

Main TALC  
27 June 2023 at 14.30  
Chartered Accountants House, Pearse Street  
Agenda

1. Minutes of meeting held on 08 March 2023

The minutes were accepted by the Committee.

2. Matters arising from meeting on 08 March 2023 (Note 1)

Revenue provided an update on the Temporary Business Energy Support Scheme (TBESS). It was noted that a significant increase in scheme participation was not evident to date following the changes introduced in the Spring Finance Act.

Revenue provided an update on the ongoing review of Sheriff Operations, advising that a final report is expected later in Q3.

Of the remaining points discussed at the last meeting, they will either be addressed later in the minutes or have no further updates to note at this time.

3. Revenue update on the Enhanced Reporting Requirements for Employers (Note 2)

Martin Hunt, Change Management Lead, gave a presentation on the Enhanced Reporting Requirements (ERR) for Employers. He explained that the reporting requirement is separate to PREM and is still subject to commencement order (although it is expected to apply from 1 January 2024). ERR submissions are to be completely separate from Payroll Submissions and will have to be reported to Revenue on or before the date of payment. Revenue notes that the frequency and timing of these payments are business operational decisions to be made by employers. Revenue reported that, having engaged with businesses and their software providers since March, the system development is now at an advanced stage. Employees will have visibility of details submitted by their employers on MyAccount. Revenue will also be providing facilities for third party software providers to integrate the new requirement with their systems.

Revenue also noted that there will be a dedicated webpage for the new requirement – [www.revenue.ie/ERR](http://www.revenue.ie/ERR). Revenue agreed to circulate the slides used in the presentation to the group.

Practitioners noted that from a business perspective, the policy of non-reporting of the in-scope benefits was to reduce the administrative burden on employers. The new requirement is excessive in practitioners' view, and they expressed their concerns over the additional costs employers will have to absorb to comply with the new reporting system.

Revenue's opinion is that the new requirement will reduce compliance interventions and enhance their data analysis capabilities resulting in more targeted audits and allow Revenue to scope-out fully compliant businesses when targeting compliance interventions.

Practitioners noted the lack of engagement with the forum's representative bodies from the outset of the process. Revenue had recently committed to the formation of a sub-group to facilitate practitioner representation and to report into Main TALC.

Finally, regarding whether this is the beginning of a multiphase project, Revenue noted that there is likely to be a secondary phase which will expand to further elements that employers will have to report on.

#### 4. Updates from TALC Sub-Committees, including in-person update from TALC Indirect Sub-Committee

##### *TALC Indirect Sub-Committee*

Deirdre Hanlon, Assistant Secretary TALC Indirect, gave an update on the TALC Indirect Sub-committee. This year, the work on VAT Groups has been prioritised. There is a subgroup active at present. A subgroup will also be formed to discuss VAT and Property Co-ownerships. As the indirect taxes operate within an EU framework, the TALC Indirect also discusses EU developments at each meeting. The group has been briefed on the current VAT in the Digital Age (VIDA) proposal; EU Commission data indicates that the Digital Reporting Requirement (DRR) strand could provide significant savings to business and considerably reduce VAT loss through fraud. Revenue will consult widely on any implementation plans, and the matter is likely to form a significant part of the Indirect TALC future agenda.

Following her update, practitioners made a special note of appreciation for the work of Dermot Donegan on his retirement from Revenue, in furthering the VAT agenda for the Irish Government over the course of his career.

##### *TALC Direct and Capital Taxes Sub-Committee*

###### *GMS Contracts*

Practitioners noted that the issue of PSWT and GMS contracts has been on the agenda of the various TALC committees for some time. Practitioners noted that the uncertainty is beginning to impact commercial decisions. The Chair raised how Main TALC could assist in resolving the matter.

Revenue noted the problem is due to contractual arrangements rather than being a PSWT issue, however there is a knock-on effect for PSWT. Revenue is currently considering the matter and will issue an updated TDM as soon as possible. The complexity of the matter, arising from the contractual issue, was noted.

Practitioners expressed concern that this could become an even greater issue closer to the filing deadline and emphasised that taxpayers need clarity as soon as possible. Revenue acknowledged the importance of providing clarity to assist affected taxpayers who will be submitting tax returns.

###### *Residential Zone Land Tax (RZLT)*

Revenue recently engaged with representatives from the Law Society. Both parties support the expansion of the discussions to incorporate engagement with other appropriate persons. The committee noted that the TALC Direct and Capital Taxes is the appropriate committee to discuss the administration of RZLT.

###### *PREM Time Limits*

The Chair acknowledged the issue of time-limits in PAYE cases was raised under AOB. A query was raised as to whether the regular time-limits for refunds and/or pursuing underpayments applied in the context of PAYE audits. It was noted that the normal time-limits are not applicable in a PAYE-context. Practitioners understood a legislative amendment in 2019 changed the position. Revenue's analysis is that time-limits do not apply. Revenue have brought it to the attention of the Department of Finance.

