Making Tax Digital for Income Tax Guide.

QUOVE ACCOUNTING

Does MTD apply to you?

MTD for Income Tax applies to **sole traders and landlords** who are registered for Self Assessment & have qualifying self-employment/property income.

Phased mandatory start dates

6 April 2026
if your turnover is above £50,000

6 April 2027
if your turnover is above £30,000

6 April 2028
if your turnover is above £20,000

Voluntary sign up.

You can voluntarily sign up now to test or get ready. HMRC accepts voluntary sign-ups for testing/early preparation.

Sign up process.

Use HMRC's MTD for Income Tax sign-up service (or your agent can sign you up). You'll need your Self Assessment login details and may be asked to complete ID checks (photo ID or secure questions).

What you'll need.

Before signing up you'll typically need:

- National Insurance number.
- Self Assessment user ID & password (or agent Government Gateway ID if an agent signs up for a client).
- Business start date (or the date you started receiving property income if within last 2 years).
- Your accounting method (cash or traditional).
- If you have multiple income sources (you must sign up each income source separately).

MTD compatible software.

You must use software that creates and stores digital records and can send quarterly updates to HMRC.

Lots of providers (FreeAgent, Xero, QuickBooks, etc.) support MTD; GOV.UK lists guidance on choosing software. You can sign up before you have software, but you must authorise/attach software before you start sending updates.

Check GOV.UK for more info.

Set your reporting quarters & deadlines.

HMRC uses standard tax-year quarters by default. After each quarter ends you have one month to submit the update:

6 April to 5 July = **due 7 August**
6 July to 5 October = **due 7 November**
6 October to 5 January = **due 7 February**
6 January to 5 April = **due 7 May**

You can choose calendar quarters via your software (if supported) but this must be done before your first update for the tax year.

What digital records to keep.

You only need to keep digital records of your **self-employment and property income and expenses,** for example:

- Sales/takings, fees, rent and other income.
- Allowable business/property expenses (stock, travel, repairs, insurance, management fees, finance costs).
- For each transaction record: date, amount, nature of transaction and (where relevant) customer/supplier.
- You do **not** need to digitally link records for other income types (e.g., dividends, savings) that aren't self-employment/property.

The three stages of reporting.

- **Quarterly updates:** Submit summary totals from your digital records at the end of each quarter via your software (or agent). You can do them more frequently if you want.
- **End of Period Statement (EOPS):** After the tax year you make an EOPS to confirm totals for that income source.
- **Final declaration/annual reconciliation:** A declaration finalises your tax position for the year (the software and HMRC process will pull the quarterly updates into the year-end return). You still pay tax by the usual deadlines (e.g., 31 January).

Exemptions.

Some people are automatically exempt (trustees/personal representatives, certain non-residents, etc.) and there is a digital exclusion exemption (age, disability, religious belief, location, etc.).

Key Dates for MTD for Income Tax.

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Filing Deadlines

31 January 2026
Submit self assessment tax return for 2024-25 tax year

6 April 2026
Start recordkeeping using MTD for Income Tax software

7 August 2026
1st quarterly update

7 November 2026
2nd quarterly update

31 January 2027
Submit self assessment tax return for 2025-26 tax year

7 February 2027
3rd quarterly update

7 May 2027
4th quarterly update

7 August 2027
1st quarterly update for 2027-28

7 November 2027
2nd quarterly update

31 January 2028
Submit Tax Return from MTD for Income Tax software for 2026-27

7 February 2028
3rd quarterly update

7 May 2028
4th quarterly update