

DO YOU QUALIFY FOR DIGITAL EXEMPTION FROM MTD? FIND OUT MORE HERE

Making Tax Digital (MTD) will become mandatory for sole traders and landlords with an annual income of more than £50,000. However, some may be able to avoid the requirements.

HMRC has opened applications for an exemption from MTD for income tax for those who consider themselves to be digitally excluded. This may be where a person lives in an area without access to broadband, or cannot comply because of age, health or disability, or doesn't use a computer for religious reasons.

DIGITALLY EXCLUDED CRITERIA

- **Internet access:** This means no internet access at your home or business, because of the location, and where access is not available at a suitable alternative location.
- **Age, health or disability:** You will need to show that your age, health condition or disability stops you from using a computer, tablet or smartphone to keep digital records or submit them to HMRC
- **Religious reasons:** This will apply to practising members of a religious society or order whose beliefs mean they do not use a computer, tablet or smartphone for business or personal use.

There may be other reasons that you are classed as digitally excluded, and HMRC will consider all applications on a case-by-case basis.

Anyone who is exempt from using MTD compatible software for VAT returns will also be exempt from MTD for income tax provided their circumstances have not changed.

NOT DIGITALLY EXCLUDED

HMRC will not accept an application for exemption if the only reason for applying is that a person:

- Has previously only submitted paper self assessment tax returns;
- Is unfamiliar with accountancy software; or
- Only has a small number of digital records to create each tax year.

The fact that additional costs will be incurred, or that extra time will be required for MTD, is also not a valid reason for HMRC to grant exemption.

HMRC guidance on applying for an exemption from MTD can be found [here](#).

WE CAN HELP

If you feel this alert could help a business colleague or family member, please feel free to share it with them. Call us on 01753 888 211 or email info@nhllp.com, we are here to help.