

# Minutes of TALC Sub-committee on Collection issues

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Date: 20 June 2023

Via Microsoft Teams

## Agenda Item 1: Minutes of meeting held on 28 February 2023 and matters arising

Minutes from the previous meeting were considered and the main action points were discussed and updated. In particular:

- S83D Stamp duty returns query whether Tax Agents can claim the refunds for their clients. Revenue advised that requests for payment under S83D can be claimed only by the accountable person through their own ROS account or the original filer. It is not possible for an agent to submit a claim under the Agent's TAIN ROS DigiCert. CCAB-I enquired whether Revenue could consider making it possible for agents to make this refund claim. Based on feedback they have received solicitors are refusing to apply for the refund as they see it as a tax issue and clients are finding it difficult to complete the refund themselves. Revenue requested that CCAB-I provide details of the volume of cases that this affects and Revenue can consider if a change is possible with the relevant areas. CCAB-I suggested that this may become a greater issue in the future.
- Tax refunds and bank account details. Practitioners advised that some taxpayers had updated their bank account details online for tax refunds but received a letter requesting them to log back in and update their bank account details again. Revenue advised that where bank account details are updated a standard letter issues to the taxpayer advising the change has been completed. It may be the case that taxpayers are misinterpreting this letter. If the issue persists, a sample of the letter can be submitted to Revenue, for consideration.
- Applying interest on refunds of tax. There are many reasons that a repayment may be held (i.e. Returns outstanding, iXBRL accounts outstanding, etc.). If there are specific examples that practitioners would like Revenue to consider, they can be submitted and Revenue will review.

The minutes were proposed and agreed – to be uploaded to the Revenue website.

### ACTION POINTS

**CCAB-I to provide details of volume of cases that S83D affects. Revenue will then consider if a workaround is possible with the relevant area(s) to allow agents to file the S83D claim.**

**Practitioners to consider providing examples of late payments of refunds of tax which attract interest.**

## Agenda Item 2: Temporary Business Energy Support Scheme (TBESS)

Revenue updated the attendees on TBESS.

- The Spring Finance Bill introduced enhancements to the scheme – which include a reduction of the energy costs threshold from 50% to 30% for entry to the scheme, an increase in the energy payment amount from 40% to 50% of the business eligible costs, and the extension to 31<sup>st</sup> July 2023 for the claim period with an extension to 30<sup>th</sup> September 2023 to make the claims.
- When the enhancements were released, Revenue reviewed claims that were currently in the system under the older rules and plan another review before the end of June to ensure all claims are processed.
- The “How-to” videos have been developed and published to the website

- Customers who have commenced but haven't completed the claim process have been contacted to encourage them to continue through the process and give assistance where needed.
- Customers who have registered but never started the claim process have also been contacted.

There are approx. 29,500 businesses registered for the scheme and Revenue have approved approx. 46,500 claims to the value of €104M under the scheme. €98.5M has been paid out, the remainder is spread across offsets and current claims on hand.

CCAB-I queried if part of the reason for not making a claim is that taxpayers are encountering issues with the online calculator and asked if the calculator needs to be looked at? Revenue responded that the calculator can be reviewed to see if details/instructions can be clearer. Revenue advised that when the September deadline passes, they will be preparing for publication on the Scheme. ITI queried as to why customers are not proceeding with claims? Revenue advised that appraisals show that the majority of cases were those which did not qualify under the old scheme rules. Otherwise, the reasons included waiting on documentation, the value of payment was too low, etc.

#### **ACTION POINTS**

**Revenue to review the online calculator to see if details/instructions can be improved.**

#### **Agenda Item 4: Non-Resident Landlords**

Revenue responded to the queries that had been raised in the agenda. In relation to content on the website – this can be looked at and updated. The website content is being reviewed on an ongoing basis.

