
Making Tax Digital

Final Checklist Before 6 April 2026

1. Confirm You Are Within Scope

With Making Tax Digital for Income Tax Self Assessment beginning from 6 April 2026, the focus now shifts from preparation to readiness.

At this stage, the key question is not whether to prepare, but whether you are fully set up to comply from the start of the new tax year.

You should confirm whether your combined gross income from property and self-employment exceeded £50,000 in the 2024/25 tax year.

This must be based on income before expenses. Using net profit will understate the figure and may lead to incorrect conclusions.

Where you have multiple income sources, these must be combined. Do not assess property or trading income in isolation.

2. Confirm Your Income Position Across All Sources

Ensure you have a complete view of all qualifying income streams.

This includes:

- Property income across all properties
- Furnished holiday lets
- Self-employment or trading income.

The objective is to establish one consolidated income figure. This determines both whether MTD applies and how reporting will operate.

3. Select MTD-Compatible Software

You must use software that can:

- Maintain digital records
- Submit quarterly updates
- Produce the final declaration.

Existing spreadsheets will only be suitable if they are linked to compliant software.

The choice of software should reflect the complexity of your affairs, not just cost or familiarity.

4. Ensure Software Is Fully Set Up

Software should now be in place and ready to use from 6 April 2026.

You should ensure:

- Income and expense categories are correctly configured
- Data flows accurately through the system

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- You are comfortable using the software for regular updates.

Late setup is one of the most common causes of MTD errors.

5. Establish a Consistent Record-Keeping Process

MTD requires records to be maintained digitally and throughout the year.

Records should already be capable of being maintained digitally from the start of the tax year.

You should ensure that:

- Income is recorded as it is received
- Expenses are categorised consistently
- Records are updated regularly rather than retrospectively.

6. Decide the Level of Record Detail

You can choose how detailed your records are, provided they remain accurate and support your submissions.

For example:

- Income can be recorded per transaction or aggregated by period
- Expenses can be grouped by category.

The key requirement is that figures are complete, consistent and supported by underlying records.

7. Prepare for Quarterly Reporting

You will be required to submit four updates each year.

The first reporting period begins immediately from 6 April, so processes need to be operational from day one.

You should establish:

- When records will be updated
- When submissions will be made
- Who is responsible for ensuring deadlines are met.

8. Understand What Is Included in Quarterly Updates

Quarterly updates are based on your recorded income and expenses for the period.

They do not finalise your tax position, but they must still be accurate and based on proper records.

You should avoid treating quarterly submissions as estimates or placeholders.

9. Plan for the Final Declaration

The final declaration replaces the Self Assessment return.

This is where:

- Figures are finalised
- Adjustments are made
- Reliefs are applied.

Quarterly updates do not determine your final tax liability.

10. Consider Jointly Owned Property Separately

If you have jointly owned property, ensure that:

- Only your share of income is recorded
- Records align with how income is actually received

Detailed rules and easements apply, but these should be considered separately from the core MTD process.

11. Avoid Common Implementation Failures

Most issues arise from process rather than technical complexity.

Common problems include:

- Delaying software setup
- Failing to maintain records during the year
- Misunderstanding what income is included
- Missing submission deadlines.

12. Avoid Common Implementation Failures

If your system has not yet been tested, this should be done immediately to ensure it operates correctly from the start of the tax year.

This includes:

- Recording a full period digitally
- Producing draft quarterly figures
- Checking that data flows correctly.

13. Talk to Us

We can help you implement MTD in a way that is both compliant and practical.

This includes:

- Confirming whether MTD applies
- Recommending and setting up software
- Establishing record-keeping processes
- Supporting quarterly reporting

Taking action now ensures the transition is controlled rather than reactive.

You can:

- **Email:** info@drs-tax.com
- **Telephone:** 020 8059 1891
- **Submit an enquiry** via our [Contact Us](#) page
- **Book a free 15-minute consultation**