

# Making Tax Digital

Sole traders and property landlords



# Biggest change in decades

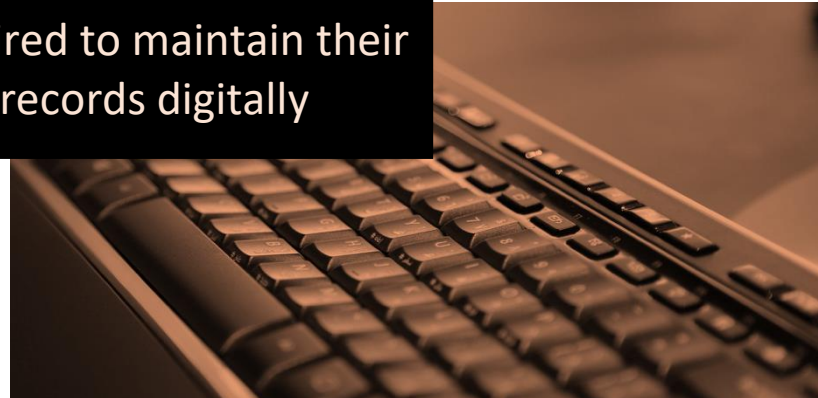
Making Tax Digital for Income Tax is coming and is expected to be the biggest change in tax administration for decades. The changes will be brought in over several years and are planned to cover other taxes as well.

Whilst the planned changes are continually evolving, we currently know that from April 2026 some sole-traders and property landlords will be expected to maintain and submit digital records on a quarterly basis, as well as submit extra statements summarising total income. Other sole traders and property landlords may have to do so from April 2027.

If you have more than one source of self-employment or property income, then separate submissions may be required for each source resulting in you being required to submit multiple quarterly updates.

You will be required to maintain your records, initially trading and rental records, in a digital format.

Individuals will be required to maintain their records digitally



### Who is affected from April 2026?

**Sole traders** and **property landlords** with a tax year total turnover exceeding £50,000. The turnover threshold takes account of the combined turnover of a person's total number of businesses and rental properties.

### Who is affected from April 2027?

**Sole traders** and **property landlords** with a tax year total turnover exceeding £30,000. The turnover threshold takes account of the combined turnover of a person's total number of businesses and rental properties.



## How will this affect you?

There are a number of ways the changes could impact you initially, including;

- A requirement to **maintain digital records**, recording each source separately.
- A requirement to make **quarterly submissions** and a **further final declaration to be made** to tight timescales.
- **A new penalty regime** for late submission which may prove very costly, especially for individuals with more than one source of qualifying income.
- **Tight deadlines** - A requirement to have up to date records in place as you will need to submit

real time information for each quarter within a month of the quarter end.

- **A challenging changeover year**, starting 2026 for those within the initial Making Tax Digital wave, as the initial new returns will be due from 5 August 2026 and quarterly thereafter, while your final self-assessment tax return for 2025/26 tax year will be due for submission by 31<sup>st</sup> January 2027.

If you do not fall within the April 2026 or April 2027 changes, then it will only be a matter of time before you experience the Making Tax Digital changes.

Tight deadlines to  
submit new returns



### **Is there anything you should do now?**

Yes. There are a number of steps you can take now to get ready for the changes.

- Review your records and consider what needs to be done to meet the new requirements and how your records could be improved to save time and costs.
- Consider if you are caught by the changes coming in April 2026 and how much extra work you wish to take on yourself.

**Please do not wait until the changes are here as this could be very costly in extra tax, time, fees or penalties.**

### **Will your tax payment dates change?**

Not initially. The payment dates will remain 31<sup>st</sup> January and 31<sup>st</sup> July in the short term.

### **Will you still need to complete a Self-Assessment Tax Return?**

Not if you are providing submissions under Making Tax Digital.



## How can we help you?

This is a new way of working for all of us and the changes do bring an increase in work for both you and us. We are currently reviewing our compliance processes to ensure we remain efficient, and effective to help you meet the new obligations whilst keeping your tax bills as low as possible.

- We can undertake a pre-Making Tax Digital review to identify the issues, quantify any possible impact and explore your options with you.
- We can review your records, and identify areas for improvement to help you.

- We can provide accounting software to help you maintain your digital records.
- We can help you set up the software to ensure it meets your requirements and reporting obligations.
- We can provide training on the software.
- If you prefer, we can provide appropriate bookkeeping services.
- We can make the quarterly submissions and final submissions to HMRC on your behalf.
- We can have quarterly meetings to look at ways to help you further.

We would be happy to discuss in more detail the coming changes, and how we can help you.

Pre-MTD review to  
quantify tax and options  
available

HELP  
THIS  
WAY



If you wish to discuss Making Tax Digital for Sole Traders or Property Landlords or other issues please do contact us.