### *TALC BEPS Sub-Committee*

The Chair queried if the TALC BEPS Sub-Committee will remain focused primarily on Pillar Two. Revenue confirmed that the group will continue to focus on Pillar Two implementation and indicated that the only other matter on the agenda is DAC7, which is being overseen by a subgroup of the committee.

Revenue noted the value of the DAC7 working group which continues to meet. The TDM is due to be published shortly. There will also be a dedicated webpage and a press release in due course.

### *TALC Audit Sub-Committee*

It was noted that the TALC Audit Sub-Committee continues to progress issues arising. It remains to be decided if TALC Audit is the appropriate forum for discussions on Pillar Two interventions.

### *TALC Collections Sub-Committee*

The Chair queried the status of Revenue's work on the Debt Warehousing Scheme. Revenue is commencing direct engagement with taxpayers and their agents to progress the implementation of phased payment arrangements.

## 5. Simplification Measures 2023 and Update on the IT Priority List

Practitioners noted that the ITI/CCAB-I Joint IT Priority List (Appendix) should remain the key focus for simplification purposes. Revenue noted that Item 6 – "Simplify the process for updating bank account details for tax refunds" will be resolved through an IT update due for release in July.

Noting that the above list relates to IT upgrades, the following administrative measures were also suggested by the group:

- Simplify the reporting requirements for Investment Undertakings and Offshore Funds on the Form 11. Revenue suggested that any action here would be considered in conjunction with the Funds Review which is currently underway by the Department of Finance.
- Provide a help sheet/practical guidance on completing the Form CT1 fields in relation to R&D Tax Credit claims.

## 6. Recap on the Business Tax Stakeholder Forum held by the Department of Finance

The Business Tax Stakeholder Forum has been established to fulfil a commitment under the Corporation Tax Roadmap. Practitioners expect a second meeting of the group will be held in the autumn, however, the scheduling of a meeting is a matter for the Department of Finance.

## 7. AOB

The next meeting will take place on Wednesday, 27 September 2023\* at Chartered House, Pearse Street.

\*Note: at the meeting Tuesday 26 September 2023 was mentioned, but this was updated after the meeting.

Attendance:

<b>ITI</b>	<b>Revenue</b>	<b>CCAB-I</b>	<b>Law Society</b>
Anne Gunnell	Eugene Creighton	Enda Faughnan (Chair)	Caroline Devlin
Mary Healy	Joe Howley	Brian Purcell	James Somerville
David Fennell	Jeanette Doonan	Paul Dillon	
	Mairead McGuinness	Peter Vale	
Apologies:	Deirdre Hanlon	Gearóid O'Sullivan	
Laura Lynch	Martin Hunt	(Secretary)	
Pat Mahon	Sinead McNamara	Gráinne McDermott	
		Cróna Clohissey	
	Apologies:		
	Brian Boyle		

## Appendix



## Appendix

### Main TALC - 08 March 2023

#### List of Priorities for IT Developments

At the meeting of Main TALC on 6 December 2022, the Committee discussed the outcome of the Main TALC Special Purpose Meeting (SPM) on pre-population and sharing of data on the Form 11 tax return, which took place on 19 October.

Practitioners outlined their concerns about the serious constraints on resources to progress IT developments sought by practitioners, due to Revenue's commitments to IT developments required to comply with changes in the international framework over the coming years. Considering these constraints, ITI and CCAB-I outlined five priority IT developments the professional bodies wish progressed to support the work of their members in assisting taxpayers to comply with their tax obligations.

As the precise nature and timing of the delivery of IT developments to comply with commitments arising under Pillar Two and DAC7 are not yet clear, Revenue invited practitioners to specify in writing their priorities for IT developments, so that Revenue could consider these requests for development should resources become available.

We have outlined 11 priorities for IT developments, as below. Our primary focus is on measures to support the filing of income tax returns, as we believe this would deliver the most benefit in reducing the cost of compliance for taxpayers.

The first five priorities reflect the requests we outlined at Main TALC in December as these developments are of paramount importance. We have included additional explanations on these items where we consider it helpful and where informed by the discussions at the Main TALC SPM last October.

It was evident from the discussions at the Main TALC SPM that a number of the suggestions we made cannot be progressed at this time. This is due primarily to Revenue's wish to dovetail with international developments (for example, in sharing data from third party returns) or limitations in information or the timing of its availability (for example, using data held by the Residential Tenancies Board (RTB)). We have excluded these suggestions from our priorities below on the basis that the suggestions cannot be considered at this time.

