CLIENT GUIDE

Making Tax Digital for Income Tax

A plain-English guide for sole traders and landlords

Sarmad Global public and client edition

Sarmad Global | Bookkeeping | MTD Readiness | Practice Systems

Prepared May 2026

Making Tax Digital: the simple client guide

Making Tax Digital for Income Tax is HMRC's move from once-a-year reporting to digital record keeping and regular updates through compatible software. This guide explains what changes, what records you need, and how to avoid last-minute pressure.

Need help turning messy records into clean MTD-ready data? Contact Sarmad Global. Our specialist bookkeeping team can organise your records, prepare your quarterly information and support your filing process regardless of the software you currently use.

Who is affected and when?

Start date	Who HMRC says is brought in	What this means
6 April 2026	Sole traders and landlords with qualifying self-employment and property income over GBP50,000.	Digital records and quarterly updates are required using compatible software.
6 April 2027	Income over GBP30,000.	More clients join the system.
6 April 2028	Income over GBP20,000.	A wider group of small businesses and landlords join.

The new routine

1. **Record digitally**
   Income and expenses are entered or imported into compatible software.

2. **Clean the data**
   Bank feeds, receipts and invoices are checked and coded properly.

3. **Review each quarter**
   Figures are reviewed and questions are resolved before filing.

4. **Send HMRC update**
   The quarterly update is submitted through compatible software.

5. **Finalise the tax return**
   Year-end adjustments and tax return details are completed after year end.

Quarterly deadlines

HMRC allows standard update periods and calendar update periods. The filing deadline is the same under both patterns. Your software and accountant should confirm which period basis is being used.

Deadline	Standard period	Calendar period	Client action date
7 August	6 April to 5 July	1 April to 30 June	Send records by 25 July
7 November	6 April to 5 October	1 April to 30 September	Send records by 25 October
7 February	6 April to 5 January	1 April to 31 December	Send records by 25 January
7 May	6 April to 5 April	1 April to 31 March	Send records by 25 April

HMRC says each quarterly update is cumulative from the start of the tax year. Correcting the records in the next update is usually better than rushing incomplete numbers.

What clients should provide

- Bank statements and bank-feed access where available.
- Sales invoices, platform income, till summaries and other income records.
- Purchase invoices, receipts, mileage and expense records.
- Payroll and pension information, where relevant.
- VAT records, if VAT registered.
- Notes for unusual transactions, loans, cash payments or private expenses.

Penalties and practical protection

HMRC has introduced points-based late submission penalties. HMRC guidance says there are no penalty points for late quarterly updates in the 2026 to 2027 tax year, but updates still need to be submitted before the tax return can be completed. After that first year, missed quarterly update deadlines can create penalty points.

1 **Miss a submission deadline**

A penalty point can be added after the 2026 to 2027 tax year.

2 **Reach 4 points**

HMRC charges a GBP200 penalty.

3 **Miss another deadline**

HMRC charges another GBP200 penalty.

4 **Points stay on record**

Points can remain until HMRC conditions are met.

How Sarmad Global helps

Problem	Sarmad Global support
Messy records	We clean, code and reconcile data so it is ready for quarterly review.
Software uncertainty	We work with common bookkeeping and bridging software and can advise on a practical setup.
Deadline pressure	We set quarterly action dates and prepare figures before HMRC deadlines.
No time to manage it	We can provide bookkeeping support so your data is clean before quarterly deadlines.

HMRC sources used

This guide is based on official HMRC and GOV.UK guidance available on 25 May 2026:

HMRC/GOV.UK page	Link
Making Tax Digital for Income Tax	https://www.gov.uk/government/publications/making-tax-digital
Use Making Tax Digital for Income Tax	https://www.gov.uk/guidance/use-making-tax-digital-for-income-tax
Send quarterly updates	https://www.gov.uk/guidance/use-making-tax-digital-for-income-tax/send-quarterly-updates
Create digital records	https://www.gov.uk/guidance/use-making-tax-digital-for-income-tax/keep-digital-records
Choose MTD software	https://www.gov.uk/guidance/choose-the-right-software-for-making-tax-digital-for-income-tax
MTD penalties	https://www.gov.uk/guidance/penalties-for-making-tax-digital-for-income-tax

This document is a plain-English client guide. It is not a substitute for tailored tax advice. Filing duties can depend on income level, business structure, property income, exemptions, software choices and HMRC updates.

For further assistance with MTD readiness, bookkeeping data clean-up, software workflows or quarterly reporting, contact Sarmad Global: sarmad.accountant@yahoo.com | 020 8646 3666 | sarmadglobal.finaccord.pro