

Making Tax Digital (MTD) are you Ready?

The UK's tax system is undergoing the greatest change in a generation through HMRC's drive into the digital age. It's already underway with Personal Tax Accounts and 'real time changes' to PAYE codes for employed tax payers now in place.

Better known as MTD, the next step in the process requires businesses and landlords to keep their records electronically and to make quarterly returns of 'real time' accounts information.

HMRC has bowed to pressure from, among others, accountants who felt that rushing through the dramatic changes could end in disaster. Now, the first businesses being brought into the new regime from April 2019 are those already making quarterly returns to HMRC - namely those that are registered for VAT. However, these businesses may not yet be keeping their records in an electronic format.

Other businesses and landlords caught by these rules now have a revised starting date of April 2020 at the earliest, which allows time for them to find, test and adopt their optimum solution for meeting the new requirements.

Whiting & Partners believes the best way forward for many clients is to adopt a cloud accounting system whose benefits extend far beyond the needs of MTD. Speak to us for more details.

Bury St Edmunds Office
Tel: 01284 752313

Ely Office
Tel: 01353 662595

Huntingdon Office
Tel: 01480 455575

King's Lynn Office
Tel: 01553 774745

March Office
Tel: 01354 652304

Mildenhall Office
Tel: 01638 712267

Peterborough Office
Tel: 01733 564082

Ramsey Office
Tel: 01487 812441

St Ives Office
Tel: 01480 468931

St Neots Office
Tel: 01480 470755

Wisbech Office
Tel: 01945 584113



MTD – Timeline 2017-2020

2017 - 2019

Window of opportunity to get preparations for MTD in place, including introduction of suitable electronic accounting packages where necessary

2017

January - June 2017

Taxpayers able to report additional sources of income through their digital tax account.

July - December 2017

Digital tax accounts show taxpayers an overview of their tax liabilities in one place. Automatic tax code adjustments prevent PAYE under and overpayments.

2018

January - June 2018

Interest paid by banks and building societies starts to be shown in digital tax accounts.

2019

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Businesses, self-employed and landlords to keep electronic accounting records for VAT purposes.

From April 2019

The first VAT returns to be filed using MTD ready software.

2020

2020

The full range of HMRC services to be available through digital tax accounts.

April 2020

MTD expected to start for other taxes, including income tax and corporation tax.