

Minutes of TALC Sub-committee on Collection issues

Date: 28 February 2023

Via Microsoft Teams

Geraldine Hegarty welcomed all and advised Pat Murphy has retired and is replaced with Aisling Malone. Geraldine thanked Pat for his contribution to TALC Collections and wished him well on his retirement. Revenue will chair the TALC Collections Sub-Committee for 2023 and the last meeting of the year will mark the 100th TALC Collections meeting. This will likely be in person to mark the occasion. Geraldine also outlined the proposed dates for TALC Collections this year.

Agenda Item 1: Minutes of meeting held on 22 November 2022 and matters arising

The minutes were finalised and approved – and sent for publication to the Revenue website.

Agenda Item 2: Local Property Tax Update

Revenue advised the LPT Payment Deadline was 10 January 2023. That means that property owners were required to have a payment method in place for their 2023 liability by that date. Many property owners elect to pay by ADI which is deducted from their account on 21 March, but the deadline to have that arrangement in place was 10 January 2023. There has been a lot of activity throughout January as a result.

Revenue will be writing to all customers with UB/KBC accounts presently. There has been a significant reduction over the period November to January, where over 60% updated their bank details and cancelled their UB/KBC mandates. However, there are still some on record.

There are still some property owners who continue to pay Revenue, by way of Deduction at Source through their salary, pension, at the post office, by direct debit, but they are paying on an estimate. Because they are paying consistently, and with Revenue's experience speaking to them, Revenue is aware that these property owners are not intentionally non-compliant. In most circumstances, they do not know that they have not met their obligations. Practitioners were advised if they are acting for residential property owners for LPT, to ensure that the return is on record.

There is also a change this year with regard to Newly Liable Property owners. Their first valuation period ran from 2013 – 2021. During that time, any properties that were newly built were not within the charge to LPT. However last year, following the change in legislation, all those properties (about 100K properties nationwide) became liable to LPT from 2022 onwards. Furthermore, properties that are newly built will come within the charge to LPT on an annual basis. This means that every year we have new properties being added to the LPT Register. Revenue has issued a bulk issue letter, representing a new category of customer – all newly liable property owners on Revenue's register. However, there are newly built properties that are not on Revenue's register, as they have not been through the E-stamping process as yet. LPT is a self-assessed tax, the obligation is on the property owner to register their property with Revenue. The deadline for newly liable property owners to file their return was 2 December 2022. While Revenue advised 'newly built' properties - the same applies to properties that were previously uninhabitable/derelict and have been refurbished to make them habitable.

With regard to Vacant Homes tax (VHT) - under the "Housing For All" strategy, a range of initiatives have been brought by Government to address the housing shortfall (e.g. the Vacant Property Refurbishment Grant). All are analysed and scrutinised, VHT will be no different. The CSO published a paper on 31st January that considered energy consumption associated with domestic electricity metres and reported that the data shows c.5% (or 100K) of the two million residential properties across the State are unoccupied. The Census data will be published in mid-March, and a further piece in relation to the outcomes of the census for Housing will be published in July. It is against this backdrop that Revenue will introduce Vacant Homes Tax.

The frustration of practitioners at having to register as agent for each individual property was highlighted and Revenue were asked if this process could be eased. However, due to the amount of change of ownership of properties that occurs – from a Data Protection perspective it is very important to link agents individually. Revenue has changed the Agent Link form to assist with LPT.

Agenda Item 3: Temporary Business Energy Support Scheme (TBESS)

There are currently over 25,000 customers registered for TBESS and Revenue have approved approx. €49.5M in claims to date.

Revenue outlined that messaging has been issued regarding recent changes to the scheme e.g. extension of the scheme to the end of April, the trade cap increasing to €15k per trade (€45k for multiple trades), threshold reduced from 50% to 30%, and the payment increased to 50% from 40%. The State Aid process is now in progress.

At present, Revenue is operating under the current legislation. Where legislated, revenue will re-open the pre-claim period. Customers will be asked to update the pre-claim and that will facilitate future claims. A “look back” will be performed on bills that didn’t meet the 50% threshold originally but meet the 30% threshold retrospectively. Practitioners were advised that once State Aid is approved, customers need to have the pre-claim material ready and have all taxes up to date, etc., to progress their claim.