The new system comes into effect on 1<sup>st</sup> July – collection agents who are operating the Non-Resident Landlord Withholding Tax (NLWT) system are required to deduct 20% only from that date. The landlord must also file preliminary tax on 31<sup>st</sup> October. It was confirmed that the deductions will go towards meeting the landlord's PT obligations. Withholding tax should be paid each month as rents are collected. There is no annual return required going forward – the Form R185 will still be required for 2023 in respect of the first 6 months of the year. The payment notification will be recorded and available online. The scheme is scheduled for 1<sup>st</sup> July and the TDM has been available since 6<sup>th</sup> June, website updates are ongoing – specifications for the CSV, example files, etc. have been published. Helpdesk is in operation. Issued approx. 20,000 letters to non-resident landlords – approx. 400-500 queries have been received and dealt with. Approx. 1,000 letters were issued to tenants and 500 letters issued to collection agents. There is functionality to test CSV files for suitability – this is outlined in the TDM. CSV files can be uploaded from 26<sup>th</sup> June provided they are dated with effect from 1<sup>st</sup> July onwards.

Revenue advised that where NLWT is not operated (that is the rental notification and deduction process), the collection agent remains chargeable to tax for the Irish rental income of the non-resident landlords or else the tenant is required to deduct and remit the 20%. It was pointed out that the derogations that were put in place for the last couple of years (on Form 11 filing) are not available after 2023, and non-resident landlords are required to comply with the provisions of sections 1041 or 1034. Taxpayers may wish to review their options as to the timing of the transition if they opt for the new system.

The TDM on the ROS Form 11 is currently being updated and will be published in due course outlining the requirements for Non-Resident landlords. CCAB-I noted cashflow concerns of non-resident landlords with regard to mortgages/management expenses now that 20% of the gross rent is to be deducted. Concerns were also expressed that the proposed system increases the administrative burden for landlords as monthly returns are now required in addition to the annual return. It was also queried as to whether it would be feasible for landlords to self-manage their own withholding tax rather

than engaging a collection agent/tenant. Revenue advised that the system does not prevent a non-resident landlord from operating their own withholding tax.

Revenue is to issue guidance for non-resident landlords filing 2022 income tax returns where the tenant has not withheld tax.

#### **ACTION POINTS**

**Revenue to review website content.**

#### **Agenda Item 5: Non-Resident Corporate Landlords – iXBRL obligations**

Revenue advised there should be very few cases filing iXBRL in this instance as you would need to be either a Large Corporate or in receipt of rents in excess of €8.8M. Where a case is captured by the iXBRL obligations, they will be asked to file a detailed profit & loss (DPL) in iXBRL format and the balance sheet if applicable. The reason the corporate landlord is deemed a branch or agency is based on Section 25 TCA 1997, which says that a company not resident in the State won't be within the charge to Corporation Tax unless it carries on a trade within the State through a branch or agency. ITI queried if this information can be included in the iXBRL manual – Revenue can look to include.

#### **ACTION POINTS**

**Revenue to review iXBRL manual.**

#### **Agenda Item 6: iXBRL Update**

2023 taxonomies will be accepted from 4 September 2023. This is later than HMRC. There will also be a new mandatory tag required in all iXBRL submissions from September and this will be the Principal Currency Used in Business Report Tag. It is important to report the correct currency in the submissions as Revenue see that the most common error is that people tag the values in the wrong currency. The new tag enables Revenue to check the declared currency against the monetary tag in the file and check for discrepancies. Software providers have been contacted and made aware of the update.

#### **Agenda Item 7: Debt Warehousing Scheme Update**

Revenue updated on the position of the warehouse at the end of May 2023. The overall debt warehoused has dipped just below €2Bn. There are 61,000 businesses in the scheme, but the value ranges show that 32% of these businesses have balances of less than €100 so they have effectively exited the scheme. Overall, 65% of customers have warehoused debt balances of less than €5,000. Revenue's main focus is now on the approx. 6,000 customers with balances of over €50,000 – which makes up €1.7Bn of the total warehoused debt. There is an outreach programme planned for the coming months to make contact with those 6,000 customers to discuss repayment plans and options for these customers. While there remains no obligation to repay the debt before 1<sup>st</sup> May 2024, interest is accruing on these amounts since 1 January 2023. Revenue is availing of all opportunities and channels to communicate the repayment options available to the warehoused customers including communications via the practitioner bodies, SME stakeholder events, etc.