## **Measuring Progress on the Delivery of IT Priorities for Practitioners**

It would be important to review, at intervals, the progress made on the priorities identified below. Some of the priorities require less IT development work to deliver and we consider should be implemented in 2023. Other developments would require more intensive work to deliver.

We would suggest that at the December 2023 meeting of Main TALC, the Committee should review what progress has been made on the listed priorities and what items could be scheduled for development in 2024. We would propose to revisit the list again at Main TALC at the end of 2024 to take stock of progress made on the priorities identified.

As a matter of principle, we would seek a commitment from Revenue to fully explore how the data it receives from tax returns and other sources can be shared with the taxpayer to whom it relates, to minimise compliance costs. This should assist in progressing the sharing of further data when opportunities become available.

## **Requested Priority IT developments to Support Compliance**

### **1. Prioritise an IT development to MyEnquiries to address an ongoing difficulty with the delivery of Revenue-initiated queries**

There is an ongoing issue where Revenue-initiated queries on MyEnquiries are not sent to the appropriate staff member in a practice or are sent to staff who are absent. This means that queries may be overlooked or cannot be dealt with promptly.

At the TALC MyEnquiries Sub-group, Revenue noted that it had identified a possible solution to this issue through the use of a designated email address for receipt of Revenue-initiated queries, which could be accessed by practice staff with permissions to access that email address.

However, the Sub-group has been informed that due to IT resourcing constraints, this development cannot be delivered in the first half of this year and it remains uncertain whether it can be implemented in 2023. Effective communication through MyEnquiries is critical. An IT development to resolve this communication difficulty should be prioritised for release in 2023.

### **2. Allow tax agents to view a list of overdue tax liabilities for their clients**

There is a facility on ROS for tax agents to view a list of outstanding tax returns for taxpayers to whom they are agent-linked. This is very useful in helping to ensure clients remain up to date with their tax return filing obligations and any outstanding returns can be identified quickly. A similar facility should be introduced for overdue tax liabilities where the tax agent is agent-linked for the tax-head or for the purposes of a Phased Payment Arrangement.

This is particularly important given tax agents are not copied on payment demands sent to taxpayers and Revenue has returned to its standard debt collection process, including referral to enforcement. In addition, timely payment of current taxes is a key condition for retaining access to the benefits of the Debt Warehousing Scheme.

As part of this, it would also be useful for tax agents to be notified where an issue has arisen with the processing of a tax payment. Under the current system, tax agents are unaware when an issue arises with the processing of tax payments. Therefore, tax agents are then unaware that the payment of tax has become late.

**3. Create a database for Tax and Duty Manuals (TDMs), like that maintained by HMRC**

HMRC maintain a database of Tax Manuals that is more user-friendly than the Revenue suite of TDMs. Users can search the HMRC database, view more cross-references between manuals and where a manual has been amended, the specific amendments are highlighted. We would request similar functionality for Revenue's TDMs.

A Sub-group of the Direct/Capital Taxes Sub-committee has discussed improving the process around updating TDMs. For example, allowing continued access to TDMs while they are being updated with an appropriate warning message that the TDM is under review and a standardised approach to detailing updates to a TDM e.g., a revision sheet of the relevant amendments. Feedback from the Sub-group should help inform the important features and functionality in developing a TDM database.

**4. Include a field on the tax return to allow a taxpayer to make a negligible value claim (under section 538 TCA 1997)**

In contrast to most other claims in the Taxes Consolidation Act (TCA), a claim must be submitted separately to make a negligible value claim under Section 538 TCA 1997. Furthermore, Revenue has noted to the ITI that under the legislation, the Inspector must be satisfied that the value of an asset has become negligible before a loss is allowed.

Therefore, a taxpayer cannot treat an asset as having negligible value without the Inspector being satisfied of the loss. This approach is not consistent with self-assessment and the tax return should be updated during 2023 to enable a claim to be made on the return.

**5. Share data from tax returns about a taxpayer's acquisition of capital assets with the taxpayer to whom the data relates and their income tax agent**

At the Main TALC SPM, we raised how data Revenue receives from Stamp Duty returns, eProbate, LPT etc. about a taxpayer's acquisition of assets could be leveraged to support the preparation of the Form 11 income tax return. For example, in assisting the tax agent to correctly:

- a. Declare the acquisition of an asset on the tax return in the year of acquisition.
- b. Identify a potential income stream to be declared on current or future tax returns.
- c. Calculate a taxable gain/loss and CGT due on a future disposal of the asset e.g., through access to information on the cost and year of acquisition.

There should be a location on ROS where a taxpayer and their appointed income tax agent can view the information Revenue holds on record in relation to the taxpayer's acquisition of capital assets, where this information would be relevant to completion of the income tax return. This ROS record should be updated as the information becomes available to Revenue.

