

# TALC AUDIT Sub-Committee Meeting Minutes

**Wednesday 12<sup>th</sup> June 2024 – 10.00am**  
**Revenue Office Bishop's Square and MS Teams**

## Attendees:

Revenue:	Brian Boyle	Revenue
	Sarah Waters	Revenue
	Miriam Scahill	Revenue
	Patricia Lee	Revenue
	Aisling McDaid	Revenue
	Suzanne Mulholland	Revenue
	Ian Dudley	Revenue
	Emma Murphy (Secretary)	Revenue
	Mick O'Connor (Presenter)	Revenue
	Gerard D'Arcy (Presenter)	Revenue
	Sarah Daly (Presenter)	Revenue
Practitioners:	Gerry Higgins (Chair)	CCAB-I
	Grainne McDermott	CCAB-I
	Jim Kelly	Irish Tax Institute
	Mary Healy	Irish Tax Institute
	Julie Burke	Irish Tax Institute
	Sandra Brennan	Irish Tax Institute
	Aidan Lucey	Irish Tax Institute
	Ruth Higgins	Law Society
	Patricia McCarvill	Law Society
Apologies:	Gearoid O'Sullivan	CCAB-I
	Liam Grimes	Irish Tax Institute
	Fergal Kenzie	Irish Tax Institute

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### Item 1 – Minutes of meeting held on 12<sup>th</sup> March 2024

The chair opened the meeting by welcoming everybody to the meeting.

The minutes of the previous meeting were not available in advance, but it was agreed to circulate them as soon as available.

### Item 2 – Matters arising from the previous meeting

Matters relating to the Compliance Intervention Framework were discussed under Item 4 below.

Revenue confirmed that LPT intervention letters are now indicating the level of the intervention. The current campaign is generally at Level 1 but cases with apparent risk may be opened at a higher level if appropriate.

### Item 3 – Discussion with Personal Division (PD)

Mick O'Connor (MO'C) PD attended for this item. He provided an overview of the PD case base before moving on to some of the 2024 compliance priorities for the division.

All "PAYE only" taxpayers are dealt with by PD as well as chargeable persons with sources of passive income (e.g., income and gains arising from shares). The majority of charities and sporting bodies are also dealt with by the Division. This includes processing applications for charitable and sporting tax exemptions. The division also has responsibility for Enhanced Employer Reporting (ERR), Local Property Tax (LPT), Vacant Homes Tax (VHT) and is the Revenue owner of the Central Register of Beneficial Ownership of Trusts (CRBOT).

MO'C provided an update on the Rental Income Project. The first phase focused on landlords registered for Income Tax who appear to present a risk of underpaid tax due on this income. This phase is almost complete. The next phase will focus on taxpayers who are in receipt of rental income but have not declared this. Individuals sub-letting rental properties will be within the scope of this next phase. All interventions will be initiated in line with the provisions of the Compliance Intervention Framework (CIF).

It was confirmed that the national share scheme project is still ongoing and that 60% of cases closed to date were yielding. M O'C emphasised the importance of employers meeting their revised obligations, on foot of Finance Act 2023 to tax certain share-based remuneration schemes through payroll.

MO'C then provided details of an imminent compliance campaign aimed at c.200,000 PAYE taxpayers whose Preliminary End of Year Statement (PEOYS) shows either an over or underpayment. In both cases, the individuals will be requested to file a Form 12 Return. (Note: Cases with under/overpayments of less than €10 will be excluded). Those taxpayers who fail to file returns by the date specified on the letter will receive a Statement of Liability for 2020. Underpayments will be automatically collected by way of reduced tax credits over a 4-year period. Non-filers with other risk indicators may be selected for Level 2 Compliance Interventions.

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MO'C then provided a brief update in relation to work ongoing with agents registered for PAYE. He confirmed that the current TDM dealing with PAYE agents is under review and significant changes are planned. MO'C confirmed that PD had been liaising with some of the larger PAYE agents in this regard and feedback has been sought on the intended changes.

MO'C mentioned that the Capital Taxes unit were currently focussing on CAT non-filers. The team is also examining disposals liable to CGT and high capital losses.

MO'C then noted that Revenue delivered a webinar presentation to members of Charities Institute Ireland. The presentation focused on the tax issues likely to arise in charitable bodies. From a Revenue perspective, the main risk concerns are eligibility for charity status and PREM.

