

Minutes of TALC Sub-Committee on Collection Issues

DATE: 05 September 2024

Via Microsoft Teams

Agenda Item 1: Minutes of meeting held on 18 June 2024 and matters arising therefrom.

ITI and Revenue requested two amendments to the draft minutes from the meeting held on 18 June 2024. The participants confirmed that following these amendments, the minutes were agreed for publication on the Revenue website.

Action points arising from these minutes (see note 1 of the Agenda) were reviewed.

Revenue advised the LPT agent link is linked to a property and not a person. The information campaign is being driven towards the designated liable owner and it will not be possible to include tax agents in the short term. Over the next 24 months, Revenue will look at this as part of its overall approach.

Revenue confirmed that (i) the wording on the claim for Rent Tax Credit will be updated for next year to note that it is a requirement that the property is registered with the RTB where appropriate, and the TDM will be updated accordingly, and (ii) the Form CG50 TDM is still being reviewed. It was agreed these items will remain on the Agenda.

Revenue confirmed that the appropriate mechanism a taxpayer/agent should follow for split year relief will be discussed with RLS next week. Draft communications on the specific language to be used will be shared following the discussion. It was agreed this item will remain on the Agenda.

In respect of the action point relating to the confirmation of issues relating to the creating the Employment Detail Summary, Revenue advised it would take that point away and confirm with the relevant area.

In respect of the remaining action points on the updated Stamp Duty TDM, access to Customs and Excise TAN Reports and updates to the Anti-Money Laundering process on ROS, Revenue agreed to circulate responses following the meeting.

ACTION POINTS

Revenue will provide a further update on this Agenda item at the next meeting.

Agenda Item 2: Local Property Tax

Revenue provided an update on targeted LPT return compliance campaigns to take place in September and October 2024. Initial campaign letters will issue the week commencing 23 September 2024. Property owners who have already made a payment but who have not filed a return will receive a letter requesting that the outstanding return be filed.

Revenue advised that, following confirmations from local authorities regarding any adjustments in property valuation bands that towards the end of October they will commence the process of writing to all property owners reminding them that the due date for the 2025 return for properties that are liable on 1 November 2024 is 2 December 2024.

Agenda Item 3: Vacant Homes Tax

The due date for the VHT return for year ending 31 October 2024, is 7 November 2024. Revenue advised reminder notices would issue the week commencing 16 September to individuals who declared a VHT liability last year. It was also noted that where a property owner claims exemption from VHT, the exemption must be claimed on a year-by-year basis.

CCAB-I queried whether any changes are to be made to Level 1 interventions for LPT or VHT. Revenue advised there are some updates. A Level 1 campaign is underway in respect of owners who declared a decrease in value of more than 3 bands from the first valuation period to the second. All but 40-50 of such individuals in the initial project have been written to. For the most part, these issues have been resolved. Revenue confirmed it will continue its work on valuations compliance and the details of other targeted Level 1 interventions would be shared with the sub-committee when relevant.

Agenda Item 4: ROS

ITI followed up on the ROS Form 11 issues recently experienced to establish whether the issues are fully resolved, why they occurred and whether there are steps that can be taken to avoid a recurrence, based on Revenue's analysis of the root cause of the issues arising.

Revenue confirmed there will be no further updates to the ROS Form 11 before the filing deadline. Revenue noted the DSP pre-population issues were caused by changes to how the DSP data is transferred to Revenue and movement of the data within Revenue's systems. These errors were corrected for pension data in April and for non-pension data in July. Revenue noted that going forward a new structure is in place and pre-population will occur correctly. Revenue is confident that similar issues will not be experienced in the future and noted that testing has been expanded to ensure that these issues are identified and corrected. With regard to the issues with DIRT and USC, Revenue advised the enhancements made to these systems had wider impacts. Revenue noted it had taken learnings to prevent these types of issues occurring again.

ITI noted the issues caused were raised in the Dáil and were also reported in the Daily Mirror newspaper. ITI suggested that it would be helpful if Revenue used its Twitter account to keep practitioners informed. CCAB-I noted the frustration felt by practitioners was exacerbated as they thought they would have to re-do the form, and advised that communication from Revenue would have helped alleviate this.

ITI queried whether Revenue has made progress on establishing a system to inform agents when something is amiss with their client's tax clearance certificate. Revenue advised that such a system may be in place by the end of the year, subject to IT capacity and timelines. The system would provide tax agents with a list of clients experiencing tax clearance certificate issues. The system would not be able to identify to agents the specifics of the issues being experienced, nor would it indicate to agents when certificates are due to expire. Revenue advised that a separate notification system is being developed to advise taxpayers in advance of their certificates expiring.