Revenue was asked what the main causes for errors in applications . Revenue advised that they are seeing incorrect data inputs for the following:

- Incorrect dates input by customers
- Exact date ranges of bills
- Total cost figures from the bills
- Units used
- Some applications are inputting “multiple trades” rather than “same trade in multiple places”

Revenue stressed the importance in inputting correct information in the application and that information is available on the website to help customers. There is also a recorded webinar available, and Revenue are currently developing “How-To” videos for distribution.

CCAB-I queried if Revenue have been monitoring the usage of the “calculator” for cases not necessarily transmitting to registration for the scheme? Revenue advised that they cannot say for definite on the matter as the two systems are not necessarily linked. However, they are not seeing a big variance between the use of the website and registration for the scheme.

ITI queried if there will be a legislative change for the extension of the September claim period? Revenue advised that a pragmatic approach will be taken to these cases.

ACTION POINTS

CCAB-I to forward details of a case where they have a client who is a Sole Trader (VAT/PAYE/IT registered), but she files a joint IT return in her husband’s name – has been advised that the TBESS application should be in her husband’s name. Revenue will review on receipt.

Agenda Item 4: Non-Resident Landlords

There was a workaround for the 2021 Form 11 for Non-Resident landlords (NRL) as there wasn't time to amend the Form. There is difficulty in providing a workaround legislatively. This needs to be raised internally to correct for Form 11 2022. Revenue will need to review and consider with the relevant operational areas.

Revenue are working on the basis that there will be a link on ROS and myAccount for

[Manage Non-resident
Landlord Withholding Tax](#)

which will provide for the input of payment notifications (in single or bulk upload) and/or enable a view of payment notifications withheld (from the NRL). It is planned that the NLWT system will be released live on 1 July 2023 (to take account of the FB 2022 legislative changes).

A payment notification will include the following details for both tenants and collection agents (*denotes mandatory fields)

- Landlord Name *
- Landlord Address *
- Landlord Country *
- Property LPT ID *
- Property Address *
- Property Eircode *
- Payment Date *
- Payment Gross *
- Payment Deduction (calculated automatically at 20% of gross payment)

Collection Agents will also need to provide:

- Landlord Registration Type (IT/CT/VAT) *
- Landlord TRN/PPSN *

Alternatively, tenants will have to provide:

- Landlord email
- Landlord phone number

*at least one needs to be completed.

The aim is to provide functionality to notify a recurring payment (weekly, monthly or days interval). There will be a CSV upload option for batch filing (there will be a template and a test option ahead of go-live – similar to ePSWT). The functionality will include being able to search and view notifications, ideally with options to amend them, delete them, and generate PDF output to show confirmation of details.

Non-Resident Landlords will be able to view Rental Notifications (RN's) where NLWT was withheld from them. It is intended to communicate with all landlords by bulk issue letter and Revenue expect to identify based of their returns (with rental) and residency status. Similarly, for collection agents – Revenue will seek to identify from the Revenue record based on the registered name. Revenue will also communicate via representative bodies including the TALC bodies, IPAV, landlords' associations, etc. The website will be updated with preliminary information in the coming weeks, and more detailed information including TDM in April based on queries raised, FAQs, etc. It is intended to have a helpdesk for collection agents and to have an option for them to test CSV file uploads. Revenue intend to commence this communication plan in the near future.

CCAB-I queried if there was a record of what percentage of non-resident landlords have an agent – details on this percentage are not currently available. There was also a query as to whether Revenue should adopt the UK (HMRC) set up – it was advised that that proposed regime here is clearer and more readily available to all involved here in this State in comparison.

ACTION POINTS

Revenue to forward and issue details for new regime.

Agenda Item 5: Debt Warehousing Scheme Update

There is now no obligation to pay or enter into a Phased Payment Arrangement for the warehoused debt until 1 May 2024, but interest is accruing from 1 Jan 2023 (in most cases) at reduced rate of 3%. If financial circumstance permit, business can commence repayment now to reduce the interest accumulating, as a once off payment or as part of a consolidated PPA. Revenue are aware some businesses already doing this, as at end January almost 2,000 warehoused customers have voluntarily agreed payment arrangements for warehoused debt of €72m.

