

MAKING TAX DIGITAL STARTS FROM APRIL FOR CERTAIN TAXPAYERS FIND OUT IF THAT AFFECTS YOU

Many taxpayers who may be impacted have not yet responded to a significant change in tax reporting requirements.

Communication is arguably not one of HMRC's strongest points. While its requests for tax returns are made within the start of the tax year, it is not so prompt in other areas. The latest HMRC performance statistics, issued in January 2026, reveal that between January to November 2025:

- More than one-in-five pieces of correspondence had not received a reply within 15 working days, and one-in-eight was still languishing unanswered after 40 working days.
- The average speed of answering a telephone call exceeded 13 minutes, with over one-in-ten calls being abandoned.

Poor communication created problems when the high income child benefit charge (HICBC) was introduced in 2013. It was not until September 2025 that HMRC finally launched an online service allowing those affected to pay the charge via pay as you earn (PAYE), rather than completing an income tax self assessment return.

Now, another reform to the tax system is due to start from April and threatens to meet a similar I-didn't-know-about-that response to the one that dogged the HICBC for years. The new change is the requirement to report certain income under the Making Tax Digital (MTD) rules.

INITIALLY, MTD WILL AFFECT THOSE WHO:

- are personally registered for self assessment,
- receive income from self-employment or property (or both), and
- had qualifying income (basically gross income from self-employment and property) of more than £50,000 in 2024/25.

IF YOU MEET THOSE THREE CRITERIA, THEN YOU MUST:

- Sign up for MTD – HMRC will not automatically register you, although it will send chase-up letters,
- Acquire HMRC-recognised software or, if you stick with spreadsheets or your existing software, obtain 'bridging software' that works with HMRC systems,
- Send quarterly updates of your income and expenses to HMRC, and
- Send an end-of-year return by 31 January following the end of the tax year.



It is perhaps indicative of HMRC's expectations that in the Autumn 2025 Budget it was announced that taxpayers will not receive penalty points for late submission of quarterly updates for 2026/27.

If you are thinking, "Phew, I am under the £50,000 threshold", the bad news is that it falls to £30,000 for 2027/28 and £20,000 thereafter.

Find out if you need to make your tax digital on the Government website [here](#).

WE CAN HELP

If you require further assistance please contact us on 01753 888 211 or email info@nhllp.com, we are here to help.