

Making Tax
Digital for VAT
as a Business
(and a bit of
MTD ITSA)



HM Revenue
& Customs



What is Making Tax Digital?



Making Tax Digital is a key government initiative to transform and digitise the tax administration system, to create a modern, digital tax service.



It aims to make the tax administration system more effective, more efficient, and easier for businesses to get their tax right, first time.



Part of a long-term vision: to have all taxes managed through a single, digital account, with similar, effortless processes.



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Why sign up to Making Tax Digital?



MTD requires taxpayers to maintain their records digitally and to file digital updates and returns for (ITSA) and digital returns for (VAT), through MTD-compatible software, to HMRC.



It is designed to deliver a wide range of benefits for both HMRC and the taxpayer.



MTD will benefit:



HMRC by bringing in more of the correct tax revenue at the right time through reducing errors, and

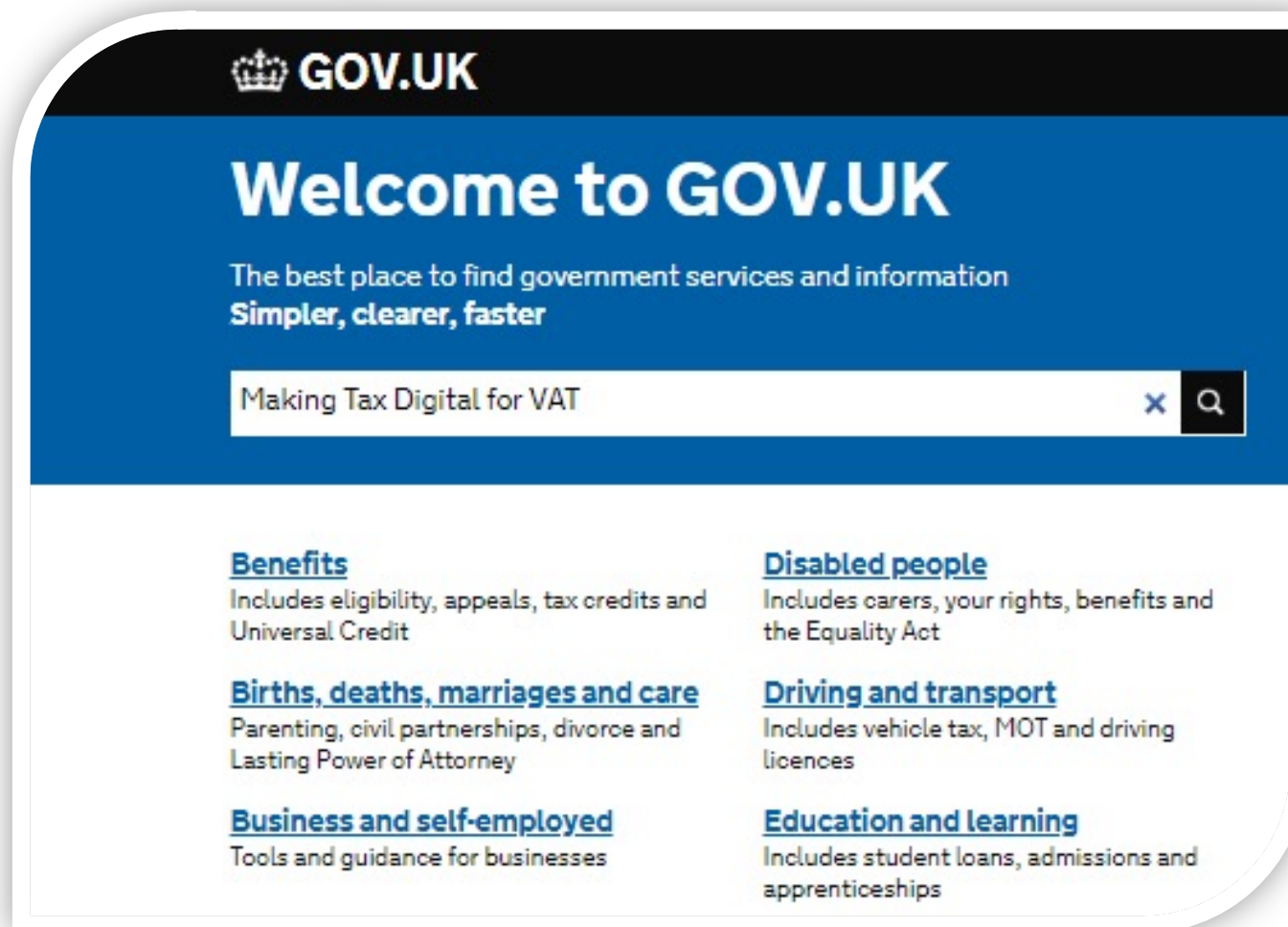


Taxpayers through productivity gains and encouraging a shift to increasing digitisation.



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Where to
find out
more about
MTD –
Gov.uk



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Where to
find out
more about
MTD –
Gov.uk



Benefits

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Parenting, o
Lasting Pow

Business

Tools and gu

A screenshot of the GOV.UK search results page for the query "Making Tax Digital for VAT". The browser address bar shows the URL "www.gov.uk/search/all?keywords=Making+Tax+Digital+for+VAT&order=relevance". The page features a "Search" header with the query in the search bar. On the left, there are filters for "Topic", "Content type", and "Updated". On the right, it shows "177,108 results" and a "Subscribe to feed" link. The first result is titled "Making Tax Digital for VAT" and includes a brief description: "Check if you need to follow HMRC's rules for Making Tax Digital for VAT, find software and sign up...". It is dated "Updated: 17 September 2018". The second result is titled "Making Tax Digital for VAT: service availability and issues" and includes the description: "Check the availability and any issues affecting Making Tax Digital for VAT." It is dated "Updated: 6 September 2021".



