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Making Tax Digital for Income Tax (MTD IT): how to get ready

From April 2026, many self-employed people, landlords and those with property income will move from one annual tax return to a digital system that sends information to HMRC more regularly. This short guide explains what's changing, who's affected, and the practical steps you'll need to take to get ready.

Understanding what MTD IT is

MTD IT replaces the traditional Self Assessment tax return with a digital reporting system. Instead of telling HMRC about your income once a year, you'll need to keep digital records and send four updates during the tax year, followed by one final declaration. Think of it as reporting little and often rather than doing everything in one go.

You'll still calculate tax in the same way overall, but the process becomes more digital and more frequent. You'll also need HMRC-recognised software, as HMRC isn't providing a free option.

Working out whether MTD IT applies to you

MTD IT is being rolled out in stages based on your gross income (not profit) from self-employment and/or property. If you earn from both, HMRC adds the totals together.

You'll need to follow MTD IT if your gross income meets HMRC's thresholds:

Mandated from	Gross income
April 2026	£50,000 or more
April 2027	£30,000 or more
April 2028	£20,000 or more

What you will need to do under MTD IT

To follow the rules, there are three core tasks:

1. **Keep digital records**
   You'll need to record your business and/or property income and expenses in a digital form as you go (for example, in spreadsheets).
2. **Send quarterly updates**
   You'll submit four cumulative (year-to-date) summaries each year showing your income and spending for your self-employment and/or property income. You need to submit the quarterly updates using HMRC-recognised software.
3. **Submit a final declaration**
   This replaces the Self Assessment return and must be submitted by 31 January.

What's not changing under MTD IT

Some key things remain the same: tax payment deadlines, the need for digital records rather than scanned receipts, and the tax rules for working out profit.

Choosing the right software

For the quarterly updates, you must use HMRC-recognised software.

TaxNav is HMRC-recognised for MTD IT and offers both a simple app and browser-based software to help you keep records and submit updates easily.

You can still use your favourite spreadsheet (or one of our templates) and submit your quarterly updates via our bridging software to the HMRC portal.

Why not join the HMRC pilot using TaxNav's software and get prepared. Our software is free to trial for the remainder of the 2025/6 tax year - **https://www.taxnav.digital/pilot**

Making sense of quarterly updates

Quarterly updates summarise your income and expenses for the year-to-date.

The submission deadlines are:

- 7 August,
- 7 November,
- 7 February and
- 7 May each year.

The updates don't require detailed explanations – you only need to submit your income/expense totals. If you have multiple trades or properties, each one requires its own update.

You can choose either standard tax-year quarters or calendar quarters and stick with this choice for the whole year.

If you miss something in one update, you can correct it at the next one.

The quarterly updates are informational only – no payment is due at that stage. After each submission, HMRC will calculate an estimated tax bill at that point of the year – just for your reference and to help with budgeting. Your final tax liability will be confirmed by HMRC after you've submitted your final declaration. That's the amount you have to pay.

What the final declaration involves

The final declaration is the digital replacement for the Self Assessment return. It factors in your quarterly update data, any other taxable income, allowances, reliefs and any adjustments. The deadline for this declaration remains 31 January following the end of the tax year.

What you'll need when registering

- [ ] Your HMRC login details and
- [ ] National Insurance number

Where to get more help

FAQs: **https://www.taxnav.digital/faq**

Contact: **https://www.taxnav.digital/contact**

in **linkedin.com/company/taxnav/**

f **facebook.com/taxnav**

▶ **www.youtube.com/@TaxNav.digital**

Your MTD IT readiness checklist

Step	Task	A helpful link	Done ✔
1	Confirm you're in MTD IT's scope and when	**More info**	[ ]
2	Choose your software (e.g. **TaxNav**)	**More info**	[ ]
3	Decide how you'll keep records	**More info**	[ ]
4	Register through HMRC	**More info**	[ ]
5	Gather key information	See above and also **more info here**	[ ]
6	Select quarterly reporting dates	**More info**	[ ]
7	Start digital record-keeping	**More info**	[ ]
8	Submit your first quarterly update via your HMRC-recognised software	**More info**	[ ]
9	Submit your next three quarterly updates		[ ] [ ] [ ]
10	Complete your final declaration	**More info**	[ ]

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