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A New View on Your Numbers

What is Making Tax Digital for Income Tax?

Making Tax Digital for Income tax (MTD for IT) is part of the UK Government's initiative to modernise the way small businesses handle their tax. MTD aims to promote better and more timely record-keeping to reduce errors and mistakes. It requires sole-traders and unincorporated landlords with income above certain thresholds to keep digital records and submit quarterly updates to HMRC through approved software.



Who does this effect?

- From April 2026 **sole-traders** and **unincorporated landlords** with a qualifying income* of **£50,000** and over will be required to sign up for Making Tax Digital.
- From April 2027 **sole-traders** and **unincorporated landlords** with income above **£30,000** will be required to sign up
- **Sole-traders** and **unincorporated landlords** with income above **£20,000** will be required to sign up after April 2027 (this date is still to be confirmed)

**Qualifying income is the total income received in a tax year from self-employment and property. For example, if you receive income of £30,000 from self-employment & £25,000 from property, your qualifying income is £55,000 and you will need to sign up.*



Will it affect me?

HMRC will be writing to taxpayers over the following months whose 2023/24 self-assessment tax returns show their total qualifying income as being either over or close to £50,000.

HMRC will then write to you again following the submission of your 2024/25 tax return if you will be affected by the changes.



What will my deadlines be?

Taxpayers who fall under MTD will be required to make quarterly submissions along with year-end summary, instead of filing an annual self-assessment tax return.

Under MTD your new deadlines will be:

- Q1 April - June: submission due by **7th August**
- Q2 July - September: submission due by **7th November**
- Q3 October - December: submission due by **7th February**
- Q4 January - March: submission due by **7th May**
- Year End Summary: submission due by **31st January** following the end of the tax year



Are payment due dates changing?

No. Any tax liability due to HMRC will still be payable by 31st January following the end of the tax year and will only be calculated once your year-end summary has been completed.

If you are required to make payments on account, these will still be due by 31st January & 31st July.



What information will I need to provide?

For the quarterly submissions we will only need details relating to your self-employment or property business. Any other income such as employment, pensions, bank interest and dividends will need to be included on the year end summary.

We will need look at your business and discuss the best options with you moving forward. For most clients we would expect the way information is currently provided for self-assessments to be sufficient.



How can Nuvo Help me?

We understand that transitioning to MTD can seem overwhelming. Our team is here to help you:

- **Choose the right MTD-compatible software** tailored to your business needs
- **Ensure smooth set up and compliance** with quarterly and year end submissions
- **Provide ongoing support** as you adapt to these changes.

We are committed to making this transition as smooth as possible and ensuring you remain compliant with the latest tax requirements.