



MAKING TAX DIGITAL

[Document subtitle]



Overview - Making Tax Digital (MTD)

Making Tax Digital (MTD) is a move by the UK government to introduce a modern streamlined tax system that makes it easier for businesses and individuals to keep their tax records up to date and transfer information to HM Revenue & Customs (HMRC).

What is a Digital Tax Account (DTA)

Your DTA is similar to your online bank account. This is a secure area where a business can see all of its tax details in one place and interact with HMRC digitally.

HMRC started testing individuals Digital Tax Accounts from April 2017, with them being accessible already. For help accessing yours and for information on what it shows, please contact us and one of our MTD experts will be happy to talk you through it.

Who Does MTD Affect

The first significant Making Tax Digital (MTD) deadline is getting closer. From 1 April 2019, VAT registered businesses with a turnover above the

£85,000 VAT threshold will need to keep records digitally and submit VAT returns to HMRC using MTD compatible software.

Benefits

Businesses should see MTD as an opportunity to improve their efficiencies and embrace the digital world – keeping real time information helps you to understand how your business is performing. There are a number of other benefits to small businesses:

- Improved quality of record keeping and safer data if you opt for a cloud accounting solution.

- Less errors, due to less manual entry of data.

- More efficient management of your business finances. All your data will be in one place and up-to-date.

- Less time at the end of the tax year gathering data and knowing how much tax you need to pay throughout the year will help with budgeting and cash flow.