Minutes of 75th meeting of the TALC Sub-Committee on Collection Issues
22 March 2017
Office of the Revenue Commissioners, Dublin Castle, Dublin 2 at 10.45am

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Item 1: Approval of minutes of meeting held 7 December 2016.

The minutes of the 74th meeting were approved as proposed.

Item 2: VAT Registrations

A discussion took place on the VAT registration process.

Practitioners raised:

- Delays in the processing of VAT registrations of 4-8 weeks in some cases and difficulties in providing clients with an estimated timeframe for receipt of a VAT registration number.
- The level of supporting information sought by Revenue, which can be difficult for small businesses/start ups to provide.
- Whether the turnaround time differs between paper and eRegistrations.
- Difficulties in obtaining property VAT registrations in a timely manner.
- Similar turnaround time on RCT registrations as VAT registrations.

Revenue noted:

- The VAT registration function in the Dublin Region will be centralised beginning with Phase 1 starting April 3rd 2017 and Phase 2 starting end of June 2017. Centralisation should improve the efficiency of the process overall.
- The turnaround time on VAT registrations is 20 working days in the Dublin region, if all supporting information is submitted upfront. Delays can occur where information required is not provided at the start, leading to additional correspondence. Registrations are processed in date order.
- Practitioners should be reminded of the checklist of supporting information that can be uploaded via MyEnquiries, a reduction in use of the checklist was noted in recent months. Where additional information is sought by Revenue, this can be provided via the "VAT Supporting Documentation" option on MyEnquiries. This mailbox is reviewed by Revenue personnel daily and material will be dealt with that day.
- Evidence that a trade exists must be provided. Revenue conducts robust due diligence on VAT registrations to counteract misuse of VAT numbers. Where a small business/start-up is unable to provide the specific information sought, alternative evidence can be provided e.g. receipts, invoices, business plan etc. Revenue is prepared to meet with businesses if necessary to examine what evidence of commencing to trade can be provided.
- Paper and electronic registrations are dealt with in the same manner i.e. processed in date order. Turnaround time on paper-based/non-resident registrations has improved.
- Revenue agreed to review the issue raised on RCT registration delays, as RCT registrations are subject to less checks than VAT registrations.
- Revenue is examining how to improve processing of property VAT registrations.

Revenue will be enhancing the eRegistration facility in the second half of 2017. This should reduce the number of paper registrations in the system going forward and improve the efficacy of the registration process generally.

Revenue invited some examples of specific cases where significant delays arose on VAT registrations.

The committee thanked the Dublin region Revenue personnel for attending the meeting.

Item 3: PAYE Modernisation

Revenue outlined the rationale for reform of the PAYE reporting regime, e.g. the changing nature of employments, payroll, developments in technology and employee/employer expectations. Revenue want a seamless integration of the real-time reporting regime with the payroll process, to minimise compliance costs. P30s, P45s, P46s, P60s, and P35s will be abolished in the new regime. Employees will have more control over their own taxes to maximise use of their entitlements. It will also improve the accuracy of data received by Revenue on tax deducted.

Revenue acknowledged that considerable work needs to be undertaken to ease the transition to the new regime through engagement with payroll software developers and public communications. They hope that by the end of March 2018 there will be a fully functioning test facility in place.

Revenue provided an outline of some current PAYE reporting statistics.

- 98% of the 110,000 employers with less <5 employees, filed through ROS and 45% use a software package.
- In 2015 roughly 5 million PREM forms were submitted by employers.

Practitioners outlined important issues for small business in transition to this regime.

- Cost issues for businesses who do not have payroll software, or pay employees weekly

- Broadband access

- Revenue's approach to penalties e.g. Revenue should not impose penalties for at least the first three years of transition to the new regime.

- Employer education

- The challenges of introducing a new regime for all employers from 1 January 2019.

Revenue noted that they are conscious of the issues raised. They want to develop a workable regime for all employers, including those without internet access. They are interacting with a broad spectrum of stakeholders to identify and resolve issues. It was agreed that the transition period will be challenging and a common-sense approach will be important.

Item 4: Work Plan Items for 2017

My Enquiries

It was agreed that this should be on the rolling agenda for 2017. Revenue outlined recent developments to the service, including:

- An additional subject line to include a reference number on a query (available from April 2017). If this line is left blank it will pre-populate an enquiry ID.
- Better Navigation on My Enquiries Records
- A confirmation auto response email once a query is submitted telling the sender that there is a 20 day response time (30 days during busy periods).
- TRN/PPSN- These will now feature on the My Enquiries record. The user will be able to search and sort based on the number.
- Work on highlighting tips relevant for agents in the myEnquiries Manual – the draft Manual would be circulated to committee members for comment after the meeting.

The committee discussed ways to communicate developments on myEnquiries to the membership of the professional bodies. It was noted that Main TALC will be reviewing how best to disseminate information on TALC developments generally. In relation to turnaround time on queries, specific feedback on practitioners' experiences of MyEnquries would be of assistance in identifying patterns and specific areas for improvement.