Revenue is encouraging taxpayers to engage now in the PPA process, rather than waiting until nearer 1 May 2024, as there is much flexibility in terms of payment terms, amounts and downpayments. In addition, payment breaks can be arranged once the PPA has been commenced. A nominal downpayment amount of 0.1% of tax & interest can be input using the online application system to commence the process of engagement and negotiation with the caseworker. Arrangements will be subject to review of supporting documentation.

This approach also results in interest savings for customers. ITI queried if offsets can be put against warehoused debt automatically – it was advised that offsets can only be done for warehoused debt by instruction of the customer. Repayment options will be further outlined through website updates, videos and through the practitioner bodies. There will also be facility to enter into a Phased Payment Arrangement prior to 1<sup>st</sup> May 2024 but apply for a payment break or deferral until 1<sup>st</sup> May 2024.

ITI queried in relation to self-employed PRSI being paid via a Phased Payment Arrangement whereby someone on application for State Pension on turning 66 was denied the pension due to being only regarded as qualifying for Contributory State Pension if all outstanding self-employment contributions have been paid. While the customer is paying through a PPA, it is not possible to clear the PRSI in priority so that the customer can claim the pension, the DSP have advised that once confirmation of an active PPA is received from Revenue, this is sufficient for their determination purposes to award self-employment contributions.

### **Agenda Item 3: Local Property Tax (LPT)**

Revenue have concluded the compliance campaign running from February to May and have achieved a 94% payment compliance for the 2023 period.

Revenue also discussed Vacant Homes Tax (VHT) – the first returns of which are due on 7<sup>th</sup> November 2023. Attendees were provided with an overview of Vacant Homes Tax – the slides from the presentation are to be provided after the meeting to the participants which are to be shared with practitioners’ members. It was queried when it will be possible to add an agent link for VHT for agents. Revenue advised that they are looking to incorporate this prior to the VHT portal going live.

CCAB-I queried whether the VHT filing date of 7 November 2023 could be included with the ROS extension deadline of 15 November 2023 given many practitioners will be filing both returns. The Portal will be available with adequate time ahead of the 7 November deadline, however Revenue do not expect many submissions Revenue do not currently see a necessity to extend the filing deadline. They will review the level on agent links once the portal opens to assess the matter.

#### **ACTION POINTS**

**Revenue to provide slide deck on Vacant Homes Tax**

### **Agenda Item 8: ROS**

Revenue discussed simplification of the process for updating bank account details for tax refunds. These changes will be delivered – offering the taxpayers and agents the facility to “tick a box” if they want to apply the same bank account details for payments and refunds for multiple tax registrations. Changes will also allow for bank account details to be retained for future payments through the RevPay screens. These changes will be delivered in two parts, RevPay at the end of June and ROS changes are scheduled for 17<sup>th</sup> July. ITI queried if the tick box would be available where a customer has a bank account registered for payments? Revenue advised that it will be available under “amend details”.

### **Agenda Item 9: Stamp Duty Section 83D Refunds**

This item was covered at the beginning of the meeting.

### **Agenda Item 10: VAT RTD**

Revenue advised that the VAT RTD TDM is in progress.

### **Agenda Item 11: eCG50**

An update is requested from Revenue regarding the Law Society's request that TDM Part 42-03-01a be updated in relation to the letter of undertaking from a solicitor that signed copies of the contract will be submitted within 2 weeks. Revenue flagged that this issue is referenced in the main CG50 TDM which is currently being updated by RLS. The request to update the "2 weeks" reference in this TDM has been forwarded. CCAB-I highlighted a specific query from a member over notification of assessment under CGT received by post but no confirmation received, it was requested that the specific detail be forwarded for consideration. The Law Society highlighted that a number of colleagues had noted delays with the CG50s – particularly in the Dublin region. It was also advised that these were eCG50s – but possibly where a query was raised by Revenue. CCAB-I also outlined that their members have advised that they are seeing a 6 day delay in the eCG50s coming to the ROS inbox. Both Law Society and CCAB-I agreed to go back to their colleagues/members for particulars of these cases and forward to Revenue.

