MTD Income Tax: A DIY Guide

the accountancy partnership

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Doing your own MTD reporting

If you've decided to handle your quarterly updates yourself rather than have us submit them for you, that's completely doable - you just need the right software and a few dates in your diary. Here's everything you need to know.

What you actually need to send

Instead of a single Self Assessment return a year, you'll now send four quarterly updates (a running summary of your income and expenses) plus a Final Submission at the end of the tax year, which pulls everything together and replaces your old tax return.

Your quarterly updates are cumulative - each one covers the whole tax year to date, not just that quarter in isolation.

Registering for MTD

Before you can send anything, you need to sign up for MTD Income Tax *separately* - being registered for Self Assessment, having compatible software, or getting a letter from HMRC doesn't do this for you.

What you'll need:

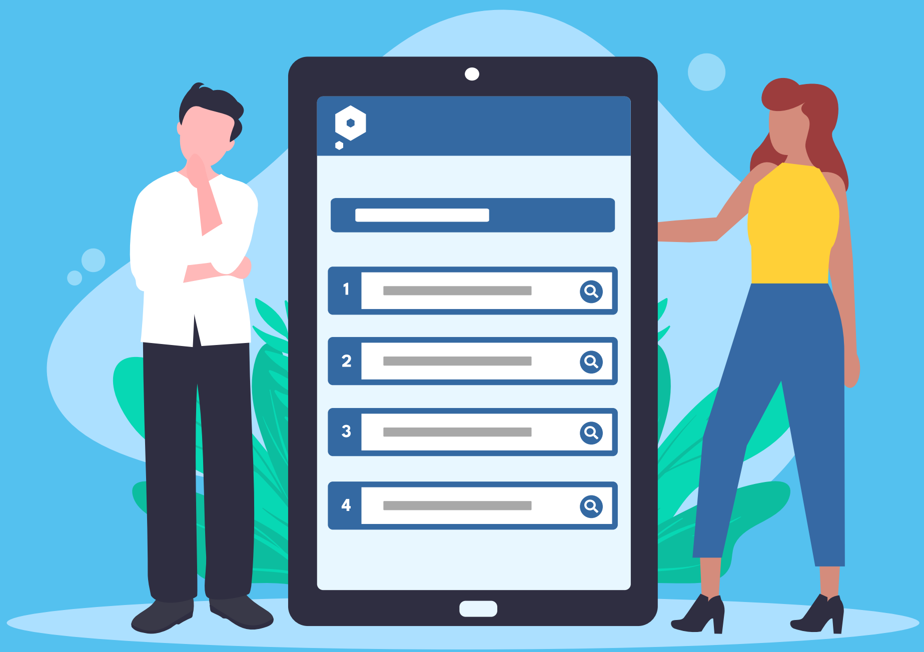
- Your Government Gateway user ID and password (same as Self Assessment)
- Your Unique Taxpayer Reference (UTR) and National Insurance number
- Your business or property income start date, if within the last two tax years
- Your MTD-compatible software already chosen, (such as Pandle)

Then:

- Sign in via HMRC's sign-up service with your Government Gateway details
- Confirm your identity if asked, via the HMRC app (using a photo of your ID) or via security questions
- Add each income source separately (sole trader, property or both) and confirm the tax year you are starting MTD
- Connect and authorise your software so it can send updates to HMRC

Aim to register well ahead of your first deadline, as it can take a little while to link everything up.

If you need any help registering for MTD IT – let your accountant know.



Submitting on Pandle

If you're using Pandle (which is included free as part of your TAP package), you can find full step-by-step instructions in the MTD Income Tax help centre. No bridging software needed - Pandle submits straight to HMRC.

Submitting on other software

If you're using something else, here's where to find the how-to guides:

Xero	MTD for Income Tax quarterly updates
Quickbooks	Send a quarterly update for MTD for IT
FreeAgent	Send a quarterly update for MTD for IT
Sage	Making Tax Digital for Income Tax hub

Using something that's not on this list? As long as it's HMRC-recognised for MTD Income Tax, the process will follow the same shape - check your software's own help centre for the exact steps.

Deadlines to put in your diary

Each quarterly update is due one calendar month and 7 days after the end of the quarter period. By default, HMRC uses standard tax-year quarters, but you can choose to run calendar-month quarters instead by selecting this option inside your accounting software.

Both options are shown below:

Quarter	HMRC Default Tax Year Quarters	Calendar Month Quarters	Deadline
Q1	6th April - 5th July	1st April - 30th June	7th August
Q2	6th July - 5th October	1st July - 30th September	7th November
Q3	6th October - 5th January	1st October - 31st December	7th February
Q4	6th January - 5th April	1st January - 31st March	7th May

Then your Final Submission is due by the 31st of January after the end of the tax year - the same date as the old Self Assessment deadline.

If you've got more than one income source (say, a sole trader business and a rental property), you'll need to send a **separate** update for each one every quarter.

Tip: aim to submit a few days before the deadline rather than on the day - it can take HMRC up to an hour to register a submission, so you want breathing room if anything doesn't go through first time.

What if you make a mistake, or need to change something?

Don't panic - this is one of the more forgiving parts of MTD. Because updates are cumulative, a mistake in an earlier quarter isn't stuck - you simply correct it when you send your **next** update, and the running total puts things right.

A few scenarios:

- **Spotted an error before your next update is due?** Just resubmit that quarter with the corrected figures through your software - no penalty for doing this.
- **Already moved on to the next quarter?** No need to go back - correct it in your current update and the year-to-date total will absorb the fix.
- **Missed something entirely, or need to fine-tune numbers (like capital allowances or private-use adjustments)?** These are often best tidied up when you make any adjustments or claim allowances in your Final Submission.
- **Need to go back further than that?** You'll need to contact HMRC directly at that point.

The key thing to remember: quarterly updates aren't your final tax position - they're progress reports.

Nothing is locked in until your Final Submission, so an odd figure along the way isn't something to lose sleep over.

Prefer to hand it back to us?

Doing your own quarterly updates can be tough whilst running a business at the same time, but don't worry - you can switch back at any point.

Your Final Submission is included in your fee as standard, but if you'd rather we take the quarterly submissions off your plate as well, we offer this from £35+VAT per month, per submission - for example, if you have *both* sole trader income and property income, that would be two submissions.

Just get in touch with the team and we'll set it up for you.

Looking for more help starting your business?

If you have any further questions simply phone us on 020 3355 4047 and one of our friendly accountancy advisors will be happy to help.

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