

Factsheet: Changes to expenses and record-keeping for childminders

What's changing for childminders?

For the majority of childminders, nothing is changing. You can still manage your expenses in the same way as you did before.

However from April 2026, childminders earning over £50,000 will need to follow new rules for keeping records and claiming expenses, as they will have to use Making Tax Digital (MTD) for Income Tax.

If you're in MTD, you can still claim tax relief for your business costs.

- If you are a childminder and use MTD, you will need to follow the standard rules for income tax.
- The old agreement from 1986, which allowed alternative, flexible record-keeping, will no longer apply to you once you are using MTD.
- If you do not use MTD, you can keep using the old agreement for now. You will only need to change if and when you join MTD in the future.

Making Tax Digital aims to reduce mistakes and make tax returns simpler. It will help childminders spend less time doing admin, making it easier to focus on their important childcare services rather than tax paperwork.

The government is committed to supporting childminders and ensuring that the valuable work they do is properly recognised in the tax system. These changes are administrative changes only. Childminders can continue to claim tax relief for business expenses.

Who's affected?

- From April 2026, childminders with qualifying income over £50,000 are required to use MTD.
- In 2027 the qualifying income will drop to £30,000 and then in 2028 to £20,000.

What does this mean for you?

If you earn **£50,000 or less**: you don't need to do anything differently at the moment. The current rules still apply.

If you earn **more than £50,000**:

- From April 2026, you'll need to keep digital records and claim actual business expenses under Making Tax Digital (MTD). These are the standard rules for income tax for any sole traders.
- You can still claim tax relief for things you buy, repair, or replace for your business, such as furniture, equipment, and household items.
- Under the old agreement, you could deduct 10% of your total childminding income for wear and tear. With MTD, you must claim the actual amount you spend for the purchase or replacement of household items or furniture.
- This change standardises the way that sole traders record and claim business expenses. It could actually benefit you, as it means that any business expenses you have in relation to childminding will be included in your tax calculations.

We know that some people think the old agreement is being withdrawn for everyone. This is not true. You can keep using the old agreement if your income is below the qualifying income threshold.

Where can I find out more about Making Tax Digital?

For details on when you need to start using MTD, and what you'll need to do, visit:

<https://makingtaxdigital.campaign.gov.uk/get-ready-for-making-tax-digital/>