Additionally, Revenue advised that it has been developing the communication to agents via the ROS inbox by looking at functionality and trying to scale up on the compliance issues covered. Revenue noted it would have further details on this for the next meeting. Revenue further noted that the priority contact nominee in MyEnquiries was well received. There are no metrics to share currently, these will be provided in the next meeting.

ACTION POINTS

Revenue will provide a further update on these metrics at the next meeting.

Agenda Item 5: PAYE

ITI queried whether Revenue was still intending to expand PAYE guidelines. Revenue noted these discussions are ongoing internally, and once a consensus has been reached, this will be communicated.

ITI noted the importance of PAYE agents providing pension documentation upfront, to avoid delays, and further noted this guidance appears on the Revenue website. Revenue requested that it be advised if this guidance drops off the website, so it can be reinstated if this arises.

Agenda Item 6: Debt Management Services

Revenue advised Debt Management Services (“DMS”) are operating as usual. Revenue also confirmed that CAT will be added to the automated system from the end of September. Previously CAT was subject to manual Debt Management processing.

Revenue advised it is now managing 23,000 PPAs for approximately €1.5 billion debt. The majority of this debt under PPA is related to warehoused debt (approximately 12,400 PPAs, covering approximately €1.2 billion of debt). Revenue emphasised the importance for taxpayers of adhering to the terms and conditions of their PPA to retain the 0% interest rate, including maintaining the agreed repayment schedule. If a taxpayer envisages any difficulties, they should engage with Revenue and always have the option to apply online for a payment deferral or a payment break. It was highlighted by Revenue that a PPA will be cancelled where a taxpayer fails to make two consecutive payments, and so it is worth reminding clients to adhere to the terms of repayment. The current cancellation rate for PPAs is between 1 – 2%, which Revenue do not view as a cause for concern at this time, however PPA performance will continue to be monitored along with current tax compliance.

Revenue advised it would be helpful to remind practitioners that where an agent takes on a new client who has an active PPA, the agent must upload a new agent declaration in respect of the client in order to manage the PPA on the client’s behalf and to receive PPA reminders and notifications. ITI queried whether this was necessary for agents taking on clients for particular tax heads only. Revenue noted the PPA could cover multiple tax heads, and this should be discussed with clients individually.

With respect to SCARP, Revenue noted there has not been an increased take up since last year; there were 17 applications to the end of July, compared to 21 applications in the same period in 2023. It noted this was likely due to the level of flexibility PPAs give to businesses dealing with debt. Revenue noted there continues to be a focus on promoting the options available to businesses when there are concerns around business viability and insolvency.

Agenda Item 7: VAT RTD

CCAB-I noted that some queries raised in February 2024 in relation to the Tax and Duty Manual remain unaddressed. (The queries are noted in full on the Agenda.)

Revenue advised it would get points 3 and 4 (clarificatory amendments to the relevant TDM) updated promptly. It further advised Revenue was speaking to VAT experts to address points 1 and 2, and so no update was available yet.

The Chair noted that this item would remain on the Agenda.

ACTION POINTS

Revenue will provide a further update on this Agenda item at the next meeting.

Agenda Item 8: Directors' Remuneration and Form 11

CCAB-I raised concerns regarding Revenue caseworkers being unfamiliar with the correct process in relation to the directors' remuneration figure in income tax returns where the relevant company does not have an accounting period ending on 31 December. This has led to duplication of work and an additional administrative burden for members. CCAB-I queried whether a designated Revenue official could be appointed as a contact point for agents when these issues arise, or if the Form 11 can be amended to prevent these issues from arising. CCAB-I noted that Revenue made a similar amendment to record a bonus collection.

Revenue advised it would follow up with communications to caseworkers in this regard. Revenue noted it would not be practical to appoint a designated person, however, it would look into amending the Form 11. Revenue advised this will be considered as a future enhancement but it will need to be reviewed following the standard process of legislative review, prioritization, design and then development and so a timeline can't be committed to at this point.

Agenda Item 9: Death Cases

CCAB-I raised concerns on the inability to file a tax return for deceased taxpayers during the year of death. For example, in the case of a death in February, it is not possible to file a return until the following January. CCAB-I noted this issue adds hugely to the stress of the executors and personal representatives of the deceased. CCAB-I queried whether, despite the digitisation of income tax returns, there was any flexibility to allow the return of a deceased person to be uploaded during the year, such as allowing a return to be uploaded through MyEnquiries.

Revenue noted there were legislative constraints and a legal process around the system in place. Revenue advised that if there were extreme circumstances contact can be made with Revenue to review the specifics of the case, otherwise the existing standard process is applicable.