#### **ACTION POINTS**

**CCAB-I to forward details of specific case outlined above.**

**CCAB- I and Law Society to forward details of cases where delays have been outlined.**

### **Agenda Item 12: PAYE**

Revenue are continuing to contact taxpayers where their preliminary statement of liabilities demonstrates they either under or overpaid for the years 2019-2021. Some taxpayers who were contacted in 2022 have since received a Level 1 compliance letter where they haven't responded to the preliminary end of year statement. Where risk factors have been demonstrated, these cases have started to be escalated to "Risk Review". For those who have been contacted in 2022 and the preliminary underpayment does not demonstrate any other risk indicators – Revenue will start to "Code Forward" the tax credits over the next four years, starting in 2024.

Revenue also addressed the query from ITI over agents not being able to access the underlying payslips once the Employment Detail Summary (EDS) has been downloaded. Revenue have moved the EDS from within the "Manage My Tax" space so now it is a stand-alone item and can be accessed at any stage. Functionality is still there to view your EDS and download it – Revenue are aware of an unintended consequence of the development that the ability to view the payslips was removed. In the main, employees should have their payslips from their employers – or should be able to access them through their employers. It is Revenue's intention to give back the ability to view the payslips, but this is on a list of priority developments at present – Revenue are unable to provide a timeframe for this. ITI advised that a number of members have been in contact on this matter as this is causing issues doing Income Tax returns e.g. in calculating pension top-ups. ITI queried if it was feasible to put a warning on the website prior to downloading the EDS – Revenue advised they would look into this, but advised that this issue will not be permanent. ITI also queried if the information could be included in the Form11 TDM – Revenue will also look into incorporating this.

#### **ACTION POINTS**

**Revenue to consider adding warning to online facilities for downloading EDS in the interim.**

**Revenue to consider inclusion of information in the Form11 TDM.**

### **Agenda Item 13: Proposed Enhanced Employer Reporting**

Revenue informed the meeting that it had made numerous presentations to stakeholder bodies and software providers regarding how the system is to be implemented in the last couple of months. Revenue are encouraging people to contact them if they want Revenue to speak at events they have organised or if they want to set up a stand-alone event for clients/groups of agents. The contact detail is [pims@revenue.ie](mailto:pims@revenue.ie) and customers should provide as much detail as possible. Revenue have reached out to approx. 20 representative bodies to see if they want Revenue to organise something for them also. Revenue will be reaching out later in the year on the matter. There is a planned discussion for the next Main TALC also. Practitioners expressed their frustration and concern with what they felt was a lack of communication and engagement on what is expected to be a significant administrative burden for their members.

Practitioners highlighted they felt there was a gap in the discussion process, they felt that there was a lack of engagement with the stakeholders, rather a one-sided delivery. It had been expected by practitioners that a subgroup was to be formed to engage with the process as such a request was raised at a separate TALC meeting and, as there had been no update on this, it appeared that Revenue failed to communicate a decision not to have such a subgroup with the practitioners. It was mentioned by Revenue that no member of the ERR team was at that meeting regarding the discussion around a subgroup and their understanding was that this was a request and it was still being considered, as part of that consideration the ERR team were scheduled to attend the Main TALC meeting where it was raised initially to get a better understanding of what was being asked by practitioners. However following the matter being raised here Revenue have agreed to prioritise it and would reach out to organise a preliminary meeting.

### **Agenda Item 14: Exit from the Irish Banking Market of Financial Institutions**

Revenue advised that the project has been largely completed at this point. The switching rate on bank details is approx. 80% at this time. Ulsterbank have confirmed that the vast majority of accounts in branches have now been closed. Revenue have performed analysis on the remaining 20% of cases on their systems and it appears that many of them are annual ROS mandates for Income Tax that are used for Pay & File. Revenue intends to issue communications in September in advance of P&F to customers who may fall into this category, as a final reminder to update their bank account details.

