

Making Tax Digital (MTD) For Property Landlords (PL)

When does MTD come in for PLs?

- The earliest date would be **6th April 2026**.

When would a PL have to register for MTD?

- From April 2026 if the gross rental turnover for the 2024/25 tax year exceeds £50,000. If the PL is also a sole trader you need to aggregate the two turnovers together to see if the £50,000 threshold has been breached..
- From April 2027 if the gross rental turnover for the 2025/26 tax year exceeds £30,000. If the PL is also a sole trader you need to aggregate the two turnovers to see if the £30,000 threshold has been breached.

Examples

a) Tom's gross rental income for the tax year ending 5th April 2025 was £30,000 and for the tax year ending 5th April 2026 £32,000.

Tom would need to register for MTD by 6th April 2027.

b) Mary's gross rental turnover for the tax year ending 5th April 2025 was £12,000. She also has a sole trader business making jewellery. The self-employed turnover for the same tax year was £43,000

Mary would need to register for MTD by 6th April 2026.

What happens if I jointly own rental property with other people?

- The gross rental turnover rule is based upon the individual and not the property.

Example

Julie and her sister, Siobhan, jointly own eight rental properties. The rental income is split 80% to Julie and 20% to Siobhan.

The rental turnover for the tax year ending 5th April 2025 is £90,000.

As Julie's share would be £72,000, she would need to register for MTD by 6th April 2026.

As Siobhan's share would be £18,000, she would not need to register for MTD, but she would need to complete a self-assessment tax return.

What happens if I am in a formal partnership?

- At present partnerships will not need to register for Making Tax Digital. The Government is keeping this under review. Partnerships will still need to complete an Partnership tax return..

Will I have to register for MTD if I own overseas rental properties?

- **Yes you will**, as regards April 2026, if the gross rental turnover on its own or in conjunction with the turnover from a sole trader business, exceeds £50,000 or more.
- **Yes you will**, as regards April 2027, if the gross rental turnover on its own or in conjunction with the turnover from a sole trader business, exceeds £30,000 or more.

What exchange rate (ER) would I have to apply to work out the overseas rental turnover?

- HMRC state that you would apply either the ER at the time the rental income arose or use the rates that HMRC annually publish.

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Would a non-UK resident landlord have to register for MTD?

- **Yes you will**, as regards April 2026, if the gross rental turnover exceeds £50,000 or more.
- **Yes you will**, as regards April 2027, if the gross rental turnover exceeds £30,000 or more.

Please note

- Letting agents, whose non UK resident clients are within the non-resident

landlord scheme, at present, already have to submit quarterly reports under the scheme.

- HMRC will provide further information at a later date on whether or not the letting agent will also need to submit further quarterly returns under the MTD regime.
- **It is important to prepare for MTD sooner rather than later. We can help you with this process.**

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