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Where to
find out
more – VAT
Notice
700/22



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VAT Notice 700/22: Making Tax Digital

www.gov.uk/government/publications/vat-notice-70022-making-tax-digital-for-vat/vat-notice-70022-making-tax-digital-for-vat

Apps Welcome to GOV.UK

Home > VAT > VAT Notice 700/22: Making Tax Digital for VAT

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Notice
**VAT Notice 700/22: Making Tax Digital
for VAT**
Updated 7 May 2021

Contents

1. [Introduction](#)
2. [Check if you need to follow the Making Tax Digital rules](#)

This notice provides information further to the provisions of The Value Added Tax (Amendment) Regulations 2018 (SI 2018 No. 261), which amend the VAT Regulations 1995 ('the regulations').

1747

The MTD Timeline so far



Budget 2015 – The then Chancellor announces the ‘death of the tax return’. He further clarified the end of the "complex, costly and time consuming" tax return. In the same year, the government set out its long-term vision for the digitisation of the tax system – Making Tax Digital.



April 2017 - HMRC launch a private pilot to test MTD for Income Tax.



July 2017 - Following a wide range of consultations, and after listening carefully to the concerns of businesses and stakeholders, a decision was made to slow the pace of the introduction for Making Tax Digital (MTD) but the commitment to the values that underpinned the vision remained.



April 2018 – HMRC launch a private pilot to test MTD for VAT with a small number of customer types.



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The MTD Timeline so far



October 2018 – HMRC launch a live public pilot to test MTD for VAT. All eligible VAT registered can voluntarily sign up.

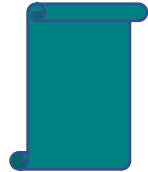


April 2019 – MTD for VAT goes live, all VAT-registered businesses (1.2m) with turnover above the VAT threshold must sign up (some complex customers had a short deferral to October 2019 – under 50k affected).