### **Agenda Item 15: Debt Management Services (DMS)**

Revenue advised that Debt Management is “business as usual”. The DMS system is at full throttle, monitoring payment and returns compliance, issuing reminders to file, raising VAT estimates and issuing requests for payment and final demands. The DMS system is now also managing the IT/CT Non-Filers programme – approx. 80,000 reminders to file were issued in April to those who had not filed their 2021 Income Tax return along with agent notification to the ROS inbox listing all of their clients that were included in the reminders. Revenue will be running a similar process for the CT non-filers around 7<sup>th</sup> July 2023. Revenue are also undertaking outreach campaigns to specific cohorts of non-filers, including certain agents with large numbers of non-filers – the response has been positive thus far. CCAB-I members report frustrations and inefficiencies that refunds are being issued when an offset has been requested, resulting in estimates issuing to the taxpayers with threat of enforcement. Revenue advised it is possible to request an offset automatically in cases where filing a VAT repayable claim – but are not aware of any issue with this functionality. Revenue requested where this issue is arising, the specifics of the case would need to be forwarded. CCAB-I are to forward details of specific cases.

#### **ACTION POINTS**

**CCAB-I to forward details of specific cases where a request for offset was made, but a refund issued.**

### **Agenda Item 16: C&E Weekly Reports**

Revenue outlined that an enhancement to allow agents access the C&E weekly print outs was again put forward as an IT development for the H1 and H2 2023 period. Unfortunately, due to resource constraints and other competing priorities e.g. legislative requirement changes, this change has not made the development list for this year. It remains on the list, but Revenue could not provide a timeline for delivery at present.

### **Agenda Item 17: Form IT38**

CCAB-I requested Revenue clarify whether the underlying issue that arose with the IT38, limiting its hours of filing on ROS, has been resolved. Revenue advised that they are aware of the issue and apologise for the inconvenience caused to customers. This issue is listed as a priority with the development team and is expected to be completed over the summer and well in advance of the peak filing period. Revenue will notify practitioners via stakeholder groups and the website when the issue has been fixed. In the meantime, the ROS offline facility remains available which allows agents and solicitors to complete IT38 Forms offline outside business hours and submit them during business hours.

An additional query was raised where the Form IT38 requires the disponent to have an Irish PPSN. This requires that a disponent without an Irish PPSN, who is not Irish resident nor domiciled to obtain an Irish PPSN on the one-off provision of a foreign gift/inheritance. This seems unduly burdensome, particularly in instances where the disponent is deceased. It was queried if Revenue could consider accepting the disponent's own tax registration number rather than requiring an individual to obtain an Irish PPSN where the return relates to foreign situate assets and the beneficiary has an Irish PPSN? In response, Revenue advised that an individual cannot be registered for a tax head with no Revenue profile. It is preferable to Revenue that requests to register a customer are sent via MyEnquiries to ensure that there is supporting documentation for the registration. If agents/solicitors have multiple non-resident beneficiaries to be registered during peak filing, they are advised to submit the request via MyEnquiries as soon as possible to ensure the request is processed on time. Revenue notes there are a limited no. of these requests being received, as such, there are no plans to change this process at this time.

### **Agenda Item 18: Revenue Review of the Tax Clearance process**

ITI understand Revenue is currently undertaking a review of the tax clearance process and would welcome information on the issues Revenue is exploring in this exercise. In response, Revenue outlined that in order to retain tax clearance, an applicant needs to continue to keep their tax affairs in order. Revenue reviews their tax affairs periodically and rescinds tax clearance where tax affairs are not in order at any stage. The current review of tax clearance being undertaken is to leverage timely compliance and explore the possibility of a more real-time checking process. Revenue's review is in the early stages at this point in time. If there are any proposals that the representative bodies have that they consider requires attention, they are advised to please forward such proposals and they will be given due consideration.

Revenue already have received a request from the representatives' group that a signal should be given to the taxpayer in advance of the tax clearance certificate going out of date and will consider this suggestion in the proposed review. However, when a taxpayer allows their affairs to become non-compliant and does not engage meaningfully with Revenue to address the issues - then it can be expected that the tax clearance will be rescinded without notice. Revenue will share information on these issues when the proposals are more advanced. It is expected that there will be some advancement of this review in September 2023.

