



**MOORE  
THOMPSON**



Part of the **SUMER** Group

## **Making Tax Digital for Income Tax**



# What is Making Tax Digital?

**Making Tax Digital (MTD) for Income Tax is a Government initiative designed to modernise the way individuals and businesses report their earnings to HM Revenue & Customs (HMRC).**

From April 2026, self-employed individuals and landlords with turnover totalling over £50,000 will be required to keep digital records and send quarterly updates to HMRC using compatible software. Those with a turnover totalling over £30,000 will be brought into the scheme from April 2027 and those with a turnover totalling over £20,000 will be brought into the scheme from April 2028. Partnerships will also need to comply with these rules at a later date, which is yet to be confirmed.

Instead of submitting a single Self Assessment return each year, affected taxpayers will need to submit updates every three months, followed by a final declaration. This aims to reduce errors, improve record-keeping, and ensure tax information is as accurate and up to date as possible.

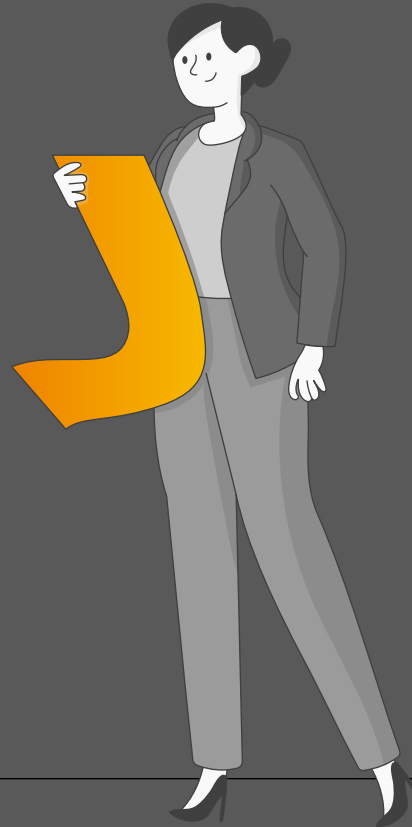
Although MTD for Income Tax increases the number of submissions, the deadlines for paying tax will remain the same.

If you are affected, now is the time to review your current processes and make the switch to MTD-compliant software to avoid disruption and stay compliant with HMRC requirements.

# Making Tax Digital for Income Tax

**This is the next important phase of MTD and like the requirement for VAT, it will require self-employed businesses and landlords to report turnover and expenses using compliant software on a quarterly basis.**

In some cases, businesses and their agents are already using compliant software to keep digital records, which may make this transition simpler.





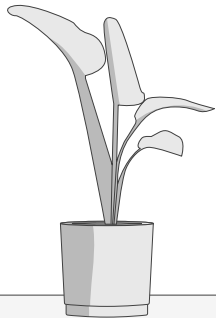
# What is MTD-compatible software?

**To comply with Making Tax Digital for Income Tax, you must use MTD-compatible software that allows you to keep digital records and submit quarterly updates directly to HM Revenue & Customs (HMRC).**

This software must be able to send and receive information from HMRC, including submitting quarterly updates, generating a final declaration, and receiving confirmation that your submissions have been received.

HMRC publishes a list of approved software providers, but with so many options available, it can be difficult to know which one is right for you.

***We can help you choose MTD-compliant software that suits your business, your level of income, and the way you work – ensuring a smooth transition to digital reporting.***



# Your new reporting obligations under MTD for Income Tax

**If you're a self-employed individual or landlord with turnover above the threshold for Making Tax Digital (MTD) for Income Tax, you'll soon be required to submit five filings each year to HM Revenue & Customs (HMRC) using MTD-compliant software.**

This replaces the traditional single Self Assessment tax return with a more regular and structured approach to reporting your income.

Here's what you'll need to submit:

## **Quarterly updates**

You must submit a summary of your income and expenses to HMRC every three months.

These updates do not include a tax calculation but provide HMRC with near real-time data throughout the tax year.

Deadlines for quarterly updates:

<b>Quarter 1</b> (6 April – 5 July)	Due by 7 August
<b>Quarter 2</b> (6 July – 5 October)	Due by 7 November
<b>Quarter 3</b> (6 October – 5 January)	Due by 7 February
<b>Quarter 4</b> (6 January – 5 April)	Due by 7 May

These filings help improve the accuracy of HMRC's records and reduce the risk of errors caused by missing or incorrect data.

## End of period statement (EOPS)

After the end of the tax year, you'll submit a final declaration (known as the End of Period Statement) confirming details of all your sources of income, claiming any reliefs or allowances, and making any adjustments as needed.

This replaces the Self Assessment tax return and includes your final tax calculation. It is due by 31 January following the end of the tax year, just as the Self Assessment deadline currently is.



# How we can help

**With the requirements of MTD in mind, we can offer dedicated advice on cloud accounting systems that are compliant with MTD.**

Our dedicated cloud solutions can offer you a fully-optimised online accounting service. With just a click of a button, you can access every essential financial tool in one location, empowering you to make decisions that help your business grow and flourish.



**Aside from the added advantage of helping you with the digital record-keeping and reporting required for MTD, our online accounting services also offer businesses and individuals many great benefits, such as:**



**Time-saving** – Access your online account in seconds, allowing you to spend more time on what is important – you and your business.

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**All your records in one place** – User-friendly dashboards make finding records, invoices, bills and reports easier than ever before.

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**Software that suits you** – We use the latest and most advanced accountancy software and apps stacks to suit your business's needs.

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**Agile accounting** – Access your records on-the-go from a mobile or tablet device, whenever you need them.



**Expert advice** – Whether you are already an expert or just starting out, our team will ensure that your business will get the most out of online accounting.

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**Safe and secure** – We only use certified online software with bank-level security and 24/7 customer support.

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**Real-time collaboration** – Work, share and create in real-time with your accountant or another member of your team.

If you would like to find out more about our online accounting services and expertise, please contact us.

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