







Chartered Certified Accountants
Business & Tax Advisors





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WHEN IS THE MAKING TAX DIGITAL DEADLINE?

A GUIDE FOR SMALL BUSINESSES AND THE SELF-EMPLOYED

Policy paper

HMRC's Making Tax Digital (MTD) initiative is fundamentally changing UK tax systems and processes

Updated 12 November 2020

Contents
Review and research

Making Tax Digital is a key part of the government's plans to make it easier for individuals and businesses to get their tax right and keep on top of their affairs.

Tax Advice That Helps Your Business Grow

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Member Firm

With **digital tax changes** on the horizon, our team has created this short blog post to explain what the **Making Tax Digital deadline** is and how you can **prepare for it**.



Become our client and remain stress free on your accounting and tax issues.



WHAT IS THE DEADLINE FOR MAKING TAX DIGITAL?

VAT-registered businesses with a taxable turnover above the VAT threshold of **£85,000** have been required to follow the Making Tax Digital rules since **1 April 2019**.

So far, Making Tax Digital hasn't been compulsory for businesses below the VAT threshold, although they could join the scheme voluntarily if they wanted to.

However, this is all set to change, with VAT-registered businesses with a taxable turnover below £85,000 now being required to follow Making Tax Digital rules from **April 2022**.

***Positive, Proactive and Professional
business Accountants.***

TIME FOR TAXES



WHAT ABOUT MAKING TAX DIGITAL FOR INCOME TAX?

Landlords or self-employed businesses with an annual business or property income above **£10,000** will have to follow the rules from **6 April 2024**.



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WHAT ABOUT MAKING TAX DIGITAL FOR CORPORATION TAX?

At the moment, the government has only published a consultation on the future design of Making Tax Digital for corporation tax and is not expected to mandate its usage **before 2026.**



WHAT MAKING TAX DIGITAL IS

Making Tax Digital is a government initiative to improve tax administration. Ensure you meet HMRC requirements.

APRIL 2022 EXTENSION

From April 2022, MTD requirements extend to smaller VAT businesses. Around **1.1m** businesses will be affected.

BASED ON TAXABLE TURNOVER

MTD for VAT is currently mandatory for VAT-registered businesses with a taxable turnover above £85,000.

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HOW TO PREPARE FOR THE DIGITAL TAX DEADLINE

If you're not ready for the transition, there are several things you can do, including:

Hire an accountant

Accountants such as ourselves – who are specialists in all things tax – can help you make the necessary preparations. For example, we can actually sign up to Making Tax Digital on your behalf, eliminating any concerns you may have about starting this process, whilst also freeing up time that you can reinvest into your business.

Purchase accountancy software

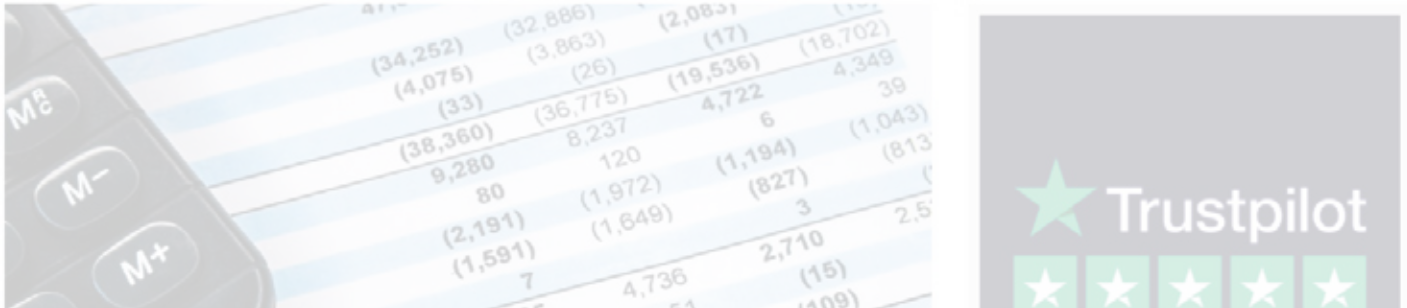
The Making Tax Digital scheme requires all businesses to keep digital records and use relevant software to submit their VAT returns, so having this software up and running before the deadline will ensure a smooth transition. Compatible software includes Xero, QuickBooks and Sage Business Cloud Accounting, plus others. If you're not sure which one best suits your business, speak to an accountant.



Become our client and remain stress free on your accounting and tax issues.



Bookkeeping, VAT Returns & Payroll



ARE YOU PROTECTING YOUR BUSINESS?

As the Chartered Certified Accountants, we understand the importance of protecting your interests. Why not take a look now and prepare for before **the Making Tax Digital (MTD) deadline?**

REQUEST A CALL BACK

Contact us at info@taxcareaccountancy.co.uk or call on **020 8478 3383** today for more details.

Civil Aviation Authority Approved Accountants For ATOL & ABTA Travel Companies

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Tax Advice That Helps Your Business Grow

Tax Return

A. General Questions

Proposed Insured's Name: _____
(Please use capital letters)

Birth Date: 01 January 2016 Gender: Male

Address: _____ Email Address: _____

Phone Number: _____ Social Security Number: _____

ID Number: _____ Status: Single Married Divorced Others

Occupation: _____ Are you a retiree? Yes No

📍 103 Cranbrook Road, Ilford, Essex, IG1 4PU

☎ 020 8478 3383 📞 078 6022 4506 ✉ info@taxcareaccountancy.co.uk

