

Update on eRepayments

Electronic repayment direct to customers bank account

Revenue



Cáin agus Custaim na hÉireann
Irish Tax and Customs

Mandatory eRepayments - 2016

- Who ? Business Taxpayers who are already mandatory eFilers
- When ? Commencement Date – 3 May 2016
- Model will mirror that currently in place for Business Taxpayers for VAT & CT Repayments
- Repayments to Mandatory eFilers will require the provision of bank accounts details
- External factors
 - National Payments Plan
 - SEPA
- Tipping point reached – over 50% repayments now via EFT

Background - eRepayments

- Not included in mandatory eFiling regulations
- System capability was limited
- Default repayment method was cheque
- Inconsistent approach
 - 2 taxes mandated to be repaid by EFT only – VAT and CT
 - Other taxes had no EFT capability - IT, RCT, PREM
 - Other taxes had EFT capability but low takeup – PAYE

Current Position - eRepayments

- 5% year on year increase - EFT value and volume
- 52% repayment volumes via EFT
- 87% repayment values via EFT
- > 600,000 cheques issued in 2015 @ .90c cost

| Repayments 2014 v 2015 (volume) -EFT vs Cheque | | | | |
|--|-----------|-----------|------|------|
| | 2014 | 2015 | 2014 | 2015 |
| EFT | 599,545 | 657,599 | 47% | 52% |
| Cheque | 682,105 | 618,170 | 53% | 48% |
| Totals | 1,281,650 | 1,275,769 | 100% | 100% |

Current Position - eRepayments

- Business Taxes Income Tax, RCT , PREM
 - low takeup of EFT
 - Income Tax – 40% of all cheques issued in 2015

| | Cheque | EFT | Total | EFT % | Cheque % |
|----------------------------------|----------------|----------------|------------------|------------|------------|
| Total Volumes Issued 2015 | 618,170 | 657,599 | 1,275,769 | 52% | 48% |
| broken down as follows: | | | | | |
| Income Tax | 245,272 | 29,193 | 274,465 | 11% | 89% |
| RCT | 15,831 | 2,612 | 18,443 | 14% | 86% |
| PREM | 17,635 | 1,766 | 19,401 | 9% | 91% |
| PAYE | 289,855 | 369,200 | 659,055 | 56% | 44% |
| Others | 49,577 | 254,828 | 304,405 | 84% | 16% |

Mandatory eRepayments - 2016

Implementation approach

- Regulations to commence mandatory eRepayment
- Enhancements to business systems
 - Enhancements to ROS at filing stage
 - capture and validation of bank account details
 - Enhancements to repayment processing in ITP
 - where bank account details not on file, repayment is held.
 - system capability to repay via EFT has been extended to all taxes
 - enhanced processing of returned payments from banks

Mandatory eRepayments

➤ Extensive Communications Plan

- Internal Stakeholders
 - Issue Gateway and other internal bulletins
 - Update Tax and Duty manuals
 - Pre- BMEX update
 - Update REVNET
 - FAQ'S

- External Stakeholders
 - Mailshot to existing efilers
 - Continue to issue inserts with repayment cheques
 - Issue an eBrief to Agents
 - Update Collection TALC
 - Update text on Website