*Revenue Online Service ("**ROS**") Issues*

ROS Log In updates will be released in April. There will two sub-certs for business authentication purposes. This will not impact the ROS user.

The ROS registration process will be streamlined in June. One letter of correspondence will issue in the post to the taxpayer, once the taxpayer logs into ROS they will be provided with a password by email/text to enable them proceed with the registration process. Security questions will be included in the event the user forgets the password and needs to reset it.

Debt Collection- Impact of Segmentation

Debt collection is now conducted on a national basis. Non-compliant cases can be now identified much faster and more efficiently. Revenue are pleased with the progress to date on debt collection in the lower tiers of debt cases. A short update on developments will be provided at future meetings.

Tax Clearance

200,000 electronic tax clearance applications have been received by Revenue to date - 97% of these were processed automatically. The overall feedback on the regime has been positive.

Practitioners outlined experiences where clients' tax clearance was rescinded in circumstances where a spouse's tax affairs were not up to date, even though the couples were separately assessed. A temporary tax clearance was sought in these cases, but was refused. Revenue considered this may be an administrative error. A manual adjustment can be made by Revenue to release an eTC, where a non-business return is outstanding in similar cases.

CAT Administration

The Collector General's Division will be assuming responsibility for CAT collection issues. Practitioners considered that the CAT form is very difficult to complete, it is not user friendly and a number of ROS CAT issues remain unresolved. Guidance for the farming sector on completing CAT returns would also be welcome. Revenue requested that practitioners send a list of issues in relation to CAT administration and the farming sector with a view to developing guidance. An updated FAQ on CAT form completion was also requested.

Item 5: CCAB-I Issues

CAT Payments for Accountants

Practitioners referred to the ongoing difficulty for agents in setting up an RDI for CAT. Revenue noted that it is now possible for agents to view payments for CAT. Payments can be made via MyAccount.

Agents are not copied on acknowledgements of CAT returns and payments. Revenue will examine this matter. Revenue expect that by the mid-2018 the statement of account on ROS will record all tax payments made by a taxpayer.

Item 6- ITI Matters

Jobs and Pensions- Alternative Access for Agents

Practitioners raised the lack of agent-access to the new Jobs and Pensions service, to register employments and sought that Revenue accept paper Form 12As until agent access is provided. Some Districts have returned paper Form 12A submitted by agents. Revenue noted that in the absence of any alternative, paper Form 12As would be accepted.

eRegistration and corporates
It is not currently possible for corporates to use the eRegistration service to register a company for tax, as they do not hold a TAIN. Revenue has been examining this issue to identify a solution, and it remains on Revenue's agenda.

PAYE Online Service

Practitioners noted changes to PAYE services online which limited the facility to add certain tax credits. The services will be updated in June to enable agents add pensions and other tax credits, based on a back year.

Help to Buy Scheme

Revenue highlighted published statistics on Help to Buy applications. While applications may have taken time to process on introduction of the scheme, staff and taxpayers have become more familiar with the regime and processing time has improved. Turnaround time on an application is about 5 days, it can be longer if an issue arises. Out of 746 claims, 328 were paid amounting to €5 million. Practitioners noted a prompt turnaround now in most cases.

Item 7- AOB

Additional questions have been included on the Form 1 for 2016. These are required to fulfil Revenue's obligation to collect information on beneficial ownership of trusts.

ROS Form CT1 for 2017 will be available on 3 April.

New P2C's will be issued shortly which will reflect the budget increases.

Action Points	Responsible	Timescale
Provide specific examples of delays in VAT registrations	Practitioners	ASAP
Examine processing of VAT property registrations and RCT processing issue raised	Revenue	ASAP
Reminder communication on VAT registrations checklist	Revenue Practitioners	ASAP
Development to eRegistration service	Revenue	Second half of 2017
Revenue engagement with stakeholders on PAYE modernisation	Revenue	Ongoing 2017
Communication on updates on My Enquiries	Practitioners	Post Main TALC
Submit issues on CAT administration for farming sector	Law Society	By next meeting

<u>Attendees at the meeting of 22 March 2017</u>

Ms Sandra Clarke (Chair) (ITI)

Ms Nicola Murray (Secretary)

Ms Mary Healy (ITI)

Ms Deirdre Padian (ITI)

Mr Gerry Higgins, (CCAB-I)

Ms Crona Brady (CCAB-I)

Mr Ray Kilty (CCAB-I)

Mr Mick Gladney, Mr Leonard Burke, Ms Lucy Mulqueen, Ms Maura Conneely, Ms Ruth Kennedy,   Mr Noel Wall, Ms Lilian O Connell (Revenue)

Ms Deirdre Barnicle, (Law Society)

Ms Aisling Meehan (Law Society)