



| CHARTERED CERTIFIED ACCOUNTANTS |



Making Tax Digital

Tax is heading for the digital cloud thanks to HMRC's Making Tax Digital Initiative!
But what exactly does that mean?

Reasons for MTD

The initiative is designed to make the UK tax system easier for taxpayers, as well as being more efficient, and effective.

While it will become a legal obligation for businesses to adhere to, it is also a great opportunity to streamline aspects of your accounting, and business management.

Recording information and filing tax through a digital platform, such as Xero, can help decision making through accessing advanced reports and data.



MTD for VAT

Staying Compliant

While Making Tax Digital might seem daunting or unclear, it is in fact very easy to stay compliant.

All you need to do is to record and submit your VAT records through a MTD compatible online software e.g. Xero.

VAT Timeline

By 1st April 2019, if your business is above the £85,000 threshold, it **MUST** be on a digital platform in order to complete and file VAT returns.

If you are currently operating under the £85,000 threshold you will not need to be on a digital platform until April 2020.

MTD for Tax

Income & Corporation Tax

HMRC's current timeline for MTD to commence for Income & Corporation Tax is 2020 at the earliest.

Incorporated companies, sole traders, partnerships, and landlords will be required to keep records, and submit through a digital platform.

HMRC Compliant Software

HMRC has released a list of all software available to agents and businesses currently compatible with MTD.

Find the full list by using the following link:

<https://www.tax.service.gov.uk/making-tax-digital-software>

Our status with Xero as Gold Champion Partner demonstrates our expertise of using the platform and delivering training to our clients. We are also Xero Migration Certified meaning we have the ability to navigate other online accounting solutions such as Sage, QuickBooks, Clearbooks, and many more, to make a switch to Xero seamless.



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