MTD FOR ITSA

MAKING TAX DIGITAL FOR INCOME TAX SELF-ASSESSMENT

Making Tax Digital for Income Tax Self Assessment (MTD for ITSA) is a new initiative by HMRC aimed at modernising the tax system.

It requires sole traders and landlords with qualifying income to:

- **KEEP DIGITAL BUSINESS RECORDS**
- **USE HMRC-APPROVED SOFTWARE TO SEND QUARTERLY UPDATES**
- **SUBMIT AN ANNUAL FINAL DECLARATION**

"Qualifying income" basically refers to your total gross income from self-employment and property in a tax year, before expenses.

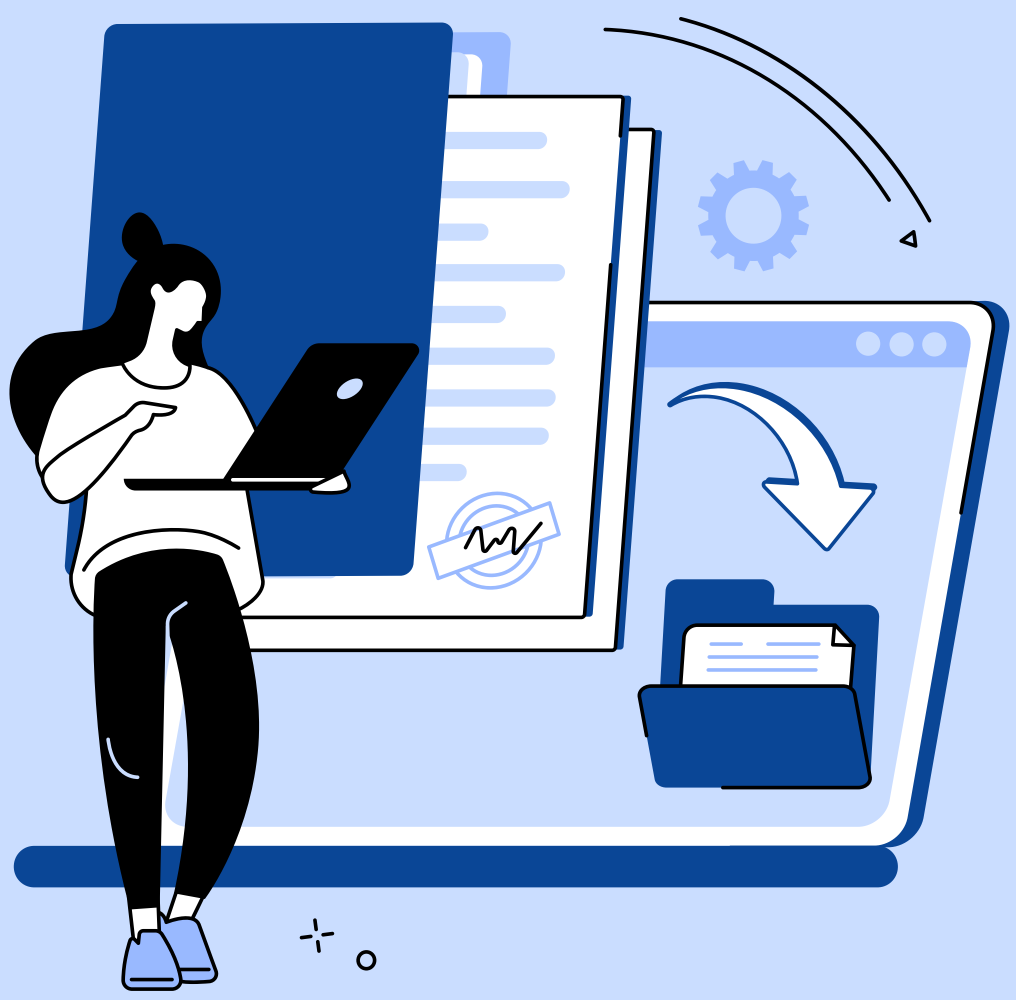
WHO NEEDS TO COMPLY?

The requirement to send quarterly updates means that you will need to keep up to date with your bookkeeping. Doing it all after the year-end will no longer be an option.

The need to use software will also mean that keeping paper records of your income and expenses will no longer be sufficient.

MTD for ITSA applies if you are:

- Self-employed (sole trader) with income over **£10,000 per year**
- A landlord with property income over **£10,000 per year**
- Or both (combined income over **£10,000**)



TIMELINE

THE ROLLOUT IS HAPPENING IN STAGES

6 April 2026

MTD for ITSA becomes mandatory for self-employed individuals and landlords with a qualifying income over **£50,000**

6 April 2027

The threshold lowers, making MTD for ITSA mandatory for those with a qualifying income over **£30,000**

6 April 2028

The threshold lowers again, extending MTD for ITSA to those with incomes over **£20,000**

WHAT YOU NEED TO DO NOW

CHECK YOUR QUALIFYING INCOME
add up your total gross self-employment and property income for the year

REVIEW YOUR RECORD-KEEPING
paper records won't be allowed

CONSIDER SOFTWARE OPTIONS
cloud accounting tools make quarterly submissions easier and keep you compliant

TALK TO US

We can help with your quarterly updates and submissions. If you would like some personalised advice, please get in touch with your Client Manager. We can help you choose the right software and show you how to use it.

Don't wait until the deadline. Switching to digital record-keeping now means you can get comfortable with the software and avoid last-minute headaches.