July 2020 – Government announces that:

- The remaining VAT-registered businesses must sign up to MTD from April 2022;
- Unincorporated businesses and landlords with over £10k total business and property income must sign up to MTD Income Tax from April 2023;
- A consultation on MTD for Corporation Tax.



23rd Sept 2021 HMRC :

- Laid The Income Tax (Digital Requirements) Regulations which set out the design and scope of MTD for Income Tax.
- Published a Tax Information and Impact Note (TIIN) which sets out the projected benefit and cost impacts of MTD for ITSA alongside a more detailed Policy Paper.
- Announced that the introduction of MTD for ITSA has been delayed by one year until the tax year beginning in April 2024, as has the introduction of reformed penalties for ITSA.



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MTD VAT Progress to date

There have been **over 1.5 million sign-ups for MTD for VAT.**

Over 30% of non-mandated businesses have signed up to submit MTD VAT returns voluntarily.

Over 8m VAT returns (over £100bn) have been successfully submitted through the MTD service.

Over 89% of all businesses mandated to join MTD for VAT are now signed up to the MTD service.

There is a wide variety of MTD for VAT software products on offer for businesses - **currently over 500.**

Existing subscribed users of over 250 products have been **upgraded to MTD for free where they have been using the latest version.**

Businesses can use **bridging software products and continue to use spreadsheets** or older software products to meet MTD requirements



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Changes to record keeping behaviour



The proportion of businesses using software and/or apps in record keeping has increased from 72% of businesses prior to the introduction of MTD to 87% currently. Since moving to MTD 18% of businesses that weren't using software or apps have started to do so.



Just under three-quarters of all businesses (74%) reported that they submit via MTD using fully compatible software. However, this was less likely among self-employed (64%) and businesses with 250 or more employees (42%). Just over one in seven (14%) businesses reported they are submitting via MTD using bridging software that either links to spreadsheets (11%) or to legacy software (3%).



MTD appears to have had an impact on businesses' record-keeping frequency. The proportion of businesses updating their records on a continuous basis has increased since MTD's introduction, from 38% to 48%, with nearly all businesses (97%) updating their VAT records at least once a quarter (up from 95%).



The majority of businesses found the process of transitioning to submitting via MTD easy. Two-thirds stated that signing up to MTD (67%) and making their first submission (63%) was easy, while four-fifths (80%) said the same about making ongoing submissions.



Costs of MTD for VAT to businesses



Nearly all businesses (93%) carried out at least one activity to prepare for MTD with just over half (55%) of all businesses reporting financial costs as a result of their activities. Transitional financial costs were reported by 25% of businesses, and 38% reported financial costs on an ongoing basis. Businesses that were using spreadsheets or paper methods to keep VAT records prior to MTD were more likely to incur costs.



Just over a quarter (27%) of businesses that used software prior to MTD paid more for their current software than previously. Amongst those that paid for software, half (50%) were not aware free options were available, compared to 46% that were.



Of the businesses that were using agents prior to MTD, 20% stated that they currently use their agent more, equivalent to 13% of all businesses. Meanwhile, 7% of these businesses have decreased their use of agents while 69% currently use their agents the same amount as they did prior to MTD.



Benefits of MTD for VAT



Almost seven in ten (69%) businesses have experienced at least one benefit from MTD. Experiencing benefits was more common for those businesses using fully compatible software (76%), those that started using software for record keeping since MTD's introduction (80%), those that have submitted more than 7 returns via MTD (76%), and businesses with an annual turnover exceeding £250,000 (71%).



The most common benefits reported were that MTD made preparing and submitting VAT returns faster (55%), and that it made businesses feel more confident they are getting tax right (53%). Of those businesses that reported a benefit, over three-quarters (78%) stated that at least one benefit had increased over time. Most commonly reported as increasing were increased confidence getting tax right (76%), speed of returns (74%), and confidence using technology (72%).



