



## What is Making Tax Digital?

**Making Tax Digital (MTD) is a new system that the government is implementing that will transform the Tax system by making fundamental changes to how businesses and individuals submit their tax returns.**

Through the introduction of Making Tax Digital, HMRC will be able to collect and process information as close as possible to real time. This should reduce the excessive build up of payable tax. Individuals and businesses will no longer have to wait until the end of each tax year before knowing how much tax they need to pay. This should assist with financial planning and avoid any surprises.

Howard Worth have been preparing for Making Tax Digital for some time and can help you make the transition to the new system as straightforward as possible.

### Key points about the new system are:-

- Making Tax Digital will be starting in April 2019 for businesses who have a turnover above the VAT threshold (currently £85,000) and this will only be for VAT purposes.
- VAT Records will need to be submitted through Making Tax Digital software.
- Businesses will not be required to keep digital records or to provide quarterly updates for other taxes until at least 2020\*.

\*2020 Date to be confirmed by HMRC.

## What should I do now?

Talk to your contact at Howard Worth. The new system starts in April 2019 and we want to speak to all our clients to discuss the move to MTD at the appropriate time for their individual needs or those of their business.

We recommend the following actions:

- Review your current accounting software. Is it suitable for Making Tax Digital?
- Make the move to a digital system in advance of the 2019 start date.
- Consider matching your last VAT return date with your Accounting period end date.

**Members of the Howard Worth team can advise you to ensure a smooth transition from your current system to the requirements of VAT reporting under MTD.**

**If you have any questions or queries relating to Making Tax Digital, please contact Howard Worth on 01606 369000 or email [mtd@howardworth.co.uk](mailto:mtd@howardworth.co.uk)**