

## Minutes of 72nd meeting of the TALC Sub-Committee on Collection Issues

15th March 2016

Office of the Revenue Commissioners, Dublin Castle, Dublin 2 at 10.45am

### Item 1: Approval of minutes of meeting held 4 December 2015

The minutes of the 71st meeting were approved as proposed.

### Item 2: eRepayments Presentation

Revenue gave a presentation on the implementation of eRepayments in line with the eRepayments regulations.

Cheque usage is to be gradually phased out.

The eRepayments system will be focused on business taxes and not personal taxes:

- It is expected to commence on 3<sup>rd</sup> May 2016;
- It will be based primarily on the model already in existence for VAT and Corporation Tax repayments;
- More taxpayers are currently utilising electronic funds transfers to settle their tax liabilities for business taxes than cheques and Revenue are now seeking full implementation of eRepayments;
- Once the system goes live, repayments will be withheld until bank account information provided;
- Currently, any cheque repayments are being accompanied by an email notifying affected taxpayers of the implementation of eRepayments.

### Item 3: RevPay Presentation

Revenue gave a presentation on the ongoing development of RevPay. This is a method for individuals to make tax payments online similar to the current methods available to business taxpayers through ROS.

The payment facility will be provided via a link for MyAccount customers. At present, EFTs and cheques can cause administrative burden for Revenue in linking a payment to the appropriate taxpayer and also to the relevant taxhead and period.

RevPay will allow payments via Debit / Credit card or setting up a Single Debit Authority and will allow for payments of the following:

- Tax;
- Interest;
- Penalties;
- Audit Settlement;
- Attachment payments under s.1001 or s.1002 TCA.

The benefits are:

- Full online tax payment history;
- Email confirmation of payment; and
- The payment will be immediately recognised on Revenue's systems.

It is expected that RevPay should go live on 16 June 2016.

#### **Item 4: My Enquiries**

Revenue provided an update on the operation of the MyEnquiries system.

Revenue has updated their own internal operations manuals to remind their agents to include the PPS number and taxpayer information so that the query can be dealt with in the appropriate district.

Revenue confirmed that there is currently no plan for either automatic acknowledgements or manual confirmations to be sent out once a query is submitted.

Revenue's internal statistics confirm that 93% of tax agent queries are actioned within 25 days. It was acknowledged that queries to the Large Cases Division take longer due to their generally more complex nature but 96% are actioned within 40 days. No comparable statistics are available where agents email Revenue contacts directly as this is outside of the MyEnquiries system.

Practitioners noted that they had received feedback of some delays being experienced in receiving responses to emails submitted via myEnquiries. There is also a lack of clarity at times as to whether a request has been dealt with, given there is no communication from Revenue to confirm that a request has been completed or has been allocated to a Revenue official to be processed. This gives rise to calls to the Districts to clarify the position. Revenue agreed to consider this issue.

Issues raised in respect of submitting queries where the agent has multiple ROS Digital certificates. Revenue advised practitioners to include the details of the particular ROS certificate in the "MyRef" field of the query. As yet, there is no IT solution to this issue but this is proposed as an interim measure until a system wide solution can be found.

Revenue stated that there is currently no plan to increase the 2,000 character cap for queries in MyEnquiries. Where a query requires more information, it is advised that the tax agent submit their query in the form of an attachment.

#### **Item 5: Electronic Tax Clearances ("eTCs")**

Revenue Confirmed that many historic issues surrounding eTCs have been fixed. In particular:

- It is now possible to link the eTC to an unassessed spouse to ensure that a Tax Clearance will cover both spouses;
- The eTC is now available to download as a PDF;
- Non-resident directors should now be able to retrieve an eTC online with just their name and address;
- A FAQ is to be issued on how to apply for and find eTCs.

Revenue stated that the percentage of eTC applications rejected is less than 10 percent.

Practitioners raised the issue of the apparent requirement to confirm the tax compliance status of all

company directors when applying for tax clearance via the eTC for a company.

Revenue stated that, in such scenarios, practitioners should pick one director for public procurement bodies. Also, it is only the tax compliance status of directors with control of the company that is relevant in determining whether a company can obtain tax clearance under sections 1094 and 1095 TCA. There is no need to confirm compliance for all directors. Revenue stated that this should be obvious from the eTC application itself.

Revenue stated that they are looking at updating the director and shareholder details from Forms CT1 to prepopulate eTCs and such information would refresh periodically.

Practitioners raised concerns surrounding eTCs for partnerships. eTCs and tax registrations are being put in the names of the individual partners and not in the partnership name. This could give rise to data protection concerns. This also raises concerns where silent partners are involved.

### **Item 6: Tier 5 Operations**

Revenue provided an outline of their strategy to target tax collections in the Tier 5 tax class. Tier 5 taxpayers include those who pay less than €500 a month and some taxpayers who are in a repayments only position.

Revenue have developed and implemented software to look at each General Claims District to analyse the returns of taxpayers in the Tier 5 class. Revenue are dedicating significant resources to this strategy by increasing the numbers of staff in the Collector Generals Office analysing such cases, with staff numbers up from 25 to 60.

The Strategy commenced in November 2015 at an intensive level and the collection of outstanding or underpaid liabilities has been significant.

Three different case management structures are being employed where an at risk taxpayer is identified:

- a) Standard debt management ie issue of formal demand and subsequent enforcement;
- b) The issue of informal letters from Revenue to the taxpayer advising them to be tax compliant;
- c) Direct telephone contact by the relevant local district.

For the first time, collection efforts across all 5 Tiers are being pursued aggressively.