Tax agents could then review the information on record when preparing their clients' Form 11 tax returns, determine what is relevant for the current return or a future return and raise any relevant queries with clients. Any inaccuracies in the information Revenue holds could also be identified at an earlier stage and corrected before an error may trigger a compliance intervention.

At the Main TALC SPM, Revenue considered that locating such information on ROS rather than on the ROS Form 11 would be the preferred option. We would agree with this approach. It would also ensure the information is accessible to tax agents who do not prepare returns using ROS but use commercial tax-preparation packages.

We have focused on sharing data related to the Form 11 income tax return, as discussed at the Main TALC SPM, as we believe this would deliver the greatest benefit in supporting tax compliance. However, a similar facility for taxpayers filing a corporation tax return (Form CT1) would also be worthwhile.

**6. Simplify the process for updating bank account details for tax refunds**

Currently, taxpayers must separately enter on ROS their bank account(s) details to be used for tax payments and for tax refunds, often across multiple tax heads. If a taxpayer wishes to nominate the same bank account for both tax payments and refunds it should be possible to implement this choice through a simple mechanism such as the selection of a “tick box” or similar option on ROS. This would reduce the time spent in entering the same bank details several times.

It would also help to reduce the number of instances where the payment of a tax refund is delayed, simply because the taxpayer’s bank account details for tax refunds have not been provided.

**7. Allow tax agents to access the weekly Customs & Excise Reports which are needed to complete postponed accounting entries on VAT returns**

Tax agents do not have access to the Customs & Excise (C&E) Weekly Reports for imports which have information needed to complete postponed accounting entries on the Forms VAT3 and VAT Return of Trading Details. Based on discussions at the TALC Collections Sub-committee, an IT development had been planned for Quarter 3, 2022 but this was subsequently deferred.

At other fora, Revenue has advised that it is noticing inaccuracies in the entries for postponed accounting on VAT returns. This is directly related to issues for tax agents in obtaining the information needed to prepare these entries. Therefore, the required IT updates to permit tax agents access to the weekly C&E Reports should be made in 2023 without further delay.

**8. Issue automatic reminders in advance of the expiry dates for Tax Clearance Certificates and for PAYE Agent Authorisations**

Tax Clearance Certificates (TCC) are generally valid for 1 year or for 4 years. Taxpayers and their agents receive a notification from Revenue when a TCC has expired. However, it would be better if a notification was issued in advance of the expiry date to give sufficient time to renew the TCC, if required, and avoid the potential cash-flow impact and correspondence involved in reinstating expired clearance.

Tax agents could be advised of an upcoming expiry date in advance through notification via their TAIN i.e., so that a list of TCCs that will expire shortly could be generated. This would be preferable to issuing notifications to the ROS Inbox due to the volume of notifications that may be issued.



In January 2021, Revenue introduced a 4-year validity period for PAYE Agent Authorisations (Forms PAYE A1 and A2) on a prospective basis. We understand Revenue is considering updates to its internal systems so that Revenue staff can be made aware of expiring authorisations.

As part of this IT build, we would request that tax agents with PAYE Agent Authorisations should receive reminder notifications in advance of the dates of their expiry to help ensure authorisations are renewed in a timely manner, if required. We propose that the reminders would be notified via the agent's TAIN.

#### **9. Expand the activities agents can conduct on MyAccount for taxpayer with PAYE income**

It is currently not possible for a tax agent to set up an instruction (RDI) to pay a tax liability for a PAYE taxpayer filing an income tax return, or to set up a payment of tax on the exercise of share options through the Return of Tax on Share Options (RTSO). These functions should be added to ROS.

#### **10. Progress Revenue's current plans on pre-population**

At the Main TALC SPM, Revenue advised that it intends to progress a number of further pre-population initiatives, for example, pre-population of tax on the exercise of share options potentially on the 2023 Form 11 and pre-population of data from the Employment Investment Incentive Scheme (EIS). We would encourage a continued emphasis by Revenue on pre-population of returns wherever possible.

Revenue also noted its interest in including CGT payments on the Form 11 that are derived from the CG50 application process. The CG50A requires the vendor's PPSN so it should be possible to populate CGT payments to the taxpayer's record with Revenue where CGT is paid. It would also be worth exploring a mechanism for crediting tax deducted and remitted by the purchaser, with the CG50B, to the vendor's ROS record.

#### **11. EIS Relief for Qualifying Investment Funds**

Finance Act 2021 extended EIS relief to include Qualifying Investment Funds. However, ROS was not updated to accommodate differences between Qualifying Investment Funds and Designated Investment Funds. This includes instances where a Qualifying Investment Fund makes both non-qualifying investments as well as qualifying EIS investments. There is a concern among practitioners that this could lead to significant difficulties when it comes to filing returns. As such, an IT upgrade to facilitate the Finance Act 2021 updates is needed.