

PREPARE FOR MAKING TAX DIGITAL FOR VAT - APRIL 2022

Since the 1st April 2019, businesses that have a taxable turnover that exceeds the VAT threshold of £85,000 have been required to store their VAT records digitally and submit their VAT returns through an HMRC recognised MTD software, like Quickbooks or Xero.

Making Tax Digital for income tax has been delayed several times, so individuals are still declaring their income via an annual self assessment tax return.

WHEN WILL THIS CHANGE?

All VAT registered businesses must comply with Making Tax Digital for VAT regardless of their turnover, from **1st of April 2022**.

HMRC plans to extend its MTD for income tax pilot service from April 2021 - this is to allow individuals to be able to test the full end to end service in advance.



HOW CAN YOU PREPARE?

If you are currently VAT registered and using Making Tax Digital software to submit your VAT returns, it is likely that you will not have to make any changes, but it is worth reaching out to an accountant like Moore UK, to see if we can provide any further guidance.

If you are currently using HMRC's soft landing period, then this is due to expire on March 31st 2021. If businesses continue to use the soft landing period and do not have their digital links fully set up, then penalties from HMRC could follow.

If you fall under £85,000 threshold and are a VAT registered business then you should start to think about getting set up on a HMRC recognised Making Tax Digital software.



Moore UK recommends that if you are in this situation, that you do not leave moving to a digital platform to the last minute. This is because you will be required to set up digital links which can take a while to prepare and implement.

We recommend speaking to your accountant in time for the April 2022 deadline, so that you are well prepared.

WHY HAS MAKING TAX DIGITAL BEEN INTRODUCED?

Making Tax Digital is an initiative introduced by HMRC to make it stress free to businesses and individuals to get their tax computation as accurate as possible, this helps businesses and individuals to remain compliant with all the necessary regulations.

The Making Tax Digital initiative focuses on making essential alterations in the way the tax structure works. It modifies tax administration to make it:

- More Stress free for tax payers
- More streamlined and structured
- More operational

HOW CAN MOORE UK HELP?

At Moore UK, our experienced tax team have already assisted the first wave of clients for Making Tax Digital for VAT.

Across the UK, we have a wealth of knowledge in all of the leading cloud accounting platforms like Quickbooks and Xero and our team are able to assist you in finding a solution, that is best suited to your business. We can provide VAT technical health checks, by reviewing your current VAT management and process and we are able to find errors and suggest improvements.

[Contact your local Moore UK office today.](#)

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