

## Minutes of 76<sup>th</sup> Meeting of TALC Sub-committee on Collection issues

**Date: 6 December 2017**

**Time: 10:45**

**Venue: Conference Room 1, Ground Floor, Blocks 8-10, Dublin Castle**

### **Item 1: Approval of minutes of the 76<sup>th</sup> meeting held on the 25 May 2017**

The minutes of the 76<sup>th</sup> meeting were approved as proposed.

### **Item 2: Revenue Presentations**

#### **PAYE Modernisation Update**

Revenue gave an update on progress on PAYE modernisation and the design of the real-time regime. There is ongoing engagement with various stakeholders as the project progresses.

Revenue confirmed that the current simplified arrangements for paying PAYE would remain in place. It would also be possible to vary direct debits during the year.

Revenue outlined the concerns identified from their examination of some employer filings to date including use of incorrect P2C, omission of PPSNs, non-registration of new employees and the application of incorrect PRSI rates. Revenue has issued letters to employers and assessments for tax underpaid have been issued in some cases.

The committee discussed the challenges in transitioning to a real-time regime and it was agreed that a meeting of TALC Collections would be scheduled for March 2018 i.e. after the P35 filing deadline to discuss how to address the challenges in preparing for 2019.

#### **ROS Jobs and Pensions**

Revenue gave a presentation on the new agent-facility to register clients' new jobs and pensions online. Once registered an agent can download a client's Tax Credit Certificate via "MyDocuments" in the client's record. Circa 650,000 PAYE use tax agents to manage their affairs.

It was noted that Revenue's recent information sessions on the service were well received and addressed practitioners' questions on the service. The slides would be circulated to the committee.

#### **ROS Form 11 2017**

Revenue gave a presentation on the ROS return for 2017. The Form 11 will be available from 1 January 2018. There will be three releases of the form over the course of 2017. From March, for the first time the form will include income information received from the Department of Agriculture, Food and the Marine. It will also be possible to amend the CGT panel for 2017. The Form 1 (Trusts) will be available online and amendable. Revenue would circulate the slides to the committee for wider dissemination.

Revenue has examined the profile of taxpayers who receive a paper tax return from Revenue. Next year, taxpayers with income greater than €75,000 who are under 40 will not receive a paper tax return. Revenue will issue a communication to these taxpayers to advise them that they can file the return online.

Revenue has also been updating “W” numbers where another number is on record for the spouse. 28,000 “W” numbers have another number on Revenue’s system.

Revenue is also conducting an exercise to check instances where the married credit has been granted but Revenue has not been informed about the spouse – 4,000 letters have issued.

According to Revenue’s analysis a significant numbers of income tax refunds have been “cancelled” i.e. withheld by Revenue as the taxpayers’ nominated bank account details have not been provided. 4,300 income tax refunds in relation to 2015 (amounting to €6.4m) and 1,800 income tax refunds for 2016 (amounting to €3.4) have been cancelled. To reactivate the refunds in these cases the relevant bank account details must be provided (via ROS) and the District must be contacted i.e. updating the bank account details alone is not sufficient to reactivate the refund.

Practitioners highlighted three particular areas on the Form 11 which would benefit from simplification as a priority:

1. The pension calculation section
2. The CGT section – to allow you to tick a box to indicate if there has been no disposal in the year
3. An explanation of the rental allowances section in “plain English”

Revenue agreed to examine these issues to determine if these 3 items could be dealt with in 2018.

Practitioners noted a number of additional items.

- Tax paid is not reflected on the calculation sheet of the return. CCBAI would like this item noted as a request in the general list of items for ROS developments
- The self-assessment statement does not reflect that an RDI has been set up to pay the liability and clients’ can often think that the payment has not been set up - this can result in unnecessary contact with practitioners and Revenue. The committee discussed alternatives to address this issue. It was agreed that it would be helpful if wording on the statement noted that it did not reflect the payments position. Revenue is to examine this option.
- Some instances were noted where a tax refund issued by cheque to taxpayers who had provided a nominated bank account for refunds. An example would be provided.
- A number of demands for payments issued in error when an RDI has been set up correctly. This was a systems error where the RDI was not read in a very small batch of cases and the matter has been fully resolved.

### **Item 3: Work Plan items for 2017**

#### **My Enquiries**

Practitioners raised delays in response time to queries and the possibility of a facility on MyEnquiries to indicate an “offset request”. The facility to offset certain refunds by marking the relevant section on the tax return was acknowledged and has been highlighted by to practitioners. Practitioners will submit feedback on other offsets that cannot be made via a return and so must be requested via MyEnquiries

Practitioners are collating member feedback on MyEnquiries to identify any patterns or common issues giving rise to delay and will provide same to Revenue when this exercise is completed. It was agreed that it would be useful to keep MyEnquiries on the workplan for the year ahead.

It was noted that the exceptional contact list no longer contained a named individual in relation to the Dublin Region. Revenue will examine this matter.

#### **ROS issues**

Instances occurred where a surcharge was automatically applied in error. Revenue noted that technical errors will occur at times, and while the surcharge is coded into Revenue's systems staff are instructed to take a common-sense approach to waiving the surcharge where merited.

