

Taxation News

PAYE Modernisation Update

New PAYE Regulations, Income Tax (Employments) Regulations 2018 (S.I. No. 345 of 2018) will apply with effect from 1 January 2019 and effectively implement modernisation of PAYE reporting. The Income Tax (Employments) (Consolidated) Regulations 2001 shall continue to apply to the payment of emoluments on or before 31 December 2018.

The Employers' Guide to PAYE Manual Part 42-04-35 has also been updated. The text in chapter 6 (Special Assignee Relief Programme - SARP) has been replaced with a link to the SARP Tax and Duty Manual (Part 34-00-10) which has also recently been updated.

Part 42-04-35 will be further updated in due course to take account of the significant changes arising due to the introduction of modernised PAYE reporting from 1 January 2019.

All employers should make sure they are ready for PAYE Modernisation and are encouraged to review the "Getting Ready" section of "PAYE Modernisation".

Source: www.revenue.ie

Revenue Structure Changes

Revenue's structures continually evolve to ensure that we optimise the alignment of our resources with risk and deliver a high-quality service to support taxpayer compliance. We want to ensure our structure accommodates and reflects changes in our customer base, the evolving national and international tax and customs environment, and the impacts and implications of significant changes for tax administration such as PAYE Modernisation.

We have been developing our organisational structure and we are now moving from a single Large Cases Division and four geographically based Regions (Border Midland West Region, Dublin Region, East South-East Region and South West Region) to a new structure that is based on a nationally segmented customer base.

The new national divisions are built around the following customer segments:

- Large Corporates Division - dealing with the largest companies, managed through sectoral branches
- High Wealth Individuals Division - dealing with high wealth individuals, pensions, and tax avoidance issues
- Medium Enterprises Division - dealing with a tier of large businesses and wealthy/high income individuals below the thresholds for Large Corporates and High Wealth Individuals Divisions
- Business Division - dealing with the majority of business taxpayers
- Personal Division - dealing with all personal or non-trading taxpayers as well as not-for-profit organisations

Every taxpayer is now managed by Revenue, from a service and

compliance standpoint, by one of the new nationally based divisions. The only impact for the purposes of a taxpayer's engagement with Revenue is that in certain instances, new teams or new individuals will be looking after that engagement on the Revenue side.

The contact details for the new divisions are available on www.revenue.ie.

Source: www.revenue.ie

Revenue Focus on Incorporated Medical Locum Sector

Revenue has been reviewing the tax affairs of medical locums who have incorporated a business and are employed by Personal Service Companies or Managed Service Companies. The review has focused on tax affairs of such companies and their directors when the main source of income is a contract for the provision of medical services through an intermediary (and where in most cases the directors are the only employees of the company).

At the September TALC meeting Revenue said a number of issues had been identified from the review. These concern, for example, travel and subsistence expenses; other expenses i.e. not vouched or not paid wholly and exclusively for business purposes; payments to family members, and VAT on the provision of staff to an agency. As a result, Revenue is extending its focus nationally and plans to commence compliance interventions in November. Taxpayers can "self-review" and make an unprompted disclosure, if necessary, before compliance interventions begin.

Source: TALC