

# WHAT IS MAKING TAX DIGITAL?

## **Making Tax Digital (MTD)**

Is the government's initiative to implement a fully digital tax system in the UK, whereby taxpayers keep digital records and use MTD compatible software to make tax submissions electronically.

## **What do you need to do?**

To comply with Making Tax Digital legislation, you need to use MTD compatible software to keep digital records and make submissions to HMRC electronically.

## **When is it happening**

### **1st Phase - April 2026**

Making Tax Digital for Income Tax will apply to self-employed individuals and landlords with turnover (income) over £50,000

### **2nd Phase - April 2027**

Making Tax Digital for Income Tax will apply to self-employed individuals and landlords with turnover (income) over £30,000

### **3rd Phase - 2029 (awaiting confirmation)**

Making Tax Digital for Income Tax will apply to self-employed individuals and landlords with income over £20,000 by the end of this parliament

## **What Does This Mean for You?**

The timeline for MTD depends on your business structure, turnover, and the type of tax you pay.

Regardless of your specific start date, preparing early can save you stress and ensure compliance.

## **Important Information**

### **1 - Check Your Start Date:**

Determine when MTD applies to your business.

### **2 - MTD-Compliant Software:**

Those of you already on our software will already meet MTD requirements.

### **3 - Keep Digital Records:**

Ensure your financial records are stored electronically and can be easily shared with HMRC.

### **4 - Stay Informed:**

Our blog will keep you up to date with HMRC announcements and deadlines.

## **Need Help Preparing for MTD?**

Those of you not already working with us at Kings Oak Accountancy please don't hesitate to get in touch.

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