

# **MTD ITSA FAQ's**

## **Q. Does MTD for ITSA apply to me?**

A. Any individual with self-employment turnover above £50,000 (gross income before expenses) OR Gross rental Income (before expenses) of £50,000 OR a combination of £50,000 gross income between the two from April 2026. From April 2027 these limits are reduced from £50,000 per annum to £30,000 per annum.

These limits represent a change in HMRC's originally announced plans whereby anyone with gross turnover/gross rents over £10k would have had to comply from April 2024. On 19<sup>th</sup> December 2022 this original plan was scrapped.

## **Q. What do I need to do to comply?**

A. You will need to file quarterly returns itemising your income and expenses in that quarter via software.

## **Q. What Software should I use?**

A. This is dependant on your individual needs. We are happy to help to advise you on this.

## **Q. Can Rogers Spencer Help me with the filings?**

A. Yes, we have a specialist team of bookkeepers who can process your records using our in house software. We have a range of options depending on your needs.

## **Q. Will this cost me more?**

A. Unfortunately it is more than likely that you will have to either invest in software to use yourself, or use Rogers Spencer to help you with this

## **Q. Is there any free software out there?**

A. There are some very basic options available, as well as excel spreadsheets which can be used with bridging software to submit to HMRC. These will still require manual input of information and we generally do not recommend this.

## **Q. What are the advantages of digital filing**

A. More up to date view of your income/expenditure and potential tax liabilities. Time saving in 'writing up' of manual records.

**Q. When does it come in?**

A. You will need to commence MTD ITSA filings starting from 6<sup>th</sup> April 2026 if you qualify.

**Q. How often do I need to submit to HMRC?**

A. You must report your income and expenses to HMRC each quarter as below:

Quarter 1: 6<sup>th</sup> April to 5<sup>th</sup> July

Quarter 2: 6<sup>th</sup> July to 5<sup>th</sup> October

Quarter 3: 6<sup>th</sup> October to 5<sup>th</sup> January

Quarter 4: 6<sup>th</sup> January to 5<sup>th</sup> April

**Q. I would rather start from 1<sup>st</sup> April so that the figures include full months, can I do this.**

A. Yes, you can elect to file on this basis (eg Quarter 1: 1<sup>st</sup> April to 30<sup>th</sup> June etc).

**Q. What are the filing deadlines for the quarterly submissions?**

A. The filing deadline will be 1 month after the quarter end (eg Quarter 1: 5<sup>th</sup> August)

**Q. What are the penalties for missing the deadline**

A. HMRC have not yet announced these. There will be penalties introduced for non-compliance

**Q. How accurate do my quarterly figures need to be?**

A. HMRC want the 'raw data' meaning that all of your invoices and purchase invoices should be included. Accounting adjustments such as depreciation, accruals and prepayments do not need to be included until the year end submission.

**Q. Do I still have to submit year end accounts figures?**

A. Yes, there will still need to be an annual check of the figures to include the annual accounting adjustments.

**Q. Do I still have to submit a year end tax return?**

**A. Yes, you will need to submit the year end tax return in the usual way. The filing and payment deadline remain as they are currently.**

**Q. Do I have to declare my other income (eg interest income each quarter)**

**A. This is not mandatory and can be entered on the year end tax return as it is currently. However, there will be an option to update the figures with the quarterly submissions.**

**Q. I already submit for MTD via VAT, do I need to do anything further?**

**A. Yes, you will need to make a separate submission to HMRC each quarter.**

**Q. Is there a registration process?**

**A. Yes, but this should be easily done through your software. We can help with this.**

**Q. I am a partner in a partnership business, do I have to comply with this?**

**A. No, the plans for MTD for ITSA have been put on hold for now.**