



UPDATE ON MAKING TAX DIGITAL FROM ANDREW JACKSON, CHAIR OF UK200GROUP TAX PANEL – Issue 2

Multiple Tax Dates

Perhaps the most urgent question about MTD is “When do I need to start worrying about it?”

This is quite a complicated question.

Every business has a start date, and needs to start operating MTD for the first accounting period starting after that date. For example, if you have a June year end, and your start date is April 2018, your first quarterly report is for the July-September 2018 quarter and is due by the end of October 2018.

Incidentally, this means that a business with a 31 March year end gets almost a year longer before MTD starts than an identical business using 5 April. There’s the germ of an idea there somewhere...

Anyway, there are several rules about start dates, but in practice there are only about a dozen common situations. It will normally be:

April 2018 for:

- A sole trader with turnover over £85,000
- A partnership with turnover between £85,000 and £10 million

April 2019 for:

- A sole trader with turnover between £10,000 and £85,000
- A partnership with turnover between £10,000 and £85,000
- A partnership with turnover over £10 million
- A sole trader or partnership with turnover under £10,000 and a VAT registration
- A company with a VAT registration

April 2020 for:

- A company without a VAT registration

Never if:

- You’re not a company, your turnover is under £10,000, and you’re not VAT-registered
- You’re a charity; or
- You’re digitally excluded

Simple really – although some of these terms don’t mean what you might think they’d mean:

- “Never” means not in the current proposals (but maybe later)
- “Sole trader” includes private landlords
- “£10,000” means something between £10,000 and £85,000: HMRC are still thinking about it
- “£85,000” means a figure equal to the VAT threshold at the time, whether or not VAT is relevant to you
- “Charity” means a registered charity. A not-for-profit doesn’t count, and neither do any subsidiaries of a charity

- “Digitally excluded” means something - but again, HMRC are still thinking about it. All we know for certain is that it includes:
 - o Members of the Plymouth Brethren who keep bees in Cornwall; and
 - o Some other people.

So much for when taxpayers need to start worrying. Agents, of course should have started ages ago: even if you can’t actually do much at present, you should at least be giving it some thought.

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For more information on the UK200Group and our Campaign for Clarity on MTD, click [here](#) or visit www.uk200group.co.uk