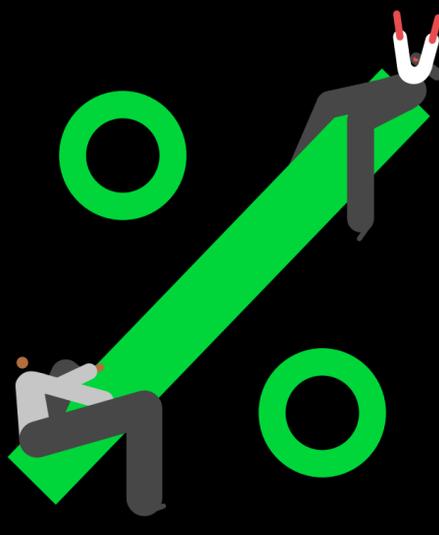


MTD ITSA

Making Tax Digital for Income Tax Self Assessment (MTD ITSA), is the biggest tax shake up for a generation and will impact the very smallest businesses.



Who it impacts



4.2m

Making Tax Digital brings significant change to 4.2m businesses in the UK. This means significant changes in relation to how they handle their business and tax administration.

When does it impact



April 2024

MTD for Income Tax Self Assessment (ITSA) will apply from April 2024 for unincorporated businesses and landlords with total business or property income above £10,000 per year.

>£10,000



April 2025

Partnerships will be included from April 2025, but only those with individuals as partners will be in scope. All other partnerships, including those with corporate partners will be required to join ITSA at a future date which is yet to be confirmed.

How it impacts



6 April 2024

MTD for Income Tax Self Assessment (ITSA) will change how records are kept and how income and expenses are reported to HMRC. For all those who fall within the scope of MTD ITSA, the Digital Start date will be 6 April 2024.



All records filed electronically from software to HMRC using APIs with no manual intervention. Ensuring digital links are maintained throughout.



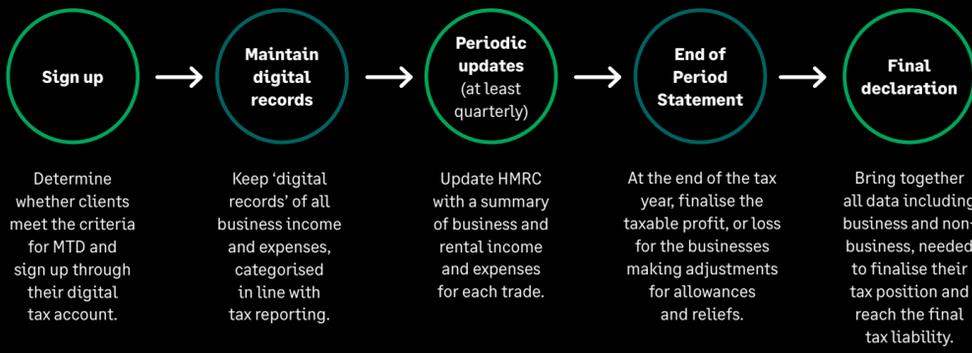
Spreadsheets will continue to be acceptable, but as with VAT, bridging software would be required and digital links need to be retained.



Those with multiple sources of income, and some landlords where there are multiple owners of property may need to submit quarterly updates for each.

What it means for those affected

Sign up prior to start of the first accounting period commencing after April 2024



Key dates

Today

- Have a full understanding of the impact on your practice and your clients.
- Have your plan in place with clear goals to meet the requirements MTD ITSA.
- Defined service provision and pricing strategy in place.
- Have your practice ready to deliver your plan (education, systems and processes).

6 April 2024

- MTD for Income Tax Self Assessment.
- Everyone mandated will have a **'digital start date'** of 6 April 2024.
- Deadlines for minimum requirement for periodic updates are at least quarterly.
- Deadlines are the same for standard and calendar quarters.

5 November 2024

- Deadline for the second minimum Periodic Update. (Jul, Aug, Sep period).

5 February 2025

- Deadline for the third minimum Periodic Update. (Oct, Nov, Dec period).

April 2023

- Registrations for clients via agent services account opens. Ensure all impacted clients are signed up to MTD ITSA and commence transfer to agent services account (asa).
- Transition all impacted clients to digital ways of working. Adopting digital solutions and embed new habits and behaviours.
- Have you considered changing the year end of clients affected by basis period reform.

5 August 2024

- Deadline for the first minimum Periodic Update. (Apr, May, Jun period).

31 January 2025

- Tax payer has until 31 Jan to file their return and pay any tax due. (2023/24 will be the last non-MTD period for most, with a filing deadline of January 2025).

5 May 2025

- Deadline for the fourth minimum Periodic Update. (Jan, Feb, Mar period).

Technology requirements



Functional compatible software will be provided for all clients both for digital record keeping and electronic submissions to HMRC via APIs.



Spreadsheets will be acceptable, but not advised for all cases. A bridging solution would then be required to maintain digital links and be compliant.



Free solutions may be available for the most simple businesses but this is yet to be confirmed.

Master MTD ITSA