As part of Revenue's ongoing customer contacts, caseworkers engage with customers on a daily basis on a range of queries - one of which will be on their warehoused debt, payment options for clearing this debt including PPA for same etc. As at the end of January - over 66,000 individual customers are currently availing of the Debt Warehousing facility with €2.338 billion warehoused, of which €1.120 billion is VAT debt, and €1.045 billion is Employers PAYE debt. Of the 66,000 customers, approximately 41,000 customers have warehoused debt in excess of €500, while 6,935 customers have warehoused debt in excess of €50,000 and account for €1.993bn of the overall warehoused debt figure.

At this time there are no plans for written correspondence to warehoused customers. Revenue's main focus over coming months is ensuring that businesses continue to comply with the key conditions of the warehouse, to retain the benefits of the scheme – i.e. the business continues to file and pay current taxes as they fall due. Where compliance issues arise for a warehoused case, there is direct customer contact made, and caseworkers will highlight to the business the very significant benefit of warehoused debt in terms of interest cost savings.

Revenue have recently updated the Debt Warehousing Information Booklet to outline the benefits of the Debt Warehousing Scheme. In particular, some example scenarios have been included to highlight the very significant benefits of warehousing, and the potential interest savings to taxpayers.

However, where there is persistent non-compliance with current tax obligations, businesses will lose the benefit of the scheme and their debt warehouse status will be revoked. Where this happens, all warehoused debts become payable immediately and will no longer have the benefit of the interest free period of 0% up to 31 December 2022 and the 3% rate from 1 January 2023. If the debt remains unpaid, it will be subject to enforcement action with an interest rate of 8%/10% applied, as appropriate. Revenue continues to urge all customers, including those in the Debt Warehouse, where payment difficulties arise, particularly in relation to current tax obligations, to engage with Revenue early – don't ignore the final demands, etc. Revenue will work proactively with businesses who engage early to resolve these payment difficulties.

In advance of 1 May 2024, Revenue expects to engage in writing with customers that still have debt in the warehouse that is not already covered by a PPA, to make arrangements to pay.

A query was raised surrounding what correspondence/contact is now in place surrounding Debt Warehouse Revocation. Revenue advised that where current taxes are outstanding, customers receive a Request for Payment and a Final Demand notice for the outstanding liabilities. Where there is no engagement on foot of these notices, an Enforcement Review is raised on the system. At this point, a Revenue caseworker will make contact again if the customer is availing of the debt warehouse to advise of the risk of revocation. Where there is continued non engagement – the Debt Warehouse will be considered for revocation. The customer will then receive a notice advising that the warehouse has been revoked, followed by a Final Demand for the previously warehoused amounts, and normal debt collection, including enforcement action, will commence on these amounts at the standard interest rates of 8%/10%.

Regarding the recent DWS Disclosure programme – a query was raised as to whether the relevant taxpayers' warehouses have been updated to include the disclosed debt? Revenue advised that where a disclosure is made, it is reviewed for qualifying disclosure status. The debt won't be included in the warehouse until it has been concluded that it was a qualifying disclosure.

Agenda Item 6: ROS

Fixes for Form11 issues have been fixed and released as far as we are aware. The fix for the issues with the Rent Tax Credit was released in January. There is also normally an update in June. CT1 2022 will be a prescribed return. To the best of Revenue's knowledge this has been discussed with the R&D network between RLS and practitioners. CT1 2023 is for release at end-March, with an updated version including amendments for the R&D refund claim for release in June/July. Revenue have advised that the VAT IOSS suggestion provided by practitioners is noted but the list of existing prioritised developments is already set and it could not be committed to ahead of those other priority developments.

Agenda Item 7: Stamp Duty Section 83D Refunds

Tax agents are unable to file S83D claims on behalf of their client unless they filed the original stamp duty return for the taxpayer. Revenue advise that the tax agent cannot file the S83D unless they have a ROS digi-cert. If they only have a TAIN they can't make a claim. Without a ROS digi-cert they cannot use the ROS eRepayment system. If the tax agent has a ROS digi-cert, they will need to request that the filer details are amended. Once that's done, the tax agent can make the claim. CCAB-I requested further clarification of the process as a tax agent would have a ROS digital certificate yet are still unable to file a S83D claim unless they filed the original claim.