Two-thirds (67%) of businesses also noted at least one way they thought MTD had reduced the potential for mistakes. The most commonly reported ways were in the process of making the return (61%), calculating the amount owed (48%), and checking for errors in the calculation (46%).



Benefits of MTD for VAT



One in three (31%) businesses reported spending less time on their record keeping and tax returns since MTD, increasing to 35% of businesses using fully compatible software. Conversely, 16% reported spending more time, increasing to 36% of businesses using bridging software. For those businesses that have experienced a reduction in the time spent on their tax returns, time savings have been found in inputting financial data (67%), checking for errors (67%), and calculating the amount of tax owed (65%).



One in three (30%) businesses felt that the benefits of MTD outweighed the cost and effort associated with it, almost double the proportion that found the reverse (14%). Businesses using fully compatible software were more likely to find benefits outweighed costs and effort (35%) while those using bridging software were more likely to find the costs and effort to outweigh the benefits (33%). A quarter (25%) of businesses found that the costs and effort were balanced out by the benefits, while a similar proportion (26%) stated that they did not experience costs or benefits.



Upcoming milestones



April 2022 - All remaining VAT registered businesses must sign up to MTD (affecting accounting periods that start on or after 1 April 2022).



April 2024 - All unincorporated (self-employed) businesses and landlords with annual business or property income above £10,000 must sign up to MTD (affecting accounting periods that start, or deemed to start for tax purposes, on or after 6th April 2024).



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New MTD
Cohorts –
who will be
affected by
the changes



In total, the changes to MTD VAT and ITSA would affect around **4.7m** businesses, including **c.1.3m** landlords.



3.4m non-VAT registered, self-employed sole traders or landlords, with turnover between £10k and £85k, who would be required to use MTD for ITSA.



1.37m VAT registered businesses in total which include:

285k below £85k turnover who have already signed up to MTD for VAT voluntarily.

650k below £85k turnover who are yet to sign up to MTD for VAT.

430k who are mandated to MTD already (turnover above £85k) – but also have ITSA income above £10k so would be required to use MTD for ITSA.



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2017 ★
ITSA Pilot Starts

Sole traders with income from one business and landlords who rent out UK property

2020

ITSA Announcement

ITSA mandation announcement



CT
As part of the Tax Administration Strategy, the government announced plans to consult later this year on extending Making Tax Digital to those entities within the charge to Corporation Tax.

2021

ITSA Extended pilot

to allow more businesses and landlords to help improve how the service works for them

2022

VAT Expansion
(businesses with turnover below the £85,000 VAT threshold) for their first return on or after 1 April 2022

ITSA Public Beta

Wider testing

2024

ITSA Mandation

unincorporated businesses and landlords with total business or property income above £10k



- ITSA
- VAT
- CT
- ↔ Onboarding
- 🖥️ No of SW developers

Test new software and E2E journey (2020 – 2021)

Wider eligibility - test at scale. Test new functionality 40% - 80% (2021 – 2022)

Mass Market comms (2021-2023)

Gear up for mandation. Test new functionality 80% - 100% (2022 – 2023)

*Estimate only

Making Tax Digital for VAT

What is Making Tax Digital for Value Added Tax?



All VAT registered businesses, regardless of their turnover will need to comply with Making Tax Digital rules for their first VAT return starting on or after 1st April 2022



You may also be able to sign-up voluntarily now.



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What does this mean for customers

This means customers who sign-up to Making Tax Digital for VAT will be required to:



Using MTD compatible software to:



- keep digital records



- prepare the VAT return



- send and receive information to HMRC from API* enabled software or theird party software



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What Isn't Changing for MTD VAT

Things that won't change?



- 9 Box VAT return



- VAT return frequency and payment deadlines



- Eligibility for VAT Special Schemes



- Most other VAT rules



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What Is Taxable Turnover?



Taxable turnover includes

Supplies that are:

- Standard rate
- Reduced rate
- Zero rate



Excludes Supplies that are:

- Exempt
- Outside the scope



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Who is affected and When?