CCAB-I noted that a taxpayer who moves overseas or is unemployed can access their refund immediately, but a deceased taxpayer who may be due a refund is treated differently. CCAB-I advised that the return is needed for a grant of probate depending on the date of death, the return may not be available for up to a year. This impacts on a large number of people, and CCAB-I asked if this is something Revenue can take away.

The ITI noted that this issue may be raised again in the LONA subgroup, where the concept of a 'year of death return' could be developed and the issues with Form 12 might be addressed. Revenue agreed that this topic may be an item to be raised with the LONA subgroup, that the item should be removed from the agenda of this subgroup and noted it was on the radar of the Chair of that subgroup.

Agenda Item 10: Stamp Duty

The Law Society advised that members are experiencing difficulties with uploading returns prepared offline to the online system.

Revenue advised it was not aware of the cause of this issue and noted it had not received many reports of such errors from users. The Law Society noted that the issues are being directed to the Help Desk and so may not be logged.

Revenue asked for specific examples to be provided to them so they can investigate these in due course.

The Law Society queried whether the ROS offline facility is to be phased out. Revenue noted that they will confirm the position with the relevant area.

The ITI queried whether the time out function in the online facility could be changed, as a 30 minute timeout was too short for some members. Revenue advised this is likely standard IT practice where confidential information is being inputted.

ACTION POINTS

Revenue will advise further on whether ROS offline is to be phased out at the next meeting.

Agenda Item 11: AOB

Proposed Changes to the Agent Linking Process

Revenue advised of proposed changes to the agent linking process. It is intended that from 30 November 2024 new e-linking functionality will be introduced. This new digital process will replace the paper-based process and allow taxpayers with a ROS or myAccount profile to approve new links with their agents through a myEnquiries notification. The new functionality will provide greater security and transparency to agents and their clients. Taxpayer without a ROS or myAccount profile will continue using the paper-based process. A TDM is being worked on that details the new functionality and it will be published shortly to provide clarity of the specifics of the e-linking process and a further meeting can be arranged to discuss the detail and welcome feedback.

CCAB-I, ITI and Law Society expressed significant concerns that this will cause additional delays for clients and is contrary to the stated aim of simplifying the process for taxpayers. It was noted that it is understandable that Revenue might seek to introduce a system for client notification, but the proposed system seems excessive relative to the level of risk. The Law Society noted that clients already have difficulties with the current timeframes for certain dealings with Revenue and note that delays arising from this proposed system might potentially harm Ireland's attractiveness as a place to do business. It was also noted that Revenue should have sought industry feedback at the time when this idea was first conceived rather than shortly before the new system goes live. Revenue confirmed that the proposed system is being designed and that feedback is welcome on the specifics of the new process when the TDM is shared, and a further dedicated meeting can be arranged. ITI confirmed that they may seek to raise this as an agenda item at main TALC and the Law Society suggested that the proposed new system might not be required for all tax heads. Instead, Revenue might consider limiting the new system only to scenarios where an agent's bank account will be the nominated account for any tax refunds.

Letter of No Objection in the case of Members Voluntary Liquidations

CCAB-I noted that the processing times for a Letter of No Objection application in the case of members voluntary liquidations continue to increase. Revenue acknowledged these issues and noted that it has added resources in this area in an attempt to improve the process. Revenue noted that the key message should be to get in as early as possible.

ITI queried whether a confirmation of receipt could be provided to give members an indication of who to contact, or where to direct queries.

CCAB-I asked whether a timeline can be provided once an application has been made, as it is difficult otherwise to manage the expectations of the client. Revenue noted it was doing its best to speed up the process, but it cannot give a timeline to applicants. Revenue advised that it would pass on the feedback raised during the discussion to the relevant team.

Other

CCAB-I suggested that a dedicated email address be provided for dormant accounts to expedite matters in instances where there has been no tax history.

CCAB-I outlined briefly to Revenue a concern that published customer service standards were not being adhered to in some cases. An anecdotal example that a tax agent had submitted a query via MyEnquiries on 4 July 2024 and had not received a response on the query at 5 September 2024 was highlighted. Revenue requested details of same be provided to investigate/address.

In attendance:

Law Society:

Deirdre Barnicle (Chair)

Cian O'Rourke (Minutes Coordinator)

Jack Shannon (Minutes Coordinator)

Revenue

Elaine Byrnes

Alan Greaney

Geraldine Hegarty

Maureen Marray

Sinead McNamara

Diarmuid Farrelly

Dan Oosthuizen

Paul Brady

CCAB-I

Carla Manning

Grainne McDermott

Sophie Ellis

Gerry Higgins

ITI

Mary Healy

Paul Wallace