

Making Tax Digital

(MTD)

Everything you need to know

April 2026

List of Contents

- 1 What is MTD?
- 2 MTD Returns
- 3 New filing deadlines
- 4 What is my annual income?
- 4 Digital Records
- 5 Exemptions from MTD
- 6 How Higson & Co can help?

What is MTD?

Making Tax Digital (MTD) is a UK Government initiative run by HMRC to modernise the tax system by moving away from paper-based reporting to fully digital tax records and submissions.

Simply put, eligible taxpayers will now need to keep digital records and submit tax information online throughout the year, instead of one single annual return.

Eligible Taxpayers?

From 5th April 2026

Self-employed taxpayers
or landlords with annual
income of more than £50,000

From 5th April 2027

Self-employed taxpayers
or landlords with annual
income of more than £30,000

MTD Tax Filings Required

1

Quarterly Updates

Submitted every three months, summarising income and expenses to provide an ongoing picture of business activity. These are cumulative figures and not yet fully adjusted for tax.

2

Final Declaration

Replaces Self Assessment, combining all income sources and confirming the overall tax position, including final adjustments and claims.

And their deadlines

Quarterly Updates

6th April - 5th July (or 1st April to 30th June)

Deadline: 7th August

6th April - 5th October (or 1st April - 30th September)

Deadline: 7th November

6th April - 5th January (or 1st April - 31st December)

Deadline: 7th February

6th April - 5th April (or 1st April - 31st March)

Deadline: 7th May

Final Declaration

31st January following the end of the tax year

The due date for paying tax will still be 31 January following the tax year.

Q:
**What is my
annual income?**

A:
Your gross income (turnover before expenses)
from self employment trading and land &
property, **combined.**

To clarify:

- If you earn £30,000 turnover from self employment, and £20,000 from rental income - you will fall into the £50k MTD threshold for 2025/26 - and you will have to prepare a separate set of returns for both revenue streams - after the Final Declaration that's 9 returns per year!
- HMRC will use the figures declared on your 2024/25 Tax Return to determine whether your income meets the £50,000 threshold for MTD.
- If you start a trade or a rental business mid-year HMRC will adjust these figures to estimate a full year of income.
- If your income is below £50,000 for 2024/25 you may still fall within MTD from 6 April 2027, when the threshold reduces to £30,000.
- If you rent property jointly, your annual income includes only your share of the gross rents from the property.

Digital Records

A requirement of MTD is that income and expenses must be recorded and stored digitally, with each transaction recorded as it happens, rather than stored up and totalled at the end of the year.

As the MTD Tax Filings must be submitted digitally, the transaction records need to link digitally to the submission software with no ability for manual amendments.

Whilst there is no legislative objection to just using a spreadsheet to do this, in practice we have always found it easier, more accurate and more efficient to use a purpose-built software package for bookkeeping.



Does everyone really have to do this?

In short, Yes.

HMRC have noted that age, disability or location may significantly affect someone's ability to use digital tools and that exemptions may be claimed.

HOWEVER, every exemption must be applied for, and HMRC have 28 days to either grant or deny the request, handled on a case-by-case basis.

So how can we help?



Our team is readily available to help you get ready for Making Tax Digital, from choosing and setting up the right software through to building simple, practical systems for keeping your records up to date.

We can take care of your quarterly updates and handle your Final Declaration, ensuring everything is accurate and submitted on time.

With ongoing support, we make the transition as smooth as possible and keep you fully compliant without the stress of managing it all yourself.

But, if you prefer to manage things yourself, our team can also provide practical training to help you get confident with the new requirements and software.

GET IN TOUCH



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AND GET MTD

READY TODAY!