

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

Item 1 Minutes of Meeting held on 10 September 2024

The minutes were agreed.

Item 2 Updates from sub-committees

The Chair noted that the end-of year progress reports for the five TALC sub-committees had been circulated with the meeting pack. The Committee acknowledged the work of the sub-committees over the course of the year.

Some practitioner bodies mentioned the Business Tax Stakeholder Forum (BTSF) and indicated that they would like to see a broadening of its agenda. Revenue noted that the BTSF and its agenda is a matter for the Department of Finance. The TALC forum is concerned with the administration of the tax code only, and its terms of reference are clear in that regard.

Practitioners also mentioned Revenue's updates to some of its guidance material including Tax and Duty Manuals (TDMs). Some practitioners considered that the removal of certain material from a TDM can sometimes reduce its overall value. Revenue confirmed there is no intention on its part to pare back its guidance to be less helpful. However, the guidance is regularly reviewed and updated where necessary. Practitioners acknowledged that the guidance is not static but consider that it can provide some important clarifications.

Practitioners noted the discussions in TALC Collections on the revised agent linking process and some particular concerns they had raised. Revenue confirmed the subgroup will meet in January and will consider how to address these concerns.

Item 3 Update on progression of TALC Simplification Group administrative recommendations

Revenue provided a progress update on the implementation of the recommendations of the TALC Simplification Sub-Committee.

Initial meetings have taken place in relation to the recommendations on guidance material for the reliefs under Part 16 of the Taxes Consolidation Act (TCA) and work on the redevelopment of the TDM will commence in Q1 2025. Recent TDM updates were made to address some of the recommendations relating to the impact of the General Block Exemption Regulation (GBER) and the business area will work with the website team on website content. Practitioners noted the collaborative approach within the Simplification group and hoped companies' needs in relation to guidance will be reflected in the TDMs. Practitioners also highlighted the importance that Revenue compliance staff are aware of

and have access to in-house information sources. This will avoid duplication of information requests during compliance interventions.

Revenue acknowledged the difficulties in relation to the suite of forms used by Employment Investment Incentive (EII) claimants. Revenue noted that while it aims to develop a new system, this is unlikely to be delivered before the end of 2025. Revenue will continue to refine the current versions of the forms. Practitioners commented that they are having issues with the new RICT return, particularly in relation to funds. Revenue will take the practitioners' comments back to the business area but noted the numerous other demands on its IT resources. In terms of filing delays arising due to the form issues, Revenue confirmed it will continue to be pragmatic and realistic in relation to penalties and surcharges.

On R&D Revenue noted there is on-going dialogue with Enterprise Ireland (EI) and the IDA regarding qualifying criteria. EI and the IDA are to deliver a presentation to the R&D Discussion group. Revenue continues to collaborate with EI, the IDA and the Industry Research and Development Group (IRDG) in respect of information events. A new panel of R&D experts was established in August and Revenue is active in seeking new experts.

On share valuation guidance Revenue noted that it is currently updating its TDM on section 548 TCA. In response to practitioners' comments on the need for clarity on valuation methodologies, Revenue confirmed that while the updates will try to clarify what is acceptable, Revenue cannot prescribe how to value for every fact and circumstance. Revenue stressed that a fundamental re-write of the TDM to clarify every situation is not possible. Practitioners emphasised the importance of having a valuation for tax purposes and that any additional clarity that could be provided in Revenue guidance would assist them.

Revenue is continuing to improve its suite of TDMs, including the structure and readability of the manuals and will consider the recommendations in relation to specific TDMs as they are being updated. Work is on-going in relation to the structure of the website material on business reliefs. Revenue will also look at the feasibility of the group's recommendation to develop an educational programme on business reliefs and supports for third level students.

Item 4 Update on Enhanced Reporting Requirements (ERR)

Revenue noted that in advance of the meeting it had communicated to practitioners that following the end of year it would conduct an analysis of the data relating to ERR and the results will be published with Revenue's Annual Report.

