

Minutes
TALC Audit Sub-Committee Meeting
Tuesday 27th November 2018 – 10.00am
Revenue Commissioners, Planning Division, Bishops Square, Dublin 2.

Attendees:

Practitioners: Tom Martyn	Law Society
Norah Collender	CCABI
Gerry Higgins	CCABI
Mary Healy	Irish Tax Institute
Jim Kelly	Irish Tax Institute
Aidan Lucey	Irish Tax Institute
Julie Burke	Irish Tax Institute
Sandra Brennan	Irish Tax Institute
Liam Grimes	Irish Tax Institute

Revenue: Kathleen Redmond (Chair)
Brian Boyle
Padraigh Donnelly
Katie Ryan (Secretary)
Fay Kearney
Amy Reville

Apologies: Paul Dillon (CCABI)

Item 1 – Minutes of meeting held on 25th September 2018

The minutes of the meeting of 25th September 2018 were agreed.

Matters Arising:

Actions points from that meeting were reviewed.

Code of Practice – PAYE Modernisation

This item is a separate item on the agenda for this meeting.

Short-Term Accommodation Letters and Medical Locum Letters

Revenue circulated copies of the letters shortly after the last Sub-Committee meeting.

Item 2 – Work Plan 2018

Foreign Income and Asset Disclosure Regime

Revenue provided an update on the disclosures received under the Regime. Over 2,500 of the cases have been closed, with a further 280 in progress some of which are at the final approval stages.

National/Regional Projects- Medical Locums Project

Revenue stated the project has now commenced. Audit letters and aspect queries have now issued and will continue to issue into early 2019. A further update will be provided at the next meeting.

PAYE Modernisation

Practitioners raised concerns relating to the re-grossing of emoluments and the deductibility of same. Revenue will revert to the group.

EAudit

Revenue confirmed taxpayers can make a qualifying disclosure after the technical meeting that is generally held as a preliminary to an eAudit. As with all audits a qualifying disclosure can be submitted up until the commencement of the audit.

Practitioners raised concerns that 14 days is a short period to conduct a self-review. They requested that additional time should be considered.

General Briefings

Non-filers

Revenue informed the group that the non-filer project is scheduled to run January – March 2019. It will commence with approx. 90,000 letters issuing for Income Tax non-filers at the end of January 2019.

Debt Management System

Revenue informed the group that in April 2019 the Collector General's Division are introducing a new debt management system to increase efficiencies and timely collection. Revenue will give a presentation on the new system at the next meeting.

Item 3 – Items raised by Practitioners (not on the Work Plan)

The ITI queried the level of response from the letters Revenue issued in September regarding income from the letting of short term accommodation. Revenue responded that the letters were a service for compliance campaign and as the return filing date has just past an analysis of the response had not yet been conducted. The ITI stated the suggested expenses did not include interest and this may be a future issue. Revenue noted a detailed manual on short term accommodation is available in the Revenue website.

Item 4 – Changes to the Code of Practice in advance of PAYE modernisation

Revenue circulated the amended time limits for self-correction without penalty for the PAYE (Income Tax /PRSI/USC) monthly return. Revenue informed the group the of the following suggested changes to the Code of Practice and requested their views;

- Amended time limits for self-correction without penalty for the PAYE monthly return.
- Time limits in Appendix II
- Regulations
- RCT self correction rules

The ITI suggested further areas of the CoP that could be reviewed at a future date to include the 15% test for significant consequences. Revenue stated that the Code will undergo further revisions in 2019 and these areas will be considered in consultation with this committee.

PMOD Compliance

ITI requested Revenue to review the application of fixed penalties as discussed at the last meeting. Revenue responded that it will be in a supportive role in 2019. The focus will be on helping employers who are trying to comply during the period of transition.

The ITI queried the projected yield of €50 million from PMOD. Revenue confirmed that PREM collection is €150 million ahead of target this year. This is due to employers changing their practices and Revenue's focus on taxpayers who were not engaging with the regulations. Revenue does not expect a big increase in 2019.

Item 5 – Election of Chair 2019

Julie Burke (ITI) was nominated and elected as Chair of the Sub-Committee for 2019. The Sub-Committee noted that Katie Ryan would be stepping down as secretary and wanted to place on record their gratitude for her valuable contribution to the work of the Sub-Committee. The sub-committee also thanked Kathleen Redmond for her excellent work as chair in 2018.

Item 6 - AOB

Proposed dates for meetings 2019

Dates of meetings scheduled for 2018 were discussed and will be circulated to the Sub-Committee. The proposed dates for 2019 are:

5th February
9th April
11th June
24th September
26th November

Work Plan 2019

Members were asked to consider items for inclusion in the Work Plan for the Sub-Committee for 2019, in advance of the next meeting.

Protective assessments

The ITI queried why protective assessments, issued as a result of the 4-year time limit, were sent out in November. Revenue stated that while they are satisfied with the legal status of assessments issued at any time during the 4 year period, as a consequence of a legal challenge they considered it prudent to allow for the 30 day appeal period. The ITI welcomed this practice.

Appeal Cases

The ITI suggested that Revenue explain the basis of an assessment in appeal cases as this would assist tax practitioners preparing the statement of case.

Action Point	Responsible	Timeframe
Employer Compliance Campaign <i>Revenue to review deductibility of regrossed emoluments.</i>	Revenue	When available
Debt Management System <i>Revenue to give a presentation on the new system</i>	Revenue	Next Meeting
Medical Locum Project <i>Update on project</i>	Revenue	Next Meeting

The next meeting of the TALC Audit Sub-Committee is scheduled to take place on ***Tuesday 5th February at 10.00am.***

The proposed dates for 2019 are:

5th February

9th April

11th June

24th September

26th November

Submitted for approval by Secretary – 20th December 2018

Approved by ***TALC Audit Sub-Committee Members – 5th February 2019***