



Update on ITI Branch Network Meeting With Revenue in the East South East Region

A meeting took place between branch representatives and Revenue in the East South East (ESE) region on 20 July 2010. Amongst the matters discussed were:

1. Secure email

Revenue provided a demonstration on secure email which can be used for both RTS queries and any other confidential email correspondence with Revenue. Some recent updates to the system allow user passwords to be changed and increase the size of files that can be attached to 10MB. More information on the use of secure email is available on Revenue's website here <http://www.revenue.ie/en/online/secure-email.html>

2. Tax payment and collection issues

Revenue figures from the region indicate that refunds are being processed promptly.

3. Revenue initiatives

In relation to locums, Revenue highlighted that a letter had issued from Revenue centrally to the Irish Medical Organisation regarding Revenue's position on the tax treatment of G.P locums. An extract of which is available here http://www.taxireland.ie/documents/general/Locums_-_extract_from_Revenue_letter_to_IMO_24_May_2010.pdf In the ESE letters recently have issued from Kildare District seeking information on payments made to locums since 2008.

It was queried as to whether an obligation to deduct PAYE arose on a doctor where a locum is engaged by a doctor through an agency. Revenue noted that this depended on the structure of the arrangement; some situations may involve the GP paying the locum directly while paying a finder's fee to the agency. Other cases may involve the agency paying the locum.

Revenue noted that they have been very active in the Shadow Economy, town visits have been carried out in a number of large towns in the ESE. Visits to markets are also ongoing. Resources are also being targeted at smuggling of cigarettes.

4. Revenue Audit Activity

Some Districts in the region had engaged in risk based profiling of taxpayers with a follow up “Profile Interview” with relevant taxpayers to address specific risks identified. Representatives queried the level and focus of this type of intervention in the region. Revenue noted that some of the Districts had looked at certain allowances being claimed in this regard.

It was queried as to how many Notices of Opinion for audit penalties had been issued in the region. Revenue noted that a handful had been issued but that there was not widespread use of them.

5. Revenue Staff Changes

Declan Rigney Principal Officer of Meath District will be moving to Revenue Planning Division in Dublin shortly. He is to be replaced by Patrick Faughnan from the Investigations and Prosecutions Division.

Lucilla McLoughlin Principal Officer of Revenue’s ESE Investigation Unit has retired from Revenue. Tom Herlihy has been appointed in her place. His role will involve review of the major areas of risk to tax collection and managing those cases in the region with highest risk.

6. Revenue Technical Services

Revenue noted that 85% of queries that met the criteria for RTS were responded to substantively within Revenue’s 20 day customer service timeframe. Queries tended to be predominantly around company restructuring. Revenue have expertise in the region across the tax heads to answer technical queries.

7. REAP Update

A project is underway to integrate PAYE compliance checks into REAP. Specific REAP rules for CAT will also be developed following the new electronic filing procedures recently rolled out.

8. Sundry Practical Issues

Representatives raised a number of practical issues with Revenue including the following:

- It was noted that online access to income levy information would be very useful to practitioners in preparing income tax returns.
- The need for “closure letters” following queries from Revenue, where the queries have been answered satisfactorily.
- Practical difficulties for corporation tax clients who could not file CT1 returns for 2010 until May, in cases where refunds were due or companies were being struck off.
- Form 46G should be sent to the taxpayer rather than to the agent, on the basis that the agent will generally not have the information to complete the form. Revenue confirmed that Form 46G is to be made available on ROS at the end of the year.

Revenue reminded practitioners of eBrief No. 40/2010 <http://www.revenue.ie/en/practitioner/ebrief/2010/no-402010.html> which requires advisors to obtain client authorization before registering as agent or adding an additional tax head to the client.

Revenue acknowledged that there were some teething problems with the new system of electronic filing for CAT. Further updates to the system will be made in July and in September. Revenue highlighted that difficulties with the system can be brought to the attention of the CAT helpdesk.