



An Introduction to Making Tax Digital for Income Tax Self-Assessment

Making Tax Digital for Income Tax Self-Assessment is the new way qualifying businesses and landlords will have to keep digital records and submit Income Tax Returns from April 2024 onwards.

If that sounds complicated, don't worry, this new system should make preparing and submitting your returns easier, and make you feel more confident about managing your tax affairs*.

*as reported by HMRC [here](#)

Who needs to file MTD Income Tax Self-Assessment Returns?



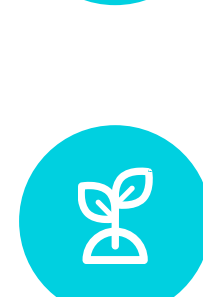
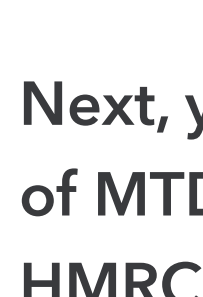
You will need to file MTD Income Tax Self-Assessment returns from April 2024 if you're an individual and receive income as a:

- self-employed individual/sole trader
- landlord

For these rules to apply you will need to have a combined turnover from these sources of £10,000 or more per year. If you are obligated to use MTD rules for Income Tax, any personal income from other income sources will also need to be included on your MTD return. Other entities are not subject to MTD for Income Tax in April 2024. but may be included at a later date.

What do I need to do for MTD for ITSA?

First, if you haven't already, you'll need to sign up with HMRC. To do this, you'll need the following information:

-  The Government Gateway user ID and password that you use to file your Self-Assessment tax returns
-  Your National Insurance number
-  Your email address
-  Your business name and start date

Next, you will have to fulfill the two core elements of MTD for ITSA—more regular reports and use of HMRC-approved software:

Reporting requirements: For each MTD Income source, you'll need to use software like QuickBooks to keep digital records and file updates to HMRC at least every quarter. You'll also need to make an end-of-period statement (EOPS) for these income sources after the end of each tax year. You will also need to submit any non-MTD income across to HMRC and file a Final Declaration after the end of the tax year.

Software requirements: You must use compliant software to keep digital records and ensure all data is 'digitally linked' to allow HMRC to trace a full digital path from data entry to submission.

Note: Small business owners and the self-employed should take extra care to stay on top of these changes, as there will be penalties for noncompliance.

When are the deadlines for MTD for ITSA?

For the tax year April 2024-April 2025, the deadlines are:

	Period covered	Filing deadline
Quarterly update 1	1 April - 30 June, 2024	5 August, 2024
Quarterly update 2	1 July - 30 September, 2024	5 November, 2024
Quarterly update 3	1 October - 31 December, 2024	5 February, 2025
Quarterly update 4	1 January - 31 March, 2025	5 May, 2025

Final Declaration and EOPS must be filed by 31 January 2026 and there are no changes to payment deadlines.

What if I miss the deadline?

The government is currently reforming sanctions for late submissions to make these fairer for taxpayers. These new rules are expected to apply to customers who miss the deadlines for MTD for Income Tax.

Visit [QuickBooks.co.uk](https://www.quickbooks.co.uk) or speak with your account manager to learn more.