



Making Tax Digital

An Introduction



Making Tax Digital



Over the next five years, the changes proposed by HMRC will bring about the end of the tax return for millions of taxpayers:

- ▶ Quarterly returns to be made to HMRC to report profits made.
- ▶ Most businesses will keep their records using digital tools and software packages and send that information at least quarterly to HMRC.
- ▶ HMRC will be able to obtain information directly from third parties, removing the need for taxpayers to report it.
- ▶ Taxpayers with changes to report or other information to submit will do so through their digital tax account.



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- ▶ A new system of on-line billing will collect outstanding tax which cannot be collected through PAYE (for example, small pensions) with no need for Self-Assessment tax returns.
- ▶ Taxpayers will be able to find all the information they need in their digital account. Of course, taxpayers will still be responsible for ensuring that their tax bills are right and telling HMRC about information that is not reported through other means.



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2019/20 and Onwards

As Confirmed by HMRC Treasury Statement - 13/07/2017



Under the revised timetable:

- ▶ From 6 April 2019, businesses with a turnover above the VAT threshold (currently £85,000) will have to start filing with MTD compatible software and only for VAT purposes.
- ▶ Businesses will not be asked to keep digital records or to update HMRC quarterly for other taxes until at least 2020.
- ▶ Small businesses will be able to file digitally on a voluntary basis for other taxes.



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Software Packages



- ▶ To help prepare our clients and to meet the MTD filing requirements, our preferred package is:

<http://www.sage.co.uk/software-and-services/accounting-and-finance>

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We also have a large number of clients using other packages that we support such as Xero, QuickBooks and FreeAgent. Please speak to us about your preferred package.

