

MAKING TAX DIGITAL (MTD)

What it is and
how it might
effect you.

A guide for your
hospitality
business



You may well have heard about MTD (Make Tax Digital) but are unsure what it means, and crucially how it could effect your business. This guide explains all.

Making Tax Digital

(M.T.D.)

Summary

MTD is an HMRC initiative to digitise the tax system, specifically for **sole traders**. Instead of one annual tax return, HMRC now require this information **quarterly**.

If you trade as a limited company or a partnership, MTD does not effect you at this time.

Will it affect me?

To qualify for MTD submission your annual gross income for 24/25 has to exceed 50K, this means most hospitality businesses will be subject to this change **from April 2026**

What do HMRC need and can Roslyns do it?

HMRC expect:

- Digital records to be kept of income and expenses
- Quarterly updates to be submitted to HMRC
- Finalise and submit your self-assessment tax return by the 31st January

The good news for Roslyns clients is that we already provide you with monthly or quarterly accounts. All you need to do is send us the information we need to produce accounts in good time as usual.

Why the change?

HMRC believe that making tax submission digital will reduce mistakes and changing frequency to quarterly would mean that a sole trader will know where they stand before the year ends.

Will I pay more tax or pay more often?

No.

the changes mean your business will be reporting its profits/losses to HMRC quarterly instead of annually.

You will still pay your self-assessment bills at your current frequency.



What if I don't want to submit quarterly?

From April 2026 it is a legal requirement.

From April 2027 penalties are introduced.

- Each missed deadlines = 1 penalty point
- 4 penalty points = £200 fine.
- Each subsequent deadline missed = another £200 each time

When are these deadlines?

- April to June submitted to HMRC by the 7th August
- July to September submitted to HMRC by the 7th November
- October to December submitted to HMRC by the 7th February
- January to March submitted to HMRC by the 7th May

What does my accountant need from me?

Roslyns require nothing different from our clients. We are already prepared for these changes. All our clients need to do is continue to submit the required invoices, income and bank statement as usual. If you use another accountant, please do check with them.