### **Agenda Item 19: Form 11 2022 – ePSWT**

CCAB-I requested that Revenue outline the rationale surrounding taxpayers' requirement to enter the gross value of payments subjected to PSWT in the basis period for 2022 when using the Return Preparation Facility (RPF). This was not previously a requirement and would appear to be an additional

unnecessary administrative requirement? In addition, Revenue are requested to outline the rationale as to why the gross value of payments subjected to PSWT in the basis period for 2022 is required using the RPF for Form 11 2022 when it is not required on the paper Form 11 2022 nor included in the Form 11 self-employed help screen. Revenue advised that the purpose of the payments figure is to avoid confusion in instances where interim refunds of PSWT have been made. Revenue does not see an additional administrative burden as all the information will be 'prefilled'. CCAB-I advised that their experience is that it isn't, particularly if using the RPF facility. The RPF facility is replacing the ROS Offline facility. Revenue advised that there should be an option to download a pre-filled form to RPF – but will double check this. CCAB-I noted that ePSWT information will not be pre-filled for an individual's Form 11 where that person is a partner in a partnership and the accountable person has returned withholding tax using the partnership TRN. CCAB-I also queried why the gross figure request even on the form – as they now have to put in the gross value of the payments whereas on the paper form or the online facility, they only have to put in the total PSWT withheld. Revenue advised that the RPF and online facilities are developed to the same specification and it is the same screens on both. Revenue provided the additional information in validation of the claim. While there is guidance in the TDM, Revenue will look to update and confirm certain details in the TDM and draw attention to these matters in the eBrief when issuing.

#### **ACTION POINTS**

**Revenue to "double check" that the pre-filled form is available for download to RPF**

#### **Agenda Item 20: Form CT1/R&D tax refund**

ITI requested an update on the expected release date for the Form CT1 2023 and the specified return to be filed with the Form CT1 2022 in respect of R&D Tax Credit claims. Revenue advised this query is more proper to the R&D Discussion Group and members should be updated from there.

ITI also queried the TDM guidance regarding section 434(3A) TCA 1997 (which allows a close company paying a dividend and its close company recipient to jointly elect that the dividend is not to be treated, for the purposes of section 440, as a distribution). Revenue advised that additional fields are included on the CT1 since 2021 such that the tax reference numbers of both the paying company and the recipient making the election must be supplied. Revenue advised that S.434(3)(a) is dealt with in TDM 38-00-01. The additional clarification added to the CT1 form was just to add a question to highlight the change on foot of queries on the TDM. Both companies need to include the election in their CT1 return.



### **Agenda Item 21: AOB**

Revenue outlined that they are reviewing their Card Payment Policy. In 2021 Revenue made a change to the policy and restricted the card payment option to customers in the Personal and Business Divisions, so any customers in Medium Enterprises, LCD and LCD – HWI could no longer use the card payment option and had to use the ROS RDI. Revenue continues to monitor the processing costs associated with certain card types. The analysis shows that the cost of processing of commercial cards, and in particular commercial credit cards, is very significant for the relatively low volumes of commercial credit cards used. Revenue are planning to discontinue the acceptance of commercial credit cards going forward. Revenue expect changes to be in place at the end of September.

CCAB-I queried the number claims that have been made for the Rent Tax Credit under the Form11 returns. Details to be forwarded by Revenue.

#### **ACTION POINTS**

**Revenue to forward statistics on claims made for the Rent Tax Credit under Form11 returns**

- Next meeting set for 5<sup>th</sup> September 2023. It is intended that the meeting of 28 November 2023 will be in-person to mark the 100<sup>th</sup> TALC Collections meeting.

In attendance:

**Revenue**

Geraldine Hegarty (Chair)  
Alan Greaney (Minutes Coordinator)  
Maura Conneely  
Maureen Marray  
Katie Clair  
Joe Howley  
Davena Lyons  
James Fagan  
Sinead McNamara  
Dan Oosthuizen  
Apologies – Aisling Malone  
Paddy Purtill

**CCAB-I**

Gerry Higgins  
Carla Manning  
Gráinne McDermott  
Apologies – Gearoid O'Sullivan

**Law Society**

Deirdre Barnicle

**ITI**

Mary Healy  
Paul Wallace  
Bernie Feely  
Apologies – Lorraine Sheegar  
Andrew Thompson