BOROUGHBRIDGE & DISTRICT CHAMBER OF TRADE EST. 1968

MEMBER GUIDE
from BCT Accountants

Making Tax Digital: is your business ready?

How sole traders and landlords report income to HMRC is changing. Here is what it means and when.

Who has to join, and when

APRIL 2026
£50,000+
Already started. Based on your 2024/25 tax return.

APRIL 2027
£30,000+
Based on your 2025/26 tax return.

APRIL 2028
£20,000+
Based on your 2026/27 tax return.

The limit is your income, not your profit. Add self-employed sales to rent received, before expenses. Joint property counts your share only. Wages, pensions and dividends do not count.

Filing your 2025/26 return this winter? If sales plus rent were over £30,000, your first quarterly update is due by 7 August 2027.

What changes once you join

1. Digital records. Kept in HMRC-recognised software, or spreadsheets with "bridging" software.

2. Quarterly updates. Due 7 August, 7 November, 7 February and 7 May.

3. Final return. By 31 January as now. Tax is still paid on 31 January and 31 July.

Not affected, for now

Limited companies still report profits through corporation tax.

Partnerships have no start date yet.

VAT registered? This is separate from MTD for VAT.

Penalties and exemptions

Each late update earns a point, and four points means a £200 penalty. No points for late quarterly updates in 2026/27 only.

Can't go digital due to age, disability or location? Ask HMRC for an exemption.

Not sure if you're in? Search GOV.UK for "check if you need to use Making Tax Digital for Income Tax". Had an HMRC letter? You may already be signed up.

Questions? Ask us

We're an independent chartered accountancy practice in Boroughbridge, happy to answer Boroughbridge & District Chamber of Trade members' questions about Making Tax Digital. We can also set up your software, send your updates and file your return for a fixed fee.

Book a free chat
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General information, correct at October 2026. Not advice on your own circumstances. Provided to Boroughbridge & District Chamber of Trade members by BCT Accountants Ltd.