MO'C provided an update in relation to the Central Register of Beneficial Ownership of Trusts and confirmed that there would be increased compliance activity with regard to registration compliance.

Finally, MO'C provided some statistics on the current high levels of ERR filing. It was agreed to circulate the figures to the practitioners following the meeting.

The practitioners thanked MO'C for his interesting and insightful updates.

### Item 4 – Compliance Intervention Framework Updates

#### Standard Intervention Letters.

Revenue confirmed that all CIF letters were being reviewed in light of feedback received and lessons learned following the first two years of the CIF. Letters are being redrafted to ensure clarity and to direct taxpayers to specific actions required. The consequences of not taking required actions would also be set out. Revenue confirmed that this is a significant task involving circa 200 letters (plus their Irish language equivalents) and that when the text review was complete, significant system changes would be required in order to implement the revised templates.

#### 60-Day Disclosure Period

Following on from discussions at the last meeting, Revenue circulated a draft update to the Code to the effect that the 60 Day period may be requested for a review of the taxpayer's records and to determine whether a Disclosure is required. Taxpayers/Agents will be expected to share details of this review with Revenue. This change is aimed at shortening the time taken to conclude interventions. Practitioners are to review the proposed draft.

#### Intervention Letters

Practitioners indicated that some members had seen unusual tailoring of intervention letters and wished to query the appropriateness of these. Revenue confirmed that it is appropriate for caseworkers to tailor standard letters to the particulars of specific cases. However, Revenue invited practitioners to submit samples of letters that gave rise to concerns.

#### Caseworker Training

Revenue confirmed that refresher compliance intervention training was currently being developed by the Compliance Policy and Evaluation Branch and would be rolled-out to all compliance staff between September and November 2024.

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### Item 5 – PMOD Compliance

The practitioners queried whether Revenue had any plans for a compliance programme as a result of the recent publication of the TDM setting out Revenue's Guidelines for Determining Employment Status for Taxation Purposes. Revenue confirmed that the publication of the TDM was very welcome and provided clarity on the position. Taxpayers are advised to review their positions with a view to regularising if required. Revenue advised that employment classification will continue to form part of compliance activity, but it has no immediate plans for any large-scale projects based on the Karshan judgement.

### Item 5 – DAC 7 – joint audits

Gerry D'Arcy (GD) from the Collector General's Division attended for this item. GD delivered a presentation on ongoing work at EU level to develop guidelines for these actions. He advised that a "Joint Audit" under DAC7 is considered an "administrative enquiry" forming part of the wider suite of international exchange of information provisions. It is not an "Audit" within the meaning of the CIF. As such, taxpayers may still make an unprompted qualifying disclosure following such an administrative enquiry, provided no CIF intervention has otherwise been initiated.

The EU guidelines will be circulated to the group when finalised.

The chair thanked GD for his presentation.

### Item 6 – AOB

Revenue provided a brief update in relation to a forthcoming bulk Level 1 Compliance Campaign being run by Business Division (BD). BD would shortly be writing to two separate cohorts of taxpayers who had filed Form 11 returns for 2022. These cohorts include:

- Taxpayers who may have claimed relief for AVC pension contributions twice (both via payroll and via their Form 11), and
- Taxpayers whose declared turnover exceeds the VAT registration threshold but have not registered for VAT.

Letters will issue in June 2024 asking taxpayers to review their position and to self-correct where required.

Finally, it was confirmed that Julie Burke is retiring and would therefore be leaving the TALC Audit sub-committee. The chair led the tributes to Julie. Revenue thanked her for her immense contribution over the years, in particular her role in ensuring a positive and mutually respectful relationship between Revenue and the practitioner community.

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<b>Action points arising from this meeting</b>	<b>Responsible</b>	<b>Deadline</b>
Feedback on proposed wording in relation to 60 period to review and make a qualifying disclosure.	Practitioners	As soon as possible but in advance of next meeting
Circulation of ERR returns data	Revenue	Immediate
Provision of copies on any Level 2 Compliance Intervention letters of concern	Practitioners	Immediate
Practitioners to continue to provide Revenue with examples of any issues arising with the operation of the CIF.	Practitioners.	Ongoing

The date of the next meeting is September 18<sup>th</sup> 2024.

Submitted for approval by Secretary

Approved by TALC Audit Sub-Committee