

MTD FOR INCOME TAX ONLY 6 MONTHS LEFT TO PREPARE...

From April 2026, Making Tax Digital (MTD) for Income Tax becomes mandatory for many unincorporated businesses and landlords. This is one of the biggest changes to personal tax compliance in years, and it is important to begin preparing now rather than waiting until the deadline approaches.

WHO IS AFFECTED

You will need to follow the MTD rules if:

- You are self-employed with annual business turnover above £50,000, or
- You are a landlord with gross rental income above £50,000.

The threshold will later reduce to £30,000, but from April 2026 it is the £50,000 figure that applies.

WHAT CHANGES UNDER MTD FOR INCOME TAX

The annual Self-Assessment tax return will be replaced by a digital system with more frequent reporting. Instead of filing once a year, you will need to:

- Keep digital records of income and expenses.
- Submit quarterly updates to HMRC.
- File an End of Period Statement (EOPS) at the year end.
- File a final declaration by 31 January following the tax year, confirming all other income and tax reliefs.

STEPS TO TAKE BEFORE APRIL 2026

To avoid problems, there are several hoops to jump through in the next 6 months:

1. Check if you fall within scope

Confirm whether your turnover or rental income takes you over the £50,000 threshold.

2. Select suitable software

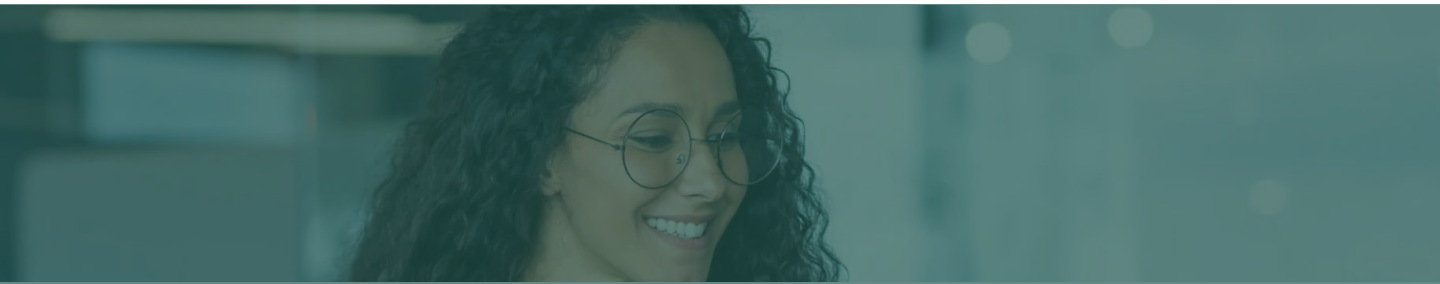
Spreadsheets and paper records will no longer be acceptable. You will need to use MTD-compatible software that links directly to HMRC. This may mean upgrading your current package or choosing a new one.

3. Register for MTD

Even if you already file online, you will need to complete the separate MTD registration process with HMRC.

4. Get used to quarterly reporting

Consider trialling digital record-keeping and quarterly submissions in advance, so that you are confident in meeting the deadlines.



5. Plan for extra administration

Quarterly filing means more regular work. Think about whether you will manage this yourself or prefer us to manage the process for you.

HOW WE CAN HELP

We can assess whether you are affected, guide you through the registration process, recommend suitable software, and provide ongoing support with quarterly reporting. Starting now gives you time to make the transition smoothly.

If you are unsure whether you will need to comply with MTD for Income Tax from April 2026, please contact us so that we can confirm your position and help you prepare.