

## **MAKING TAX DIGITAL FOR INCOME TAX DELAYED AGAIN**

Making tax digital (MTD) for income tax self-assessment (ITSA) was originally scheduled to start in 2018 and was then put back to 2023 and then 2024. It was announced just before Christmas that the new system of submitting digital information quarterly to HMRC has been delayed yet again! The start date will now depend upon the gross business receipts of the individual.

Self-employed individuals and landlords with annual gross receipts above £50,000 will need to follow the rules for MTD for ITSA from 6 April 2026. Those with annual gross receipts between £30,000 and £50,000 will be mandated into the regime from 6 April 2027.

Whether MTD for ITSA will apply to those with gross receipts under £30,000 is under review but it would appear that the government have finally increased the starting threshold from £10,000, which they have resisted up until now.

Despite the delay in the mandatory start date for MTD for ITSA, businesses should nevertheless consider whether or not it would be beneficial to keep their business records digitally anyway.

The date when partnerships will be required to join MTD for ITSA has not been set and may be clarified in the March 2023 Budget.