Revenue have a step-by-step guide for claiming a refund through myAccount that will assist the accountable person when making their claim:

<https://www.revenue.ie/en/online-services/support/documents/help-guides/stamp-duty/completing-a-residential-development-stamp-duty-refund-claim-through-myaccount-erepayments.pdf>

ACTION POINTS

Revenue to provide further clarification of the issue.

Agenda Item 8: VAT RTD

Questions raised by the ITI created a lot of discussions within Revenue. These have led to further updates of the TDM – it remains a work in progress. As such, the TDM is not currently ready to be published yet – Revenue are liaising with a number of areas who feed into the RTD and TDM. Currently there is no resource to amend the RTD screens.

ACTION POINTS

Revenue to issue guidance to TALC Collections in the coming weeks

Agenda Item 9: eCG50

The eCG50 TDM amendments are completed on draft and it has been circulated for observations and sending for approval.

ACTION POINTS

Revenue to issue TDM once approved

Agenda Item 10: Agent Link Notifications

Practitioners enquired as to the rationale for requesting a copy of headed paper be included when submitting the Agent Link Notification that has been signed by taxpayer and agent. Revenue advised that Agent Link Notifications should be on headed paper so that Revenue are aware what agent is applying.

It was also confirmed that Revenue requires an agent link notification/confirmation for each and every client although there was no requirement to do so for existing client links when introduced in 2012. It was queried as to whether Revenue could do anything to assist in the identification of clients that don't have an "A1" authorisation. Revenue advised this would prove difficult – and that agents should hold a record of authorisation for each client on file.

There have been numerous issues with agents using their own email address or spurious email addresses – these are currently being actioned and agents are being contacted to update the details with correct information. Cases where a client does not have an email address will be looked at on a case by case basis – in the main, the vast majority of clients will have their own email address.

ACTION POINTS

Revenue to examine tone of correspondence issued to practitioners where incorrect contact details have been provided for customers.

Agenda Item 11: PAYE

Practitioners queried a Revenue note that it would continue its communication campaign in 2023 with PAYE taxpayers who have an outstanding liability, seeking the filing of the outstanding income tax returns and that a decision would be made in 2023 regarding adjusting a taxpayer's credits to collect the tax due if a tax return is not filed. ITI sought advice as to whether and decision regarding the adjustment of tax credits has been made at yet. Revenue advised that nothing has been decided yet and when a decision is made, Revenue will advise in advance. Revenue will continue the communication campaign in 2023 with PAYE taxpayers who have an outstanding liability, seeking the filing of the outstanding income tax returns.

Agenda Item 12: Proposed Enhanced Employer Reporting

Practitioners sought clarity on the recent circular on the enhanced employer reporting proposal contained in Finance Act 2022 - where it was noted this was phase one of a multi-phase project. Revenue advised that decisions on further requirements will be made in consultation with Dept. of Finance and any additional data items will be flagged with good notice and engagement with relevant stakeholders.

Revenue recently undertook a survey on the matter with taxpayers, agents and software providers with the following high-level data:

High level data provided from the recent survey carried out in relation to Enhanced Reporting Requirements.

- Over 3200 responses received from the 3 cohorts, Employers, agents and software providers (closed on the 4th February 2023)
- 50% of employers have 5 or less employees receiving one of these payments and 40% between 6 and 50 employees; 5% have over 100 employees.
- 75% stated they manage these payments in house and 60% of respondents use either payroll software or other financial software packages, names of these systems have been reported in many cases and will be used to engage with the non-payroll software providers
- Remaining 40% using a mix of spreadsheet and paper records
- 25% reported being a member of a representative body (including names)

Agenda Item 13: Rent Tax Credit 2023

Revenue were asked for a general update on the Rent Tax Credit claims to date and any observations on the claims regarding errors, gaps in information, etc. Revenue advised that there were no apparent gaps or errors in information at present. There have been approximately 163,000 PAYE and 900 Form 11 claims for 2022, with 4,200 claims for the tax credit to date for 2023. Revenue also advised that while the Residency Tenancy Board number is not a mandatory field detail for the application for claims – it should be readily available. Any compliance around the lack of this information will be treated in a similar vein as any other refund from Revenue.

