

Minutes of Main TALC meeting

30 October 2020

Skype meeting at 2.30pm

Item 1 Minutes of Meeting held on 8 September 2020

The minutes were agreed.

Item 2 Matters arising

Deadlines

Revenue acknowledged the good progress that has been made in filing returns so far this year. The Pay and File deadline has been extended to 10 December. Revenue will be pragmatic and adopt a flexible approach to surcharges. The focus is on getting returns filed and payments received.

Practitioners welcomed the approach being taken by Revenue and emphasised the efforts being undertaken by their members to get returns in on time.

Item 3 Finance Bill 2020

A detailed discussion of Direct and Capital tax provisions in the Bill took place at the TALC Direct and Capital Taxes subcommittee meeting on 29 October. There was a high-level discussion by the committee at the main TALC meeting. The main discussion points were as follows:

- Covid Restrictions Support Scheme
 - Practitioners asked for clarification on the definition of business premises, on businesses closed indirectly as a result of Covid-19 and how partnerships would be managed (i.e. would separate returns be required for each partner).
 - Guidance from Revenue will be updated to address the issues raised.
 - Revenue updated practitioners on the administration of the scheme. Registration for CRSS is expected to go live in early November and the claims process is on course to be operational in mid-November.
 - Practitioners expressed concerns about a perception of guidelines having the equivalent effect to legislation, asking that there is no re-interpretation of guidelines as they evolve and that there is no retrospection for those who applied under early guidelines. Practitioners asked that guidance include as much as possible up front and are only updated sparingly after that.
 - Revenue advised that it hoped to minimise changes to guidelines but it is not possible to predict what issues will arise when the scheme is live. Revenue reaffirmed its long standing practice of taking a pragmatic approach to those who acted on basis of a previous version of guidance.

- Payments in respect of professional services by certain persons
 - The amendment is subject to a commencement order and the expectation is that it will commence in the second half of 2021. There will be an engagement process with stakeholders in relation to the proposed development of ePSWT.
 - There was agreement on both sides on the importance and benefits of ePSWT.
 - Practitioners queried if Revenue was accepting scanned copies for international claims. Revenue informed the committee that F45's and F50's can be sent in scanned form and this is included in Covid-19 guidelines on Revenue's website.
- Transfer pricing amendments
 - Practitioners raised concerns about changes to the exclusion from transfer pricing, which have resulted in a narrowing of the exclusion. Concern was also expressed about how it was introduced.
 - Revenue stated that the changes are not a narrowing of the legislation but are clarifications to ensure that the exclusion operates as intended.
- Special warehousing and interest – TWSS and Income Tax
 - Revenue updated the committee on the ongoing work of building the reconciliation engine. Over 80% of the required "subsidy paid" data for relevant payslips has now been provided by employers. Revenue confirmed that there will be sufficient opportunity for employers to review their reconciliation data and to correct/address any issues prior to Revenue demanding payment of any liabilities. As provided for in the FB, reconciliation liabilities may be warehoused by employers who qualify for warehousing.
 - The guidance on warehousing has been updated and includes extra examples on the additional debt warehousing provisions announced in Budget 2021 (warehousing of TWSS overpayments and Income tax). Letters will issue shortly informing those in warehousing what is warehoused. Those who have returns outstanding will be informed and given time to comply with their filing obligations.
 - Section 997A(3) TCA 1997 is not being disapplied If the tax on the director's salary has not been paid under PAYE because it has been warehoused, the director cannot take credit for it. If the tax has been warehoused is not considered to be remitted when warehoused for the purpose of section 997A(4) TCA. If the director is availing of income tax warehousing under the new section 1080B TCA all liabilities including the unpaid Schedule E liabilities can be warehoused.
 - Practitioners sought clear guidance on the issues involved including examples around total income and rental income.
- No interest for a taxpayer on appeal
 - Practitioners outlined a perception of unfairness in the provision relating to Revenue not paying interest where a taxpayer makes a payment n account in respect of an open appeal. Revenue advised that the provision is to provide a statutory basis for agreed arrangements wherein a payment is made to protect the taxpayer from a potentially significant interest exposure.
- Dismissal of appeal by TAC
 - Practitioners expressed concern that the Bill could be read as creating the possibility of an appellant's appeal being dismissed for non-compliance by Revenue to a direction to submit a Statement of Case or outline of arguments.

- Revenue stated that the scenario put forward could not occur as it would be manifestly unfair. Revenue advised that it is very committed to advancing appeals as efficiently as possible.
- DAC 6
 - Clarification was sought on the rationale for not excluding more schemes from the application of Hallmark A3 in the Finance Bill provision – to mirror the schemes set out in the existing TDM.
 - Revenue clarified that the DAC 6 TDM will be updated to reflect the schemes listed in the legislation. It was noted that, on further consideration, some of the schemes that had been listed in the TDM did not meet the criteria for exclusion from the application of Hallmark A3.
- Anti-hybrids
 - Practitioners feel that S.835AB TCA 1997 does not go far enough and have submitted a paper to the department on the matter.
 - Revenue acknowledged receipt of the paper and noted that the issue is complex and committed to looking at it further.

Item 4 AOB

i. Level 5 impact on operations
 Revenue provided an update on operations stating that MyEnquiries and RTS are up to date, and that there are no backlogs in service delivery. Revenue also assured practitioners that there are no capacity issues with ROS.

ii. Force Majeure
 Revenue committed to providing an update at the next meeting of the committee

iii. List of Employers who received payments under the TWSS
 The Chair informed the group that there was a statutory obligation to publish the names and addresses of all in receipt of TWSS. The list is to be published today.

Attendance

Revenue	CCAB-I	ITI	Law Society
Brian Boyle (Chair)	Norah Collender	Mary Healy	Pat Bradley
Barry O’Dwyer (Secretary)	Maud Clear	David Fennell	Caroline Devlin
Eugene Creighton	Alan Bromell	Pat Mahon	James Sommerville
Joe Howley	Brian Purcell	Mark Barrett	Aidan Fahy
Jeanette Doonan	Paul Dillon	Tom Maguire	
Jean Kennedy	Enda Faughnan	Kieran Twomey	
Liam Smith	Peter Vale		
Edel Butler			
Sarah Waters			

Apologies

Anne Gunnell
 Sonya Manzor