

# The Future of Making Tax Digital

**from April 2021**

All businesses with turnover above the VAT threshold must be keeping digital records and sending VAT returns using MTD-compliant software.

**April 2022**

MTD for VAT becomes mandatory for businesses with a taxable turnover below £85,000

**April 2024**

Making Tax Digital for Income Tax introduced for self-employed and landlords with annual business or property income above £10,000

**April 2026**

Expected start of Making Tax Digital for Corporation Tax - subject to the outcome of consultations and legislation.



## Answering common misconceptions



I have to send more information to HMRC to complete my VAT return.



Your VAT return is the same but it is sent using a digital link to HMRC.



Making Tax Digital won't benefit my business.



MTD for VAT was shown to reduce time spent on tax by an independent evaluation in March 2020.



I can't use spreadsheets to keep records.



For both VAT and Income Tax, spreadsheets are a valid method of record keeping.



I will have to pay Income Tax quarterly.



MTD for Income Tax requires quarterly updates but your payment dates will not change.