VAT registered businesses must register from the first VAT period starting **on or after** 1 April 2022.



For Example if your

Return covers 1st March to 31 May 2022

Start MTD 1st June 2022

First MTD return due 7th October 2022



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Common Questions

Does this include non-established businesses?



Yes as long as they are VAT registered in the UK



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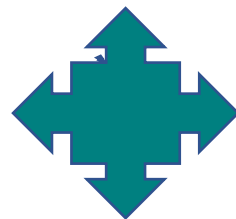
Common Questions

Can I still use spreadsheets?



Yes as long as your spreadsheet meets all the MTD requirements:

- Keeps records digitally
- Prepares the VAT return
- Sends/receives information from HMRC



You may need a bridging product in addition to using a spreadsheet



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Common Questions

What is Bridging Software?



It is a digital tool that can be used to connect accounting software to HMRC systems



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Digital Link

What is a digital link?

An electronic or digital transfer of data between software programmes, products or applications

Paragraph 4.2.1 VAT Notice
700/22



No manual intervention or re-typing information from one software system to another



No cut and pasting/copying and pasting



XML Import, macros and linked cells in spreadsheets are considered to be digital links



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Choosing Software



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VAT Notice 700/22: Making Tax Digital for VAT | making tax digital software | Making Tax Digital for VAT | Find software that's compatible with Making Tax Digital for VAT | Find software for Making Tax Digital for VAT

www.gov.uk/guidance/find-software-thats-compatible-with-making-tax-digital-for-vat

Apps Welcome to GOV.UK

English | [Cymraeg](#)

Guidance

Find software that's compatible with Making Tax Digital for VAT

Check which software packages are compatible with Making Tax Digital for VAT.

From: [HM Revenue & Customs](#)

Published 25 February 2019

Last updated 6 June 2019 — [See all updates](#)

[Print this page](#)

Before you sign up to Making Tax Digital for VAT you'll need either:

Related content

[Help and support for Making Tax Digital](#)

Choosing software

VAT Notice 700/22: X making tax digital s X Making Tax Digital X Find software that's X Find software for M X New Tab X +

tax.service.gov.uk/making-tax-digital-software

Apps Welcome to GOV.UK Read

Find software for Making Tax Digital for VAT

Using software will allow you to submit VAT Returns directly to HMRC without needing to visit HMRC's website. All software listed on this page has been through HMRC's recognition process. HMRC does not endorse or recommend any one product or software provider.

Most of the software listed will require payment though there are some free versions available. You should choose software that is suitable for you.

Some of the software listed below have features that are particularly suitable for those with accessibility needs, for example visual impairment and limited movement.

► [What kind of software is available?](#)

Suitable for
☐ Businesses

Search software by name



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Choosing software



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Suitable for

Suitable for

- ☐ Businesses
- ☐ Agents

Software for

Software for

- ☐ VAT record keeping
- ☐ Bridging

Software features

Software features

- ☐ View submitted VAT returns
- ☐ Check what VAT you owe
- ☐ View VAT payment history

Price

Price

- ☐ Free version

Software language

Software language

- ☐ Welsh

Accessibility features

Accessibility features

- ☐ Cognitive
- ☐ Visual
- ☐ Hearing
- ☐ Motor

Search software by name

Section 4.3

Notice 700/22



Keeping
other
records



Invoices may still be kept – in paper or electronic form



By law some records must be in their original form



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How to sign up to MTD for VAT

The screenshot shows a web browser with multiple tabs open, including 'VAT Notice 700/22', 'making tax digital', 'Making Tax Digital', 'sign up for making', and 'www.tax.service.gov'. The address bar shows the search URL: www.gov.uk/search/all?keywords=sign+up+for+making+tax+digital+for+VAT&order=relevance. The search results page displays 215,981 results. On the left, there are filters for 'Topic', 'Content type', and 'Updated'. The main results list includes:

- Exploring voluntary sign-up to Making Tax Digital for VAT**
Research to explore why businesses below the VAT threshold signed up to Making Tax Digital voluntarily....
Updated: 23 March 2021
- Sign up your client for Making Tax Digital for VAT**
Find out how to sign up your client and what to do after you've signed up.
Updated: 26 November 2019
- Making Tax Digital for VAT**
Check if you need to follow HMRC's rules for Making Tax Digital for VAT. Find software and



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How to sign up to MTD for VAT

Sign up for Making Tax Digital for VAT

Sign up your business (or your clients) for Making Tax Digital for VAT to submit VAT Returns digitally.

Published 8 February 2019

Last updated 21 March 2019 — [see all updates](#)

From: [HM Revenue & Customs](#)



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How to sign up to MTD for VAT



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VAT record keeping: Sign up for | x

www.gov.uk/vat-record-keeping/sign-up-for-making-tax-digital-for-vat

Apps Welcome to GOV.UK

Reading list

— [VAT account](#)

— [Time of supply or tax point](#)

Sign up for Making Tax Digital for VAT

You must sign up for 'Making Tax Digital for VAT' if your [taxable turnover](#) is more than £85,000, so you can:

- keep digital records
- submit your business's VAT return using compatible software

There's a different way to sign up [if you're an agent](#).

Before you start

You must have [compatible software](#) before you sign up.

What you need

Related content

[Keeping your pay and tax records](#)

[VAT Cash Accounting Scheme](#)

[VAT Returns](#)

[VAT visits and inspections](#)

Collection

[Making Tax Digital for VAT](#)

Brexit

[Check what you need to do](#)

How to sign up to MTD for VAT



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VAT record keeping: Sign up for | X

www.gov.uk/vat-record-keeping/sign-up-for-making-tax-digital-for-vat

Apps Welcome to GOV.UK Reading list

What you need

To sign up you need:

- your business email address
- a Government Gateway user ID and password - if you do not have a user ID, you can create one when you use the service
- your VAT registration number and latest VAT return

You'll also need:

- your National Insurance number if you're a sole trader
- your company registration number and Unique Taxpayer Reference if you're a limited company or registered society
- your Unique Taxpayer Reference and the postcode where you're registered for Self Assessment if you're a general partnership
- your Unique Taxpayer Reference, the postcode where you're registered for Self Assessment and your company's registration number if you're a limited partnership

When to sign up

How to sign up to MTD for VAT



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Making Tax Digital for VAT x Making Tax Digital for VAT x Sign up your client for M x Manage your client's deta x VAT record keeping: Sign x

www.gov.uk/vat-record-keeping/sign-up-for-making-tax-digital-for-vat

Apps Welcome to GOV.UK Reading list

When to sign up

If you already pay by Direct Debit do not sign up too close to the date your return is due, or you may pay twice.

To avoid this, do not sign up less than:

- 7 days before your return is due
- 5 days after your return is due

If you do not pay by Direct Debit, sign up at least 3 days before your return is due.

If you're finding it difficult to access the service, [check if there's a technical issue or other known problem](#).

Sign up now >

Sign up to MTD for VAT



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Making Tax Digital for VAT x Making Tax Digital for VAT x Sign up your client for M x Manage your client's deta x VAT record keeping: Sign x +

www.gov.uk/vat-record-keeping/sign-up-for-making-tax-digital-for-vat

Apps Welcome to GOV.UK Reading list

After you've signed up

You should get a confirmation email from noreply@tax.service.gov.uk within 3 days of signing up. It might go to your spam folder.

Do not submit a VAT Return until you get a confirmation email.

[Contact HMRC](#) if you do not get an email.

← **Previous**
[VAT records for Making Tax Digital](#)

→ **Next**
[VAT account](#)

[Print entire guide](#)

Explore the topic

Sign up to
MTD for VAT

Sign up your business

[Sign up your business for Making Tax Digital for VAT.](#)

Sign up your clients if you're an agent

If you're an agent, use the Government Gateway user ID you got when you registered for an [agent services account](#).

