

Making Tax Digital for Income Tax

Making Tax Digital for Income Tax is one of the biggest changes to Self Assessment in many years. It will affect many sole traders and landlords, changing how income and expenses are recorded and reported to HMRC.

Instead of relying on paper records, spreadsheets, or a once-a-year tax return process, affected individuals will need to keep digital records, use HMRC-compatible software, and send regular updates to HMRC during the year.

For many clients, the concern is not just the new rules. It is knowing whether they apply, choosing the right software, keeping records up to date, and avoiding missed deadlines. At ApC Accountants, we can help make the process clearer, more manageable, and less stressful.

Who will be affected?

MTD for Income Tax is being introduced in stages:

Start date	Who is expected to be affected
6 April 2026	Sole traders and landlords with qualifying income over £50,000
6 April 2027	Sole traders and landlords with qualifying income over £30,000
6 April 2028	Sole traders and landlords with qualifying income over £20,000

Qualifying income broadly means income from self-employment and property before expenses. If you have both sole trade and rental income, these may need to be considered together when checking whether the rules apply.

What needs to be submitted?

Under MTD for Income Tax, affected clients will need to submit information to HMRC during the year using compatible software.

Submission	What it covers
Quarterly updates	A summary of income and expenses from your digital records
End-of-year tax return	Final adjustments, other income, reliefs, allowances and the final tax position
Tax payment	Any tax due remains payable by the normal 31 January deadline

Quarterly updates are not full tax returns. They are summaries taken from your digital bookkeeping records. However, they still need to be submitted on time, and the records behind them need to be accurate and properly maintained.

Quarterly update deadlines

For standard tax-year reporting, the quarterly update deadlines are expected to be:

Period covered	Submission deadline
6 April to 5 July	7 August
6 April to 5 October	7 November
6 April to 5 January	7 February
6 April to 5 April	7 May

Some software may also support calendar-quarter reporting, which can be useful where records are maintained to calendar months or a 31 March year end. The submission deadlines remain the same.

After the fourth quarterly update, a final year-end tax return is still required. The tax return and payment deadline remains 31 January following the end of the tax year.

For example, for the 2026/27 tax year, the key dates would be:

Submission	Deadline
First quarterly update	7 August 2026
Second quarterly update	7 November 2026
Third quarterly update	7 February 2027
Fourth quarterly update	7 May 2027
Final tax return and tax payment	31 January 2028

Why this matters

MTD will make record keeping more regular. That can feel like an added burden, especially for clients who are used to dealing with tax once a year. But with the right system and support, it can also help reduce last-minute pressure, improve record accuracy, and give a clearer view of income, expenses and potential tax liabilities throughout the year.

The key is to prepare early. Waiting until the first submission deadline could leave clients rushing to choose software, tidy up records, and understand new reporting requirements at the same time.

How ApC can help

ApC Accountants can support you with every stage of the MTD process, including:

- Checking whether and when MTD for Income Tax applies to you
- Reviewing your current record keeping
- Advising on suitable MTD-compatible software
- Helping set up digital bookkeeping records
- Providing training and practical support
- Reviewing quarterly figures before submission
- Submitting quarterly updates to HMRC
- Completing your final year-end tax return
- Helping you stay organised and avoid last-minute stress

Our aim is to make MTD easier to understand and easier to manage. We will help you know what needs to be done, when it is due, and what records you need to keep.

Call to action

If you are a sole trader, landlord, or have both business and property income, now is the time to check whether MTD for Income Tax will affect you.

Speak to ApC Accountants today and we will help you get ready with clear, practical advice tailored to your circumstances.