Practitioners raised the inability for tax agents to set up an RDI on ROS to pay CAT. This matter had been raised for many years and at the highest levels in Revenue. Revenue agreed to develop some workable alternative for the next CAT payment deadline.

#### **Tax Clearance**

The tax clearance service is working as expected and it was agreed to remove the item from the workplan for 2018.

#### **Item 4: Work plan**

The following were agreed as topics for the 2018 workplan:

- PAYE Modernisation
- MyEnquiries
- Revenue's Debt Management System (DMS)
- Brexit (payment issues arising from exchange rate fluctuations)
- VAT Registrations
- ROS
- Payment Options e.g. CAT payments for tax agents

Several enhancements are being added to the VAT eRegistration service, including re-registration for ceased cases, registrations involving non-resident directors and registration of unincorporated bodies. A further release is planned for the end of March. It was agreed that it would be useful for the committee to interact by email in early 2018 to communicate the developments on eRegistration, once Revenue's updated Manual is available.

#### **Item 5: CCAB-I Issues**

##### **An update on Revenue's review of the 1890 business telephone line**

Revenue is finalizing its review of the business 1890 phone line. Analysis to date indicated that Pay and File support worked well and callers could get through to the Districts quickly. Revenue is actively looking at ways to improve the efficiencies of the service and recommend best practices. Kathleen Redmond would update the sub-committee on the outcome of the review in advance of the next meeting.

## **Item 6: Law Society**

### **Obtaining a Certificate where the practitioner is not the registered tax agent**

In recent weeks, Revenue appeared to have changed their practice in relation to Certificates of Tax Residence, and it is now no longer possible to obtain a Certificate of Tax Residence on behalf of a client where the practitioner is not the registered tax agent for that client. It was noted that Revenue clarified at Main TALC that the Cert will be provided to the applicant/agent once a “letter of authorization” from the client can be supplied.

### **Tax Registration – authorised entities – letter of authorisation**

The matter raised at the previous meeting in relation to tax registration for particular entities and Central Bank requirements for a tax number has been resolved.

## **Item 7: ITI Matters**

### **Income tax Pay and File – Revenue feedback on instances of inability to pay, requests for instalment arrangements etc**

Revenue noted that there have been very few requests to date for phased payment arrangement in relation to income tax filings for 2016.

### **Availability of current year CAT return forms – difference in release date for those with an Agent Digital Cert (January) v those with Business Digital Cert (accessible now)**

Revenue is to examine this matter and revert.

### **VAT RTD – linking to RCT rate review in 2018**

VAT RTD compliance will impact on a taxpayers RCT rate review and tax clearance applications in 2018. Practitioners noted the difficulties small businesses can experience in completing the RTD, notwithstanding the simplifications to the ROS form. Revenue noted the current 55% compliance rate with VAT RTD filing. It was agreed it would be useful to further discuss the VAT RTD in the new year.

## **Item 8: TALC Chair 2018**

CCABI will Chair TALC Collections for 2018, with Gerry Higgins in the Chair. The committee thanked Sandra Clarke and Mary Healy for their input during the year and welcomed the new Chair.

## **AOB**

Practitioners queried the procedure for submitting a protective claim for 2013 following the recent Tax Appeals Commission determinations that the increased contributory pension in relation to a “qualified adult” qualified for the standard rate band and the employee tax credit. It was agreed that protective claims could be submitted to the Districts i.e. the PAYE or Income Tax Division as appropriate. Ideally correspondence should be submitted via MyEnquiries and it should make it clear that it is a protective claim.

<b>Action Points</b>	<b>Responsible</b>	<b>Timescale</b>
Circulation of slides from the meeting	Revenue/ITI	ASAP
CCABI to schedule Meeting for March 2018	CCABI	In 2018

Practitioners to highlight tax offsets cannot be completed on return	CCABI/ITI	In advance of next meeting
ROS-related issues - Review of ROS alternatives for CAT payments for 2018 - Examine three identified areas for simplification on Form 11, - Examine clarification on self-assessment statement re payments - Inclusion of tax paid on calculation sheet on list of ROS developments	Revenue	In 2018
Committee liaise on communication on VAT registration enhancements once Revenue Manual updated	Revenue to initiate once Manual available	In advance of next meeting
Update on findings and outcome of review of 1890 business phones	Revenue	In advance of next meeting
Update on timing of availability of CAT returns on ROS for tax agents	Revenue	At next meeting
VAT RTD compliance issues to be included on agenda in 2018	CCABI	At next meeting
Practitioners to highlight importance of clarity on protective claims to ensure can be correctly dealt with by Districts	Practitioner bodies	Immediately

**Attendees at the meeting of 6 December 2017**

Ms Mary Healy (ITI)

Mr Gerry Higgins (CCAB-I)

Ms Kimberley Rowan (CCAB-I)

Mr Paul Wallace (ITI)

Mr Mick Gladney, Ms Lucy Mulqueen, Ms Maura Conneely, Ms Leean O' Kelly, Ms Ruth Kennedy (Revenue)  
Ms Deirdre Barnicle (Law Society)

Apologies:

Ms Sandra Clarke (ITI)

Mr Ray Kilty (CCAB-I)

Ms Lauren Armstrong (Secretary)

Mr Leonard Burke (Revenue)

Ms Aisling Meehan (Law Society)