

Taxation News

New Appointments to TALC & the CPA Taxation Sub-Committee

Congratulations to Mr. Kevin Elliott a member of the Taxation Sub-Committee with CPA Ireland whom was appointed as Chairperson of the TALC Indirect Committee for the calendar year 2019. Kevin maybe contacted at kevin.elliott@tketax.com if you wish to make any taxation queries/referrals.

Also congratulating the apportionments of Ms. Carla Manning of CACM Accountants in Cork and Mr. Brendan Brady of Brady & Associates in Dublin to the Taxation Sub-Committee with CPA Ireland in December 2018.

Source: www.cpaireland.ie

Department of Finance Annual Taxation Report

A decade ago, the Irish fiscal crisis was entering its most acute phase. The bursting of the property bubble a year earlier had triggered a chain of events that would ultimately lead to Ireland's loss of fiscal sovereignty. Perhaps most crucial was the collapse in taxation revenues which fell by nearly one-third during 2009/2010, as this revenue stream had become excessively intertwined with developments in the property market.

This is the Department's second Annual Taxation Report. Its purpose is to provide an in-depth and longer-term perspective on trends in taxation receipts. Such analysis is motivated inter alia by the need to rigorously monitor the sustainability of taxation revenue, particularly in light of the massive fiscal imbalances that were allowed to accumulate in the first half of the last decade.

The recovery in the taxation yield since the crisis mainly reflects the recovery in the tax base, namely economic activity. Employment,

consumer spending, etc. all continue to expand and, in doing so, generate tax revenue streams. That said, any shock to the tax base would have implications for the public finances. This highlights the importance of continuing to re-build fiscal buffers and of ensuring that the economy is sufficiently flexible to be able to absorb the inevitable shocks. The deteriorating international economic outlook and the non-negligible possibility of a disorderly UK exit from the European Union highlight the need for policy caution.

This report is structured in a similar manner to last year's analysis. Section 2 briefly recaps tax revenue developments since the beginning of the last decade. Section 3 then documents how taxation receipts have evolved from the low-point in mid-2010 to current levels. Of key strategic importance is the rising corporation tax yield, and some of the issues associated with this are detailed in section 4. Section 5 draws some conclusions.

The full report can be accessed at www.gov.ie/en/publication/beb7c8-annual-taxation-report-2019/

Source: www.gov.ie

PAYE Modernisation Hot topics

In response to the challenge of PAYE Modernisation Revenue has created a "Hot Topics" page which is updated in real time based on the most common issues being reported by employers.

PAYE Modernisation involves the most significant reform of the PAYE system since its introduction in 1960. From 1 January 2019 employers are required to report their employees' pay and deductions to Revenue as they are being paid. Revenue is providing extensive support for employers and their agents to support the transition to the new reporting requirements under PAYE Modernisation.

The current supports on the "Hot Topics" page are:

- A document providing guidance on Employer PAYE Payroll payment liabilities and payments options.
- A summary of the PAYE Modernisation Statements, describing common reasons why a statement may differ to that expected. It also provides guidance on how an employer can resolve these differences when encountered.
- A document describing the reasons why an employer may receive duplicate Revenue Payroll Notifications (RPNs) when operating PAYE Modernisation and guidance on how an employer can resolve these.

- A document describing reasons why a person may experience difficulties accessing ROS when operating PAYE Modernisation, including guidance to help address such difficulties when encountered.
- A document setting out the possible reasons why an RPN may not be available for download along with guidance for employers on how to address these.

This webpage can be found at <https://www.revenue.ie/en/employing-people/pay-modernisation/hot-topics/index.aspx>

Source: www.revenue.ie