Revenue then discussed some matters that arose in the latest ERR sub-group meeting. Revenue confirmed there will be no further broad targeted communication campaign. Its message was always clear that a service for compliance approach would apply until the end of the year. Revenue confirmed that this service for compliance ends on 31 December 2024. In terms of compliance programmes ERR becomes another data source for Revenue and may form part of a reason for case selection for compliance intervention.

Practitioners queried Revenue's operational policy on the application of penalties and requested a reasonable approach to employers who are doing their best to comply with

their ERR obligations. Fixed penalties apply per breach of the ERR Regulations and do not distinguish between employers that do not make ERR submissions and employers who make ERR submissions but may be unable to comply with the 'on or before' reporting requirement in all cases. The view of the practitioners is that Revenue has the power to mitigate penalties in such circumstances. On the introduction of PAYE Modernisation, taxpayers experienced different approaches by Revenue officials to penalty mitigation in comparable cases where the latest Revenue Payroll Notifications (RPNs) has not been applied by the employers, before the introduction of a more consistent operational compliance policy. Revenue confirmed the legislation will be applied consistently. It will relay practitioners' comments on the need for consistency to its operational divisions.

Revenue agreed to take away a point raised by the ITI on the penalty provisions and whether there is flexibility afforded to Revenue to distinguish between late filers and non-filers. Revenue confirmed that where penalties are prescribed in the legislation they must be applied in accordance with the legislation.

Item 5 PAYE Agent A2 Process

Mick O'Connor from Revenue's Personal Division provided an update on the stakeholder engagement in relation to Revenue's upcoming changes to the process of making Income Tax and USC repayments to PAYE taxpayers. Currently, under the "A2 process" these repayments can be made directly to the bank accounts of tax agents if authorised by the taxpayer. As recently communicated by Revenue, this process will be wound down in 2025 and the repayments will have to be made to the taxpayer's own bank account.

In terms of stakeholder engagement Mick confirmed that a working group had been established and already held its first meeting. Mick emphasised that the group is an implementation group and that the change is happening. The group will meet again later in the week. In response to practitioners' questions regarding communications, Mick noted that Revenue has carried out some messaging already including updates to its website. Communications is on the agenda for the group's next meeting. It will be necessary to communicate to taxpayers the need to update their bank accounts. The working group will be considering ways to reach out to taxpayers as part of its discussions.

Item 6 Practitioners list of IT Priorities

Revenue reflected on the list and noted a number of items had been delivered. However, it emphasised that there are some items that require more IT development if they are to be progressed. Revenue also noted that discussions had been taking place in the TALC Collections sub-committee with regard to items on the IT priority list that are relevant to its Collector General's Division.

Revenue mentioned the improvements that had been made in relation to accessibility to Tax and Duty Manuals while they are being updated. On pre-population Revenue noted the significant work involved in pre-populating fields on returns. Some practitioners commented that they had encountered issues with previously pre-populated information when making updates to clients' personal details. In some circumstances the pre-populated information did not appear to have carried over when the update was made. Revenue agreed to refer this to its ICT&L Division.

Practitioners mentioned the data Revenue receives from the Department of Social Protection (DSP) and Revenue noted the information is provided to it from the DSP but is not received real-time. If practitioners are having issues with information accuracy, they can provide details to Revenue.

Item 8 AOB

Revenue acknowledged the work of practitioners over the course of the pay and file period and thanked them for their contributions and messaging to clients regarding deadlines.

Revenue noted this meeting was the final meeting under its chair, and the chair of Main TALC will transfer to the Law Society in 2025. The Law Society confirmed it intended to host the first meeting of the Committee in March 2025 and would be in touch in the coming weeks to confirm dates for the year. Meetings will take place in the Law Society and remote attendance will also be facilitated.

ITI	Revenue	CCAB-I	Law Society
Anne Gunnell Mary Healy David Fennell Pat Mahon Laura Lynch	Joe Howley (Chair) Tom James Therese Bourke Mick O'Connor Kathryn Hynes Mairead McGuinness (secretary) Apologies: Brian Boyle	Enda Faughnan Brian Purcell Sarah Meredith Paul Dillon Gráinne McDermott Gearóid O'Sullivan	Aidan Fahy Caroline Devlin James Somerville Sonya Manzor