

## **Meeting between Irish Tax Institute /Revenue Personal Division**

**30 May 2019**

### **Key Points from the Meeting**

#### **1. Overview of Personal Division**

Personal Division was established on 1 November 2018, as part of the realignment of Revenue's operational structure. The purpose of the realignment is to ensure that resources are focused on risk and there is increased oversight and greater consistency across Divisions on taxpayer interactions.

The Division is headquartered in River House, Limerick, with c.1,400 staff countrywide and deals primarily with PAYE taxpayers and non-trading/professional self-assessed cases. It currently consists of eight Branches:

- Divisional office
- PAYE Branch 1
- PAYE Branch 2
- Self-Assessment Branch 1 (including CAT functions and Trusts)
- Self-Assessment Branch 2 (including VIMA/VIES, Dundalk & Central Repayments Office, Monaghan)
- Compliance Branch (including Charities, Nenagh and Central Vehicle Office, Wexford)
- LPT Branch
- Stamping Branch

The Branch structure within the Division is subject to ongoing review, following its establishment, and this includes ways to strengthen the Division's compliance resources.

The Division handles both service and compliance activity for taxpayers within its case base.

#### **2. Personal Division Branches**

PAYE taxpayers form the major part of the case base of the Division. This includes PAYE taxpayers with investment or rental income (but not trading or professional income); non-proprietary directors; and taxpayers, who are chargeable persons but do not have trading or professional income.

Revenue expects some fluidity in the case base while the re-alignment process settles down. Refinements to the telephone service are being introduced in advance of Pay and File. Calls will be automatically directed to either Personal Division or Business Division, based on the taxpayer's PPSN. Business Division will handle calls from taxpayers with Case I and Case II income (including PAYE taxpayers who are self-assessed), regardless of whether it is the assessable or non-assessable spouse that has the trading or professional income. Personal Division will handle calls from taxpayers with non-trading income (including PAYE taxpayers who are self-assessed). Revenue has based the call routing following an examination of the taxpayer's

prior year tax return.

### 3. Revenue services

- ***Processing of SARP and international assignee correspondence and claims***

Practitioners acknowledged the work underway to address service issues raised regarding the administration of SARP and recent improvements in service delivery. At times, practitioners experience differences in the level of detail sought by Revenue to support a SARP claim and incremental requests for information, which can result in delays in issuing of refunds for extended periods. These experiences are not a recent development related to the realigned structure.

It would be beneficial to streamline the SARP administration process to make it more seamless and reduce time and work for all parties. Revenue invited specific examples of cases with refunds outstanding for a considerable period, to identify issues and potential process improvements, in conjunction with the Large Corporates Division. Practitioners suggested that it would be useful to develop a Revenue “checklist” of information required to support a claim, to help expedite claims for relief.

Practitioners raised the administration of international assignee cases and Double Tax Agreements (DTA) relief claims. For example, non-resident directors attending board meetings in Ireland. At times, the information sought by Revenue does not appear to be pertinent to the matter at hand or cannot be provided. This can result in multiple contacts with Revenue to clarify matters. Given the specialist nature of this topic, it would be useful to develop some practical guidance for the benefit of both sides. Practitioners will initiate this process, by developing a list of issues and short briefing notes.

Revenue is open to suggestions to streamline administration and will examine issues and proposals from a compliance perspective, to establish what checks may be required. Enhancements to guidance on the Revenue website and in Tax and Duty Manuals (TDM) are also an area of focus for Revenue.

- ***Service statistics***

The PAYE helpline receives circa 5,000 phone calls per day and in excess of 90% are answered within the customer service standard.

Processing refunds in a timely manner is a priority issue for Revenue. Currently, there is a concerted effort on clearing a build-up of correspondence relating to SARP, and processing of related refunds. Revenue is making good progress with the cases on hand.

A CAT Helpline is operated within the Division and response time are within the customer service standards. Regarding Stamp Duties, Revenue is striving to meet all targets and had made inroads in recent weeks in dealing with older items of correspondence. For RTS on Stamp Duties, there was a small backlog at the beginning of the year but is close to meeting the 20-day target

- ***Stamp Duty number for foreign companies***

Practitioners requesting a Stamp Duty number for foreign companies should contact Revenue as soon as the deed is signed. Requests are often submitted to Revenue at very short notice (e.g. on the due date for the return or the day before). Revenue may not be able to respond within such a short timeframe.

