



What does MTD for VAT mean for your business?

Making Tax Digital (MTD) for VAT is a key part of the UK Government plan to make it easier for individuals and businesses to keep on top of taxes and affairs.

VAT-registered businesses with taxable turnover **below £85,000** are now required to do a few things differently, including how they keep VAT records and submit VAT Returns.

If you're one of these businesses, you've probably already received a letter from HMRC detailing these steps on how to start complying:

Make sure you have either:

1. Compatible software that lets you keep digital records and submit VAT Returns or;
2. Bridging software to connect non-compatible software like spreadsheets to HMRC systems.



Tip: If an accountant or agent helps you manage your business taxes, they can support your move to MTD for VAT.

Key dates and deadlines

If your previous VAT quarter ended on:

30 April 2022

You must keep digital records and submit your VAT Return through MTD from **1 May 2022**

First VAT Returns under MTD rules must be filed by **7 September 2022**

Tip: The same logic applies to monthly and annual VAT accounting periods, so keep in mind when your first full VAT accounting period begins.

If your previous VAT quarter ended on:

31 March 2022

You must keep digital records and submit your VAT Return through MTD from **1 April 2022**

First VAT Returns under MTD rules must be filed by **7 August 2022**

If your previous VAT quarter ended on:

31 May 2022

You must keep digital records and submit your VAT Return through MTD from **1 June 2022**

First VAT Returns under MTD rules must be filed by **7 October 2022**

Registration deadlines



If you pay by Direct Debit:

Sign up no earlier than 5 days after a return is due or no later than 7 days before a return is due.



If you don't pay by Direct Debit:

Sign up at least three days before the due date for your VAT Return.

“With this kind of automation, I can focus on what makes the business tick, why we set up the business, and that’s where our passion lies.”

Dan Shardlow
Owner, Sky Spa Wellness Centre

Want to learn more?

Visit sage.com/en-gb/making-tax-digital/ for more information

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