

Making Tax Digital

Transforming

How UK

Businesses

Report Tax



Making Tax Digital: Transforming How UK Businesses Report Tax

The way UK businesses report tax is changing and fast.

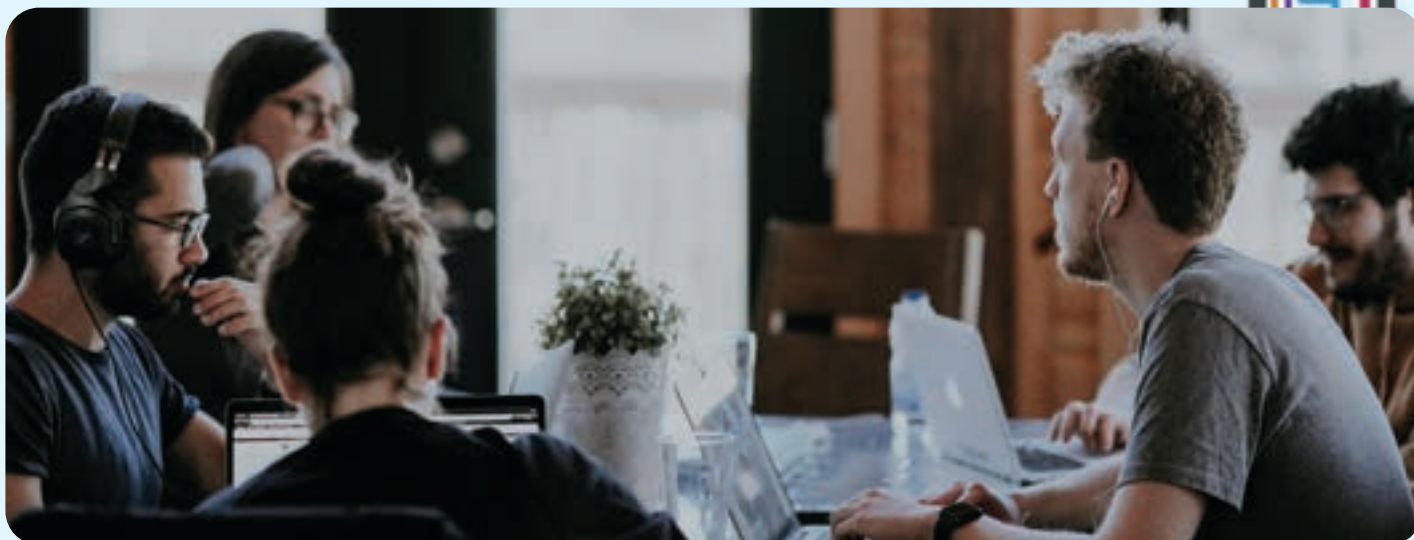
Making Tax Digital (MTD) is HMRC's programme to move tax reporting fully online, replacing paper-based processes with digital record-keeping and automated submissions. At its core, MTD requires businesses and individuals to keep digital records and submit updates to HMRC quarterly, using software that connects directly and securely with HMRC systems.

The goal of MTD is simple: accurate, up-to-date tax records that reduce errors, close the tax gap, and make compliance easier. Instead of scrambling at year-end, businesses gain a clear, real-time view of their tax position, giving control and confidence throughout the year.

Important: Quarterly submissions doesn't mean more tax. Dates for payment remain the same; it's about clarity, not cost.

MTD isn't new. VAT-registered businesses have been on it for years. But from **April 2026**, MTD will expand to include **self-employed individuals, sole traders, and landlords**. Understanding your obligations early is crucial to avoid the last-minute stress.

This guide cuts through the complexity, giving clear, practical advice on what MTD is, who it affects, what's changing, and what you should do now to stay ahead.



MTD For Income Tax

The biggest change is MTD's extension to **Income Tax Self Assessment (ITSA)**.

Starting **April 2026**, self-employed individuals and landlords will submit quarterly digital updates instead of an annual Self-Assessment for the income in scope.

Rollout Timeline

The changes will be introduced in stages based on gross qualifying income:

- **From April 2026**
Individuals with a qualifying gross income over £50,000 from self-employment and/or property must comply.
- **From April 2027**
The threshold lowers to £30,000, bringing a broader group of taxpayers within scope.
- **From April 2028**
The threshold reduces further to £20,000, extending MTD for Income Tax to the majority of self-employed individuals and landlords.

What Counts as Qualifying Income?

