- **What is Making Tax Digital (MTD)?**
  - Government move from paper records to digital tax reporting
  - Aimed at replacing shoeboxes, envelopes, and mystery receipts
- **Why HMRC is doing this**
  - Paper causes mistakes
  - Digital systems are clearer, more accurate, and easier to track
  - Goal: reduce errors and keep records up to date
  - Help Government forecast their tax receipts more accurately; and, no doubt, at some stage, to start collecting tax quarterly.
- **What MTD is meant to achieve**
  - Fewer mistakes
  - Better organisation
  - More regular oversight of finances
- **Who does MTD apply to?**

  - The key date: **April 2026**. MTD for Income Tax applies if your total business and/or property **income** (not profit!) is **over £50,000**.
  - if your total business and/or property **income** (not profit!) is between **£30,000 and £50,000**, your turn arrives in **April 2027**.

What "digital records" actually means

  - Using software instead of paper
  - No more hunting for invoices
  - Receipts stored digitally and categorised properly
- **Quarterly updates**
  - Short summaries sent to HMRC every three months
- **Software**
  - HMRC-approved apps available
  - Can photograph receipts, track expenses, submit returns
  - Easy to use
- **Benefits**
  - Fewer errors
  - Up-to-date financial picture
  - Less last-minute panic before deadlines
- **How to get started**
  - Choose simple cloud-based software
  - Connect your bank
  - Categorise transactions
  - Press "send" for quarterly updates
- **For those worried about technology and what they can and cannot reclaim:**
  - Help is available from accountants, such as Redhouse & Associates Business Services Ltd, who can provide a fixed fee service.