

Share Scheme Compliance Project and PAYE Tax payers over/underpayments

Update from TALC Audit – June 2022

At a meeting of the TALC Audit Sub-committee this week, Revenue noted two projects being undertaken by Revenue's Personal Division. An overview of these projects, including additional clarifications we received from the Division are outlined below.

Share Scheme Compliance Project

Revenue has commenced a national project in relation to tax compliance and share schemes. This project follows a review of the data received through the various share reporting requirements for employers and involves a variety of activities, including communications with employers and employees. For example, Revenue will be communicating with employees who have exercised share options but have not filed a Form RTSO1 and reminding employees that CGT may arise on a subsequent disposal of the shares. It should be noted that this engagement will fall under Level 2 of the new Compliance Intervention Framework.

In our Branch Network Meeting with Personal Division in December 2021, Revenue noted that it would launch a national compliance campaign on share options in 2022 and improve communications to ensure taxpayers understand their obligations.

Revenue communications with PAYE taxpayers in relation to tax over/underpayments

Revenue has conducted a reconciliation exercise to identify PAYE taxpayers who, according to Revenue's preliminary information, may have an overpayment or underpayment of tax but have not filed an income tax return.

Revenue has reconciled information from 2019, 2020 and 2021 and has commenced issuing letters via MyDocuments to PAYE taxpayers whose preliminary tax position is not yet balanced. The letters will advise taxpayers to submit an income tax return for the relevant tax year so that their final tax position for the year can be determined. Taxpayers can also update their MyAccount profile to include details of the bank account to which any tax refund can be paid.

Taxpayers are reminded that Revenue will never request a taxpayer to provide personal information, such as bank account details or credit/debit card information via email, text or pop-up windows or any other unsecure channel.

From next Monday, 20 June, Revenue will begin issuing letters to employers who claimed subsidies under the Employment Wage Subsidy Scheme (EWSS) as part of a final assurance programme on the EWSS. The letters request employers to conduct a Self-Review of their EWSS claims. The text of the letters issuing and further details were included in last Friday's TaxFax.

As we confirmed in TaxFax in April, EWSS interventions are outside of the new Compliance Intervention Framework. The consequences for abuse of the EWSS and for dealing with incorrect claims are outlined in legislation and in the EWSS Guidelines.

At TALC Audit, the Institute continues to engage with Revenue with our feedback and observations on initial activity and the text of notifications issued under the Compliance Intervention Framework, which came into operation in May. We will bring any important developments to members' attention in TaxFax.