Qualifying income is your gross income before expenses. HMRC combines multiple income sources - for example, rental and self-employment income - when checking thresholds.

Example:

£25,000 rental + £30,000 self-employment
= £55,000 total → **MTD applies from April 2026**

Review all your income together.
Don't wait until the last minute.

Why Act Now

Transitioning to digital record-keeping takes time. Delaying risks stress, errors, and penalties.

At atek, we guide you every step: from assessing obligations to selecting the right software, managing quarterly submissions, and staying compliant as rules evolve.

What is MTD-Compatible Software?

MTD-compatible software is the backbone of Making Tax Digital. It creates a secure, direct connection between your accounting system and HMRC, simplifying record-keeping, submission, and communication.

- **Submit VAT or income Tax updates directly**
- **Receive instant confirmations and alerts from HMRC**
- **Maintain real-time visibility of your tax position**

Choosing the right software can feel overwhelming. That's where atek adds value. We match your business with the software that fits your size, sector, and workflow, ensuring MTD compliance without disruption.

Examples:

The logo for FreeAgent, featuring a stylized blue bird-like icon to the left of the word "FreeAgent" in a bold, blue, sans-serif font.The logo for Sage, featuring the word "Sage" in a green, rounded, sans-serif font.The logo for Intuit QuickBooks, featuring a green circle with the letters "qb" in white, followed by the words "INTUIT" and "quickbooks" in a black, sans-serif font.The logo for Xero, featuring the word "xero" in a blue, lowercase, sans-serif font with a white dot on the 'o'.

Official list of providers: GOV.UK



How atek Makes MTD Simple

Making Tax Digital doesn't have to be complicated. At Atek Accounting, we have been helping businesses transition to digital accounting for years, and our goal is simple — to make MTD as straightforward and stress-free as possible.

We can take the pressure of compliance off your shoulders entirely, managing the technical requirements, deadlines, and submissions on your behalf so you can stay focused on running your business.

Our MTD Services

From initial assessment through to ongoing compliance, we provide end-to-end support tailored to your specific situation:

- **MTD assessment:** Understand your obligations and timeline
- **Tailored guidance:** Clear, jargon-free advice
- **Software setup:** Selection, installation, and onboarding
- **Training:** Empower your team with hands-on support
- **Quarterly submissions:** Accurate updates, on time, every time
- **Final declaration & planning:** Year-end compliance plus strategic insights
- **Ongoing oversight:** Keep compliant as rules evolve

Our Cloud Accounting Services

As Certified Xero Partners, we bring together deep expertise in cloud accounting and specialist knowledge of MTD compliance, giving you a trusted partner at every stage of the digital transition.

We offer a fully optimised online accounting service, tailored to your exact needs. Whether you require complete outsourced accounting or simply support with your quarterly MTD submissions, we adapt our services to fit your business. All your financial information is held securely in one place, accessible at any time, giving you the real-time visibility to make confident, informed decisions.

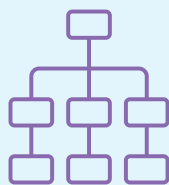


Beyond MTD compliance, out cloud accounting services offer a range of everyday benefits:



Time savings:

Less admin, more focus on growth



Everything in one place:

Dashboards with invoices, records and reports



Flexible access:

Work from any device, anywhere



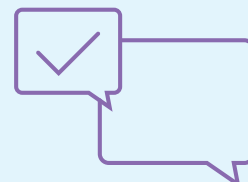
Live collaboration:

Share data securely with your accountant or team



Bank-level security:

Safe, reliable, and supported



Expert guidance:

Maximise your software's potential



Ongoing oversight:

Keep compliant as rules evolve

Atek accounting makes MTD straightforward, stress-free, and tailored to your business.

Get in touch today to start your digital journey.

For more information visit: atek-accounting.co.uk/making-tax-digital

Or get in touch: happytohelp@atek-accounting.co.uk

About atek

Atek gives creative and tech-led businesses the clarity and confidence to grow. Born from both performing arts and technology, we combine insight and expertise with modern, digital-first accounting, making finance simple, strategic, and aligned with how today's businesses operate.

For the creators, the innovators and the founders. We know the pressures of production schedules, funding cycles, and the fastest-moving tech environments and we tailor our guidance to match.

Acting as an embedded extension of your team, not just an outsourced service, we deliver practical experience, responsiveness, and straight-talking support to help you make stronger, faster decisions.

With atek, businesses move forward with control and confidence.



Clarity for creators and innovators.