In addition, practitioners should only include one request for a tax reference number per email, with the relevant attachments for that particular company. If a single email contains requests for 3 or 4 numbers and multiple attachments relating to different parties, it is difficult for Revenue to determine which document relates to which party. If the documents are in a foreign language, only the company's name and registration details need to be translated into English.

RLS is currently updating the Revenue TDM on associated companies' relief for company reconstructions and reorganisations and for transfers between associated companies. The Stamping Branch currently has national responsibility for Stamp Duty compliance (other than for the case base of Large Corporates Division and Large Cases-HWID). However, Revenue encourages all staff conducting CGT and other compliance interventions to consider any potential Stamp Duty issues.

- ***LPT***

Over 150,000 compliance letters have issued seeking payment of LPT and some cases have proceeded to enforcement. In over 50% of cases, the property owner pays the LPT on receipt of the compliance letter.

- ***MyAccount***

January and February are peak periods for refund claims via MyAccount. The vast majority have been processed and service is delivered within customer service standards. Revenue encourages the use of MyAccount and will be enhancing the service in June. Refund claims submitted via MyAccount are processed more quickly than paper-based claims. Discussion followed on the range of services available to practitioners through MyAccount.

- ***PAYE modernisation***

Over 2.5 million payroll reports have been submitted since January, covering c.165,000 employers and amounting to €35 billion in gross pay (€11.5 billion in statutory deductions). Revenue has some concerns about the quality of data received and an eBrief on recurring issues has been published. A Data Quality Team has been formed and Revenue will be carrying out "service for compliance" visits to some employers and payroll agents to assist with accurate reporting and the elimination of errors.

The 'employee view' of payroll data went live on 15 May through MyAccount and details are updated on the 15<sup>th</sup> of each month. The next key development will allow banks and financial institutions, to view extracts of an employee's pay information (with the employee's permission). Further developments include; online unemployment repayment (Form P50)

claims, an annual eStatement and online allocation of tax credits.

Update events on using MyAccount are being held for larger private and public sector employers. Revenue can provide such employee updates on request.

Revenue is also engaging with the small number of “paper filers” to encourage online reporting.

Revenue noted that the MyAccount record is not being updated in real-time for LPT deducted through the payroll. The LPT deducted will be updated at year end.

- ***Chargeable persons’ survey by Revenue***

Revenue recently conducted a survey of chargeable persons with income less than €10,000, who submitted a Form 11. The findings confirmed the use of the Form 11 when a Form 12 would be more appropriate. This can arise for a number of reasons, for example, previous use of the Form 11, the fact that a final calculation is provided when using ROS Form 11 and taxpayer confusion over the appropriate tax return to submit.

The survey also surfaced issues around Digital Certificates and the €5,000 threshold for becoming a chargeable person. Revenue is examining ways to simplify income tax return filing and eliminate confusion over the appropriate form to submit.

In the short term, Revenue will be engaging with paper Form 12 filers, with a view to increasing the use of the eForm 12. Revenue will also be generally examining the income tax return forms in the medium term. Practitioners noted some limitations with online filing of the Form 12. For example, it does not include CGT and a Form 12 prepared by commercial software cannot be uploaded on ROS.

- ***Projects and third-party data***

PAYE modernisation is a priority for Revenue for 2019. Other areas of focus include:

- Information received under FATCA and CRS
- Share schemes
- Case V/Airbnb income
- Relief claims by PAYE taxpayer and non-declaration of income
- CAT reliefs, including the Dwelling House Exemption
- Disguised remuneration e.g. loans
- Employer PAYE/PRSI in charities

- ***VAT compensation scheme***

30 June 2019 is the closing date for submission of claims to the Charities VAT Compensation Scheme, for eligible VAT paid by charities during 2018. A large number of claims have already been submitted. Refunds will be made on a pro-rata basis subject to the overall cap of €5 million for 2019.

- ***AEOI, MOSS and VIMA***

A branch of Personal Division administers VIES (VAT Information Exchange System), VAT MOSS (Mini One Stop Shop), AEOI Customer Service, Intrastat and Mutual Assistance and participates in the Fiscalis Programme.

Revenue provided a short update on forthcoming changes to VIES from 2020 and the introduction of the One Stop Shop (OSS) from 2021. It also advised of the customer service function that is available to agents, individuals and financial institutions with regard to AEOI registration and filing.