[Sign up your clients for Making Tax Digital for VAT.](#)



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Sign up to
MTD for VAT

Guidance

Help and support for Making Tax Digital

Watch videos and register for free webinars to learn more about Making Income Tax and VAT Digital if you're an agent or a business.

From: [HM Revenue & Customs](#)

Published 31 May 2018

Last updated 29 April 2021 — [See all updates](#)

Contents

- [How Making Tax Digital for VAT affects your business](#)
- [Getting compatible accounting software](#)

Related content

[Making Tax Digital for VAT as an agent: step](#)



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Sign up to MTD for VAT



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← → ↻ 🏠 www.gov.uk/guidance/help-and-support-for-making-tax-digital ☆ ⚙️ 👤

📱 Apps 📺 Welcome to GOV.UK 📖 Reading

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- [Getting compatible accounting software](#)
- [Keeping VAT records digitally](#)
- [Agent services and Making Tax Digital](#)
- [Sign up for Making Tax Digital for VAT](#)
- [Making Tax Digital for Income Tax Self Assessment](#)

[Print this page](#)

If you register for a webinar, you:

- must register and sign in 5 minutes before it starts
- can ask questions using the on-screen text box

How Making Tax Digital for VAT affects your business

Watch a video about how Making Tax Digital for VAT affects your business.

Related content

[Making Tax Digital for VAT as an agent: step by step](#)

[Making Tax Digital for Income Tax](#)

[Follow the rules for Making Tax Digital for Income Tax](#)

[Find software that's compatible with Making Tax Digital for VAT](#)

[Sign up your client for Making Tax Digital for VAT](#)

Collection

[HMRC videos, webinars and email alerts](#)

[Making Tax Digital for Income Tax](#)

[Making Tax Digital for VAT](#)

Brexit

[Check what you need to do](#)

Sign up to
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← → ↻ 🏠 www.gov.uk/guidance/help-and-support-for-making-tax-digital ☆ ⚙️ 👤 ⋮

📱 Apps 📺 Watch Welcome to GOV.UK 📖 Reading list

How Making Tax Digital for VAT affects your business

Watch a video about how Making Tax Digital for VAT affects your business.

[Watch a video about how Making Tax Digital for VAT affects your business.](#)

Getting compatible accounting software

Watch a video about getting compatible accounting software.

[Watch a video about getting compatible accounting software.](#)

Find compatible accounting software for:

- [VAT](#)
- [Income Tax](#)

Keeping VAT records digitally

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[Making Tax Digital for VAT](#)

Brexit

[Check what you need to do](#)



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Sign up to MTD for VAT

Keeping VAT records digitally

Watch a video about keeping digital VAT records.

[Watch a video about keeping VAT records digitally.](#)

[Watch a recorded webinar about Making Tax Digital for VAT for agents](#) to find out what you need to do to help your clients prepare.

Sign up for Making Tax Digital for VAT

Watch a video about how to sign up for Making Tax Digital for VAT.

[Watch a video about how to sign up for Making Tax Digital for VAT](#)



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Sign up to
MTD for VAT



Use software to submit your VAT Returns

BETA This is a new service – your [feedback](#) will help us to improve it.

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Do you have accounting software for managing your VAT records?

- ☐ Yes, I have accounting software
- ☐ No, I do not have accounting software

Continue



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Sign up to
MTD for VAT



Use software to submit your VAT Returns

BETA This is a new service – your [feedback](#) will help us to improve it.

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Is your software ready to submit your Making Tax Digital for VAT Returns directly to HMRC?

Your software must work with Making Tax Digital for VAT.

You must check with your provider that your accounting software is ready to submit your VAT Returns directly to HMRC.

