



BRADLEY TAX CONSULTING

Increased Revenue focus on the construction sector

The material contained in this note is for general information purposes only and does not constitute legal, taxation or other professional advice. While every care has been taken to ensure that the information in this note is accurate and up to date, you should seek specific legal and/or taxation advice in relation to any decision or course of action. No liability whatsoever is accepted by Bradley Tax Consulting for any action taken in reliance on the information in this note.

© 2016 Bradley Tax Consulting. All rights reserved.

In September 2015, Revenue indicated to the Tax Administration Liaison Committee (“TALC”) that a national programme of compliance interventions, focusing on the construction sector, is planned over the coming year. Revenue also confirmed that depending on the profile of a case the intervention could be in the form of an audit, aspect query or profile interview.

Subsequent to the commencement of their examination of the construction sector, Revenue published an E Brief (E Brief 33/16) where they outlined the key non-compliance issues that they have so far encountered and on which they intend to focus a great deal more closely. They specifically mentioned the following issues as being issues of concern:

- Failure on the part of the principal contractor to self-account for the VAT.
- Incorrect completion of the VAT invoice/document by the sub-contractor.
- Application of the two thirds rule where the VAT Reverse Charge applies.
- Completing the VAT 3 incorrectly (ignoring the reverse charge altogether).
- Failure to apply the VAT Reverse Charge where there is a construction supply between connected parties.

It should be noted that Revenue indicated that the correct operation of reverse charge VAT provision will be scrutinised particularly closely by Revenue in the course of their interventions, and they have directly stated that penalties will be applied where appropriate. To that end you should consult with your advisor if you are operating in the construction sector and you feel that there are compliance issues that need to be clarified or rectified.

For further information contact:

Name: Marie Bradley, Managing Director, Bradley Tax Consulting

Address: 14 Upper Leeson Street, Dublin 4

Tel: + 353 1 400 4123

E-mail: marie.bradley@bradleytaxconsulting.ie