenue reiterated that the legislation does not provide for filing of returns monthly and that the relevant conditions attached to all non-taxable benefits must be satisfied before any non-taxable payment can be made. Employers were required to have control processes in place for such non-taxable benefits before the introduction of ERR. Revenue's long-standing experience in employer PAYE compliance activities is that non-taxable benefits is a recurring area of risk. In terms of communications, Revenue will update its TDM to confirm that it will continue to apply a service for compliance approach for the period 1 July to 31 December 2024 and an e-brief will issue.

In relation to the future of the subgroup, as outlined, engagement at the subgroup will continue until September. Practitioners suggested retaining ERR on the Main TALC agenda for 2024 and taking stock in December. Revenue agreed this was a reasonable approach.

Item 7 Revenue Guidelines for Determining Employment Status for Taxation purposes

Revenue stated that it had recently published its new TDM following engagement with TALC members. Revenue noted one practitioner body had been in touch noting that Revenue did not take all its suggestions for the TDM on board. Revenue appreciates practitioners taking the time to review the drafts and provide feedback and all feedback received was fully reviewed. However, the TDM is a Revenue interpretation of the legislation and practitioners will not always agree with it.

The practitioner body noted it received a reply from Revenue that was very clear on the point. It considered that there were some helpful clarifications in the TDM but also other

areas where it would not fully agree with the Revenue position. It suggested coming back to the matter in December when the guidance had been in place for six months.

Revenue suggested that discussion may be more appropriate to the TALC Direct and Capital Taxes sub-committee. It noted that the TDM was a “living document” and could deal with practical issues as they arise. In general, practitioners acknowledged that the TDM was a thorough piece of work and a useful starting point.

Item 8 AOB

A number of items were raised under AOB.

A query was raised by practitioners in relation to recent changes made to the Form 11 and associated difficulties with filing a correct return where software was not updated. Pre-population and system issues relating to the DIRT rate and 3% USC rate were also mentioned. It was noted that the ROS team in Revenue had been in touch and system fixes were planned at the beginning and middle of July. Revenue can reflect the concerns back to the relevant team.

One practitioner body sought clarification as to whether there had been any changes to the co-operative compliance framework (CCF), noting that some clients had received level 2 letters from Revenue, while others received a level 1 letter. Revenue clarified that there was no policy change to the CCF approach, but facts and circumstances will apply. It was happy to see details of the letters mentioned and pick this up separately with the practitioner, given taxpayer confidentiality etc.

The changes to pensions legislation at the end of this year were noted. It was suggested to Revenue that it may need to consider the possibility of a surge in applications for approved schemes towards the end of the year and ensure its resources are in place to deal with this. Revenue representatives will convey this to the relevant operational division.

The enhanced SME test that had recently been referenced by the Minister for Enterprise, Trade and Employment was mentioned by some practitioners. Revenue noted the renewed focus on the SME test. It is not clear how it would apply to the Finance Bill as it is different from other types of bills.

A practitioner body queried whether there was a need for a re-focus of TALC discussions on domestic issues, given the emphasis on international matters in recent years. Revenue noted that TALC’s focus is often driven by external forces and mentioned the huge changes to the global tax code in recent years. However, it highlighted that the recent sub-group on SME simplification and various discussions in other fora such as TALC Direct and Capital Taxes illustrate that that domestic issues are also discussed.

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Anne Gunnell Mary Healy David Fennell Pat Mahon Tom Maguire Laura Lynch	Joe Howley (Chair) Brian Boyle Tom James Therese Bourke Emma Brennan Mairead McGuinness (secretary)	Enda Faughnan Brian Purcell Sarah Meredith Paul Dillon Gráinne McDermott Gearóid O'Sullivan	Aidan Fahy Caroline Devlin James Somerville Apologies : Sonya Manzor
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