

HMRC PUBLISH MORE DETAILS OF MTD FOR INCOME TAX REPORTS

Making Tax Digital for income tax self-assessment is scheduled to commence in 2026/27 for sole traders and property landlords with gross income of £50,000 or more, and the threshold then reduces to £30,000 from 2027/28.

The government have now confirmed that the four quarterly returns that will need to be submitted will report cumulative income and expenses and that there will be no longer be an end of period statement. HMRC have published the detailed income and expenditure headings that need to be reported and have also confirmed that those businesses with turnover below the VAT registration threshold will be able to merely submit three line accounts, i.e. total sales, total expenses and profit or loss for the period.

There still remain a number of issues to be resolved before the new reporting obligation commences and we will work with you to ensure that your accounting system is compliant.