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

Revenue acknowledged there is a limitation in the system at present where customers wish to input one set of bank account details for both payment and refunds – currently bank details have to be input separately for both payments and refunds. A system enhancement is required and need to be prioritised in the context of the other mandated and legislative priorities on hand at present.

Revenue also provided a general update on Ulsterbank/KBC exit from the Irish market. Ulster Bank have advised they are on track to complete their exit by June and KBC to exit by August. In the week commencing 6 March, Revenue are issuing 70k letters to customers who have not yet updated their bank details. These letter volumes are high as letters will also issue to customers who have not updated their bank details for refunds. LPT Branch will separately write to their ADI customers. Once both banks have confirmed their exit from the market with all accounts closures finalised, any UB/KBC accounts remaining on the Revenue systems will be ceased and customers notified of same.

Separately Revolut have announced their intention to switch Irish customers to Irish IBANs from the currently used Lithuanian IBANs. Further details on exact timeframe for migration to be issued from Revolut. Initial stats on Revolut activity on Revenue systems is low but will be reviewed further to decide the appropriate communications required.

Agenda Item 15: Debt Management Services (DMS)

No specific updates were provided. Debt management processes have now fully resumed. Practitioners were advised that where payment difficulties arise, particularly in relation to current tax obligations, customer should engage with Revenue and not ignore final demands. Revenue are committed to working proactively with businesses who engage early to resolve these payment difficulties. Once the compliance issues are addressed, customers can continue to have the benefit of Debt Warehousing, retain tax clearance and avail of the extended TBESS scheme.

Agenda Item 16: C&E Weekly Reports

This enhancement was again put forward as a ROS/ITP development for the Jan-Jun 2023 period. Unfortunately, ICTL advised that do not have the resources to include this in their list of planned updates for this period due to significant legislative changes for new taxes and reliefs which require the bulk of their resources. It remains on the list but Revenue cannot provide a timeline for delivery at this time.

Agenda Item 17: Form IT38

As per Revenue's previous update to TALC (and separate comms to stakeholder groups and via our website), we are aware of the issue and apologise for any inconvenience caused to our customers. This issue is listed as a priority with our development team and will be completed when resources become available. We will notify practitioners via stakeholder groups and our 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.

Agenda Item 18: Process for applying interest on repayments of Tax

The query raised on this matter by the ITI will be taken under review and Revenue will report back to TALC Collections.

Agenda Item 19: AOB

CCAB-I raised a query under AOB regarding Tax Refunds via ROS.

"A number of taxpayers were entitled to CT or IT refunds between Sept and December 2022. In each case, prior to filing the return, the agent confirmed with the taxpayer the bank account details for the refund to issue to. The agent then updated the bank details for the refund on ROS and filed the relevant return. In every case, both the agent and the client received a physical letter from Revenue asking them to confirm the bank account details for the refund. The agent then had to go into ROS, open/edit the bank details that were already input, change nothing, then save it. They did not re-enter or change any of the bank details already inputted for refunds. The refund would then issue without the agent doing anything further. It was like some internal sequence isn't recognising the bank details for refunds until after a letter issues and the bank details have an edit and save done. It defeats the purpose of the agent having already done all this before the return was filed."

At the time of the meeting, Revenue were awaiting a response from the relevant areas on the matter. Revenue will follow up with CCAB-I representatives once response is received.

ACTION POINTS

Revenue to liaise with relevant areas and provide updates.

- Revenue advised the paper Form 11 is currently under review for slight amendments.
- Next meeting set for 20th June 2023

In attendance:

Revenue

Geraldine Hegarty (Chair)
Alan Greaney (Minutes Coordinator)
Maura Conneely
Maureen Marray
Katie Clair
Joe Howley
Davena Lyons
Martin Hunt
Debbie Hurley
Apologies – Sinead McNamara
Aisling Malone

CCAB-I

Gerry Higgins
Carla Manning
Gráinne McDermott
Gearoid O'Sullivan

Law Society

Deirdre Barnicle

ITI

Lorraine Sheegar
Mary Healy
Andrew Thompson
Paul Wallace