- ☐ Yes, my software submits through Making Tax Digital for VAT
- ☐ No, my software does not submit through Making Tax Digital for VAT

Continue



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Sign up to
MTD for VAT



BETA This is a new service – your [feedback](#) will help us to improve it

English | [Cymraeg](#)

Sign in using Government Gateway

Government Gateway user ID
This could be up to 12 characters.

Password

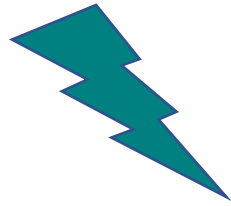
Sign in



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Authorise
your
software



Remember:

Before you can send VAT Returns you will need to authorise your software.

That process is inherent to the software. If you are unsure how to do this, your software supplier will be able to help you.



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How to get help from HMRC



Use software to submit your VAT Returns

BETA This is a new service - your [feedback](#) will help us to improve it.

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Do you have accounting software for managing your VAT records?

- ☒ Yes, I have accounting software
- ☐ No, I do not have accounting software

Continue

[Get help with this page.](#)

[Get help with this page.](#)

Get help using this service

Don't include any personal or financial information. For example, your National Insurance or credit card numbers.

Name

Email

What were you doing?

What do you need help with?

Send



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Exemptions from MTD for VAT

Some businesses will be exempt from following the MTD process.

VAT Notice 700/22 Para 3

it's not practical for you to use digital tools to keep your business records or submit your VAT Returns because of age, disability, remoteness of location or for any other reason.

You do not need to sign up for Making Tax Digital or apply for an exemption if you are already exempt from filing VAT Returns online.

HMRC will not give an exemption purely on the basis that reasonable effort, time and cost may be involved in making the transition to Making Tax Digital.

HMRC will however take effort, time and cost into account in its overall assessment of whether it is practical for you to follow the rules for Making Tax Digital.



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Compliance



HMRC ensure that VAT is correctly declared and paid.

Compliance officers will continue to visit or make inquiries.

Digital records will be reviewed.

Penalties for non or late payment will remain in place.

Appreciate that MTD is a change and HMRC will help, encourage and support businesses to implement MTD.

Businesses genuinely working towards implementation, but encountering delays will be treated sympathetically.

Businesses making no effort.....



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Get Ready for MTD VAT



Do you have a plan to get ready?
Do you have digital records in place?



Do you have MTD software?



When you do, and at the appropriate time,
sign up to MTD.



Once you've signed up, only use MTD
software to send your VAT returns.



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2017 ★
ITSA Pilot Starts

Sole traders with income from one business and landlords who rent out UK property

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ITSA mandation announcement

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ITSA Public
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unincorporated businesses and landlords with total business or property income above £10k



Test new software and E2E journey (2020 – 2021)

Wider eligibility - test at scale. Test new functionality 40% - 80% (2021 – 2022)

Mass Market comms (2021-2023)

Gear up for mandation. Test new functionality 80% - 100% (2022 – 2023)

ITSA

VAT

CT

Onboarding

No of SW developers

*Estimate only



What is Making Tax Digital for Income Tax Self Assessment?

Self-employed businesses and landlords with annual business or property income above £10,000 will need to follow the rules for Making Tax Digital for Income Tax Self Assessment from their next accounting period starting on, or after, 6 April 2024.



You may also be able to sign-up voluntarily now.



HM Revenue
& Customs



What does this mean for customers

This means customers who sign-up to Making Tax Digital for Income Tax Self Assessment will be required to:



Send business income and expenses updates on a quarterly basis throughout the year



Finalise business income at the end of the year



Submit a final declaration instead of a Self-Assessment Tax Return.



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& Customs

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What you
need to
submit and
when



Quarterly - You will need to submit mandated business income from your self-employment or income from property business on a quarterly basis.



Annually - Other income types that are not mandated can be submitted annually, but optionally you can choose to submit these in year as well e.g. any dividends or bank interest you need to declare.





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Thank you
for listening



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