Revenue stated that due to the high volume of taxpayers being pursued in Tier 5, practitioners can expect more queries in respect of small tax cases.

Revenue also stated that with the integration of data from LPT Online to taxpayer records across Revenue's systems, the compliance history of taxpayers with multiple properties on the LPT system will be analysed to establish if there is a logical income tax compliance history.

### **Item 7: 2016 Revenue Initiatives and IT developments**

Revenue stated that the Form CT1 for 2016 became available in April and will have RCT prepopulated

fields. There has also been an increased budget to fix certain issues arising on ROS, particularly in respect of the following RCT matters:

- Issues with re characterising payments between principal and sub-contractor should be resolved;
- Payments on multiple contracts to one sub-contractor should no longer cause issues.

Revenue are now integrating CRO data to better match registration details to the data supplied to the CRO e.g. company name change, strike off, change to DAC etc. The technology for such integration is currently being put in place. In particular, where companies are registered with CRO and not registered for tax, Revenue will be able to query why this is the case through such integration.

A new Form e12A called the “Jobs and Pension” form should be available by September 2016 and will eventually be made available to tax agents.

The PAYE anytime system is currently being reviewed and it is proposed to update this system to facilitate users on mobile platforms such as smart phones and tablets.

In the June ROS update, ROS users should be able to see iXBRLs submitted in respect of corporation tax returns in the ROS inbox.

## **Item 8: Practitioner Issues**

### *Tax Registrations*

Practitioners raised the issue that tax registrations are taking too long, where a VAT registration is being requested. In some instances, taxpayers and tax agents are waiting 6-8 weeks for tax registration to be processed due to including a VAT registration application.

There is also an issue where companies are incorporated by foreign investors where the registered business addresses are stated on the CRO as being that of their agent. This also caused delays in registering for tax notwithstanding the bona fide nature of such registrations.

Revenue stated that this is not a backlog or resource issue but an EU compliance issue. All VAT registrations must be critically reviewed as it is an EU-wide tax and such registrations are valid in other Member States. Very careful review is required especially in instances where the applicant has a low physical footprint in Ireland. However, it was agreed that 8 weeks is too long to wait for a VAT registration. Revenue will query such delays with the districts and attempt to bring such times down or alternatively obtain explanations for such delays.

Practitioners queried whether there are standard queries that Revenue revert with in respect of VAT registrations that could be incorporated into initial tax registration application to facilitate the registration process.

### *ROS compatibility for certain registrations and CG50s*

Practitioners also raised the issue in respect of VAT re-registrations not being capable of being processed via ROS. Similarly, Forms TR2 cannot be processed via ROS where a director does not possess a PPS number and this is also causing issues. Finally, practitioners queried whether there were any plans to make CG50 applications into a fully online application process via ROS.

Revenue stated that their IT specialists were looking at both the VAT re-registration point and the Form TR2 issue as it has been raised many times and they hope to provide an IT solution to this in due course.

However there is no plan to make the CG50 application process available via ROS as of yet.

*PDF versions of Forms CG50*

Practitioners queried the practice adopted by certain districts requiring the signed original Form CG50 to be delivered instead of a PDF softcopy and whether this was an accepted practice. Revenue stated that staff should and can accept PDF copies of the Form CG50 and will remind staff on this point.

*Phone Systems Update*

Practitioners queried the introduction of the new 1890 phone system and how the phased rollout of the system was progressing.

Revenue stated that the new system was introduced in Border Midlands West (“BMW”) Region in February 2016. The new phone system should be implemented in the East South East Region and Dublin Region in the near future.

Revenue stated that initial feedback is positive from the BMW Region where query volumes and query type can be monitored on a real time basis and resources can be allocated as needed. This is the same phone system currently being utilised in respect of LPT and the Collector General’s office, which has been effective.

Practitioners queried whether the practice of disconnecting callers where there is a high volume of calls would continue i.e. the “call back later” message. Revenue stated that once the system is fully rolled out and centralised, this should no longer be an issue.

**AOB: Nothing Identified**

<b>Action Points</b>	<b>Responsible</b>	<b>Timescale</b>
Revenue to arrange for circulation of eRepayments presentation slides to practitioners at meeting.	Revenue	Immediately
Revenue to discuss with National Stamp Duty Office the current inability to display and print all relevant panels completed and particulars entered in an eStamping return on the summary page of eStamping returns on ROS as well as the introduction of a taxpayer	Revenue	73rd Meeting

signature block on the summary page.		
Revenue to discuss with certain districts the cause of long delays in the processing of VAT registration applications.	Revenue	73rd Meeting
Revenue to follow up with districts regarding the practice of only accepting original signed hardcopies of Forms CG50 instead of PDF copies.	Revenue	73rd Meeting
Revenue to contact relevant internal IT and Communications personnel to invite them to a Sub-Committee meeting for queries on the new phone system.	Revenue	73rd Meeting

Approved by TALC Sub-Committee on Collection Issues Committee Members

Attendees at the meeting of 15 March 2016

Mr. Justin McGettigan (Chair) (Law Society)

Mr. Mark Scully (Secretary) (Law Society)

Mr. Gerry Higgins, Ms Kim Rowan and Mr Ray Kilty (CCAB-I)

Ms Margaret Sheridan, Ms Mary Healy and Ms Sandra Clarke (ITI)

Mr Mick Gladney, Mr Leonard Burke, Ms Lucy Mulqueen, Mr Michael Kearney, Mr Paul Dempsey and Ms Maura Conneely (Revenue)