



Making Tax Digital for VAT from 1 April 2022 – does it apply to you?

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Making Tax Digital (MTD) is a vital component of the Government's plan to make it 'easier' for individuals and businesses to get their tax right and keep on top of their affairs through a fully digital tax system. From 1 April 2019 Making Tax Digital for VAT became mandatory for most VAT registered businesses with a taxable turnover above the current threshold (£85,000), and the next phase of Making Tax Digital for VAT came into force on 1 April 2022.

What has changed?

From the first VAT period starting on or after 1 April 2022, all remaining VAT registered businesses, mainly those below the £85,000 threshold, not already operating MTD for VAT under the current legislation, will have to:

- Sign-up to MTD for VAT
- Keep their records digitally (currently for VAT purposes only)
- Submit their VAT return information to HMRC using MTD compatible computer software

If your business has already been granted an exemption for MTD, this will still apply beyond 1 April 2022. If you have not already applied for an exemption and think you may be eligible, you may still be able to apply, although the conditions are narrow.

What do I need to do?

If you are not already using a compliant digital software solution, now is the time to look at your options. More information on the digital records you must keep and what constitutes MTD-compliant software can be found in [HMRC Notice 700/22](#)

Embracing digital record keeping might sound like a time-consuming and expensive process, but for most businesses, the transition is not as complex or costly as it may seem. We have been helping businesses of all sizes prepare for MTD for some time now and have a range of solutions to suit your business needs from MTD compliant accounting packages to spreadsheet solutions that link to bridging software to file your VAT return.

For practical guidance and advice please speak with your usual contact – we are here to help

CONTACT US

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