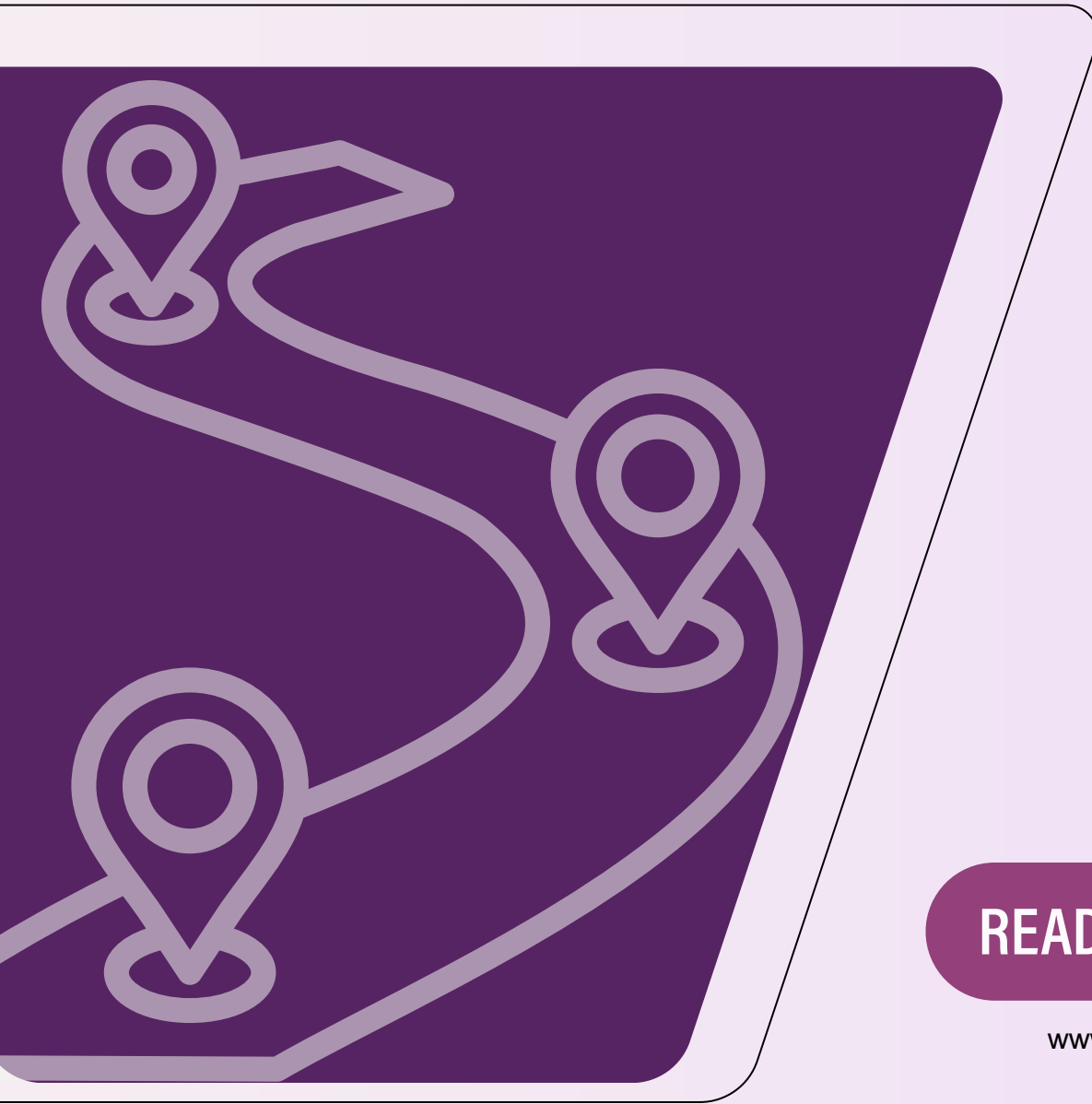




# Your Guide to Making Tax Digital (MTD)

For Income Tax Self Assessment



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**Making Tax Digital** (MTD) is part of the UK government's initiative to streamline tax reporting and improve accuracy.

The next significant step? MTD for **Income Tax Self Assessment** (ITSA).

This guide is designed to explain what MTD for ITSA means for you, what's changing, and how you can stay ahead with **Affinity's support**.



# Who needs to comply?

From **April 2026**:

**Self-employed** individuals earning over **£50,000** and  
**Landlords** with property income over **£50,000**

From **April 2027**:

Threshold drops to **£30,000**

## Exclusions

Companies (not MTD for Corporation Tax yet)

Individuals below the threshold

Those granted digital exemption (e.g., for age, disability, or remote location)

A trustee, including a charitable trustee or trustee of non-registered pension schemes.

A non-resident company.



## How does MTD for ITSA Work?

**Digital record keeping** of income and expenses using MTD-compliant software.

**Quarterly updates** submitted to HMRC.

**One End-of-Period Statement** (EOPS) to finalise income and make adjustments.

**One Final Declaration** (replaces the current tax return).

### **Timeline example (for 2026 starters):**

Q1 update: 5 Aug 2026

Q2 update: 5 Nov 2026

Q3 update: 5 Feb 2027

Q4 update: 5 May 2027

EOPS + Final Declaration: 31 Jan 2028



## MTD for ITSA Pilot Program

**HMRC** has launched a **private beta testing phase** for **MTD for ITSA**. Currently, this is open to a limited group of self-employed individuals and landlords who meet specific criteria.

### Eligibility for Private Beta

UK resident with a National Insurance number.

Submitted at least one Self Assessment tax return.

Up to date with tax records and no outstanding liabilities.

Accounting period runs from 6 April to 5 April.

### Note:

*Certain conditions, such as having a High-Income Child Benefit Charge or being in a partnership, may exclude your clients from participating in the pilot.*



# What You Need to Do Now

## 1. Check

**Does MTD apply to your clients? Starts April 2026 (£50k+) and April 2027 (£30k+).**

## 2. Choose Software

**Help your clients to choose the right HMRC approved software.**

## 3. Go Digital

**Guide clients in transitioning from manual to digital record keeping.**

## 4. Sign Up

**Assist clients through their Government Gateway account.**

## 5. Submit

**Use MTD-compliant software to send quarterly updates and the final declaration to HMRC.**



## Lets Get Ready - Next Steps

*Help your clients stay ahead with a MTD readiness check.*

- Assess each client's income thresholds and MTD requirements
- Recommend the right software, tools, and processes for their needs
- Agree on the level of ongoing support they want from you
- Make sure they stay fully compliant and ahead of every deadline

Tip:

*Early preparation means less stress later.*



# Need Our Support?

Make tax digital, without the headache.



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