

Making Tax Digital for Income Tax

The new way to do tax returns



Edition 8 Childminders: September 2026

Making Tax Digital (MTD) for Income Tax is now legally required for sole traders and landlords with turnover above £50,000. Individuals using MTD for Income Tax from April 2026, should continue keeping digital records and send their second quarterly update to HMRC by **7 November 2026**, using compatible software.

MTD for Income Tax will also apply to sole traders and landlords with turnover above £30,000 from April 2027. This edition includes information to help those individuals start preparing early, including how to check if MTD applies, choose compatible software, keep digital records, and access support.

The information is divided into two parts:

- **Member-facing content** - Text you can use directly in your communications, such as on your website, newsletters, or other channels.
- **Education materials** - Key details and resources to help your organisation support your members as they prepare for MTD for Income Tax

1. Member facing content

Making Tax Digital for Income Tax: Preparing for April 2027 & second quarterly update deadline

Making Tax Digital for Income Tax: preparing for April 2027

Making Tax Digital (MTD) for Income Tax is now legally required for sole traders and landlords with turnover above £50,000. MTD will then be rolled out to individuals with turnover above £30,000 from April 2027, and above £20,000 from April 2028.

If your turnover from self-employment and property is above £30,000, you may need to use MTD for Income Tax from April 2027. Although this may feel some time away, preparing early can help make the move to MTD smoother and give you more time to choose software, understand the new process, and get used to keeping digital records.

Childminders: getting ready for MTD

Many childminders run their business from home and keep track of a mixture of income, household costs, food expenses, toys, equipment and other day-to-day business costs.

Under MTD for Income Tax, you'll continue to be able to claim allowable business expenses, but you'll need to keep digital records and use compatible software if you're required to join MTD.

Good record keeping throughout the year can make it easier to identify the expenses you're entitled to claim and help reduce the amount of work needed when quarterly update deadlines arrive.

Many childminders already keep records of attendance, invoices and expenses throughout the year. MTD builds on these existing habits by requiring digital records and quarterly updates through compatible software.

Top tip: Keep receipts, invoices and records up to date as you go. A few minutes spent updating your records regularly can save time later and help ensure you're claiming all allowable expenses.

If your turnover is **over £30,000** on your 2025 to 2026 tax return, you may need to use **MTD for Income Tax from April 2027**



What can you do now?

If you think you may be legally required to use it from April 2027, there are some simple steps you can take now:

- **Check if MTD for Income Tax will apply to you** - Your qualifying income is based on your total gross income from self-employment and property. This means your income before expenses are deducted.

- **Understand the key dates** - MTD for Income Tax is already in place for those with turnover above £50,000. It will apply to those with turnover above £30,000 from April 2027, and above £20,000 from April 2028.
- **Think about software early** - You will need to use MTD-compatible software to keep digital records and send quarterly updates to HMRC.
- **Start building good record-keeping habits** - Keeping records up to date throughout the year can make it easier to send quarterly updates when they are due.
- **Speak to your agent** - If you use an accountant, bookkeeper or tax agent, speak to them about what MTD for Income Tax means for you and how they can support you.
- **Use HMRC guidance and support** - GOV.UK has step-by-step guidance, videos and webinars to help you understand what you need to do and when.

The earlier you start preparing, the more time you'll have to understand your obligations, explore software options and make the transition at a pace that works for you.

For more information, visit [Making Tax Digital for Income Tax](#).

Reminder: Second Quarterly Update deadline

If you are already using Making Tax Digital for Income Tax, you will need to send quarterly updates to HMRC every 3 months using compatible software.

More than 467,000 sole traders and landlords have already successfully sent their first quarterly update using Making Tax Digital for Income Tax software. If you haven't yet sent yours, you can still do so, with no penalty points for late quarterly updates during the 2026 to 2027 tax year.

The deadline for the second quarterly update is **7 November 2026**.

Quarterly updates are not tax returns. They are simple summaries of your income and expenses, pulled by your software from the digital records you have been keeping.

Each quarterly update covers the tax year to date, not just the previous 3 months. This means that if you need to correct your earlier records, you do not need to resend a previous update. Any correction will be included in your latest update by your software.

You do not need to make accounting or tax adjustments before sending a quarterly update. Your software will use the digital records you have created to produce totals for each income and expense category.

After sending an update, you will be able to see an estimate of your tax bill for your self-employment and property income in your software or in your HMRC online services account.

Before sending your second quarterly update

You should make sure that:

- your digital records are up to date
- your software is connected to HMRC
- you have checked the figures your software has produced
- you send the update by **7 November 2026**

If you have not received any income or incurred any expenses during the update period, you must still send your quarterly update to tell HMRC.

Remember: HMRC needs to have received your quarterly updates to allow you to submit your tax return.

For more information, read the guidance on [how to send quarterly updates for MTD for Income Tax](#).

Need to use MTD for Income Tax but haven't signed up yet?

Take action now

If you're required to use MTD for Income Tax for the 2026 to 2027 tax year but have not yet signed up, now is the time to take action. From September 2026, HMRC will begin signing up taxpayers who should already be using MTD for Income Tax but have not yet done so. This activity will take place in stages over the coming months.

By signing up yourself now, you stay in control. You'll have the opportunity to check your details are correct, and prepare in your own time rather than waiting to be contacted by HMRC.

Top tip: Sign up now using the [guidance available on GOV.UK](#) and give yourself time to get set up and ready before HMRC begins contacting taxpayers.

Myth Busters

We've tackled five of the most common myths about software, quarterly updates, deadlines and income, so you can focus on what really matters.

Myth 1: "A quarterly update is the same as a tax return."

Busted!

A quarterly update is not a tax return.

Quarterly updates are simply summaries of your income and expenses, created from the digital records you've kept in your software. They help keep your tax information up to date during the year and allow you to see an estimate of your tax calculation as it builds.

You do not need to make accounting or tax adjustments before sending a quarterly update. Those adjustments are made later as part of your end-of-year obligations.

Top tip: Think of quarterly updates as regular check-ins that help you keep on top of your records throughout the year.

Myth 2: "If I don't have any income or expenses, I don't need to send an MTD update."

Busted!

If you're legally required to use Making Tax Digital for Income Tax, you still need to send your quarterly update, even if there has been no activity during the update period.

Submitting an update lets HMRC know that there were no transactions to report and helps ensure your obligations remain up to date.

Top tip: Set a reminder before each quarterly update deadline, even during quieter trading periods.

Myth 3: "Making Tax Digital means I'll have to pay tax four times a year."

Busted!

Making Tax Digital (MTD) for Income Tax changes how you report information to HMRC, but it does not change when you pay your tax.

You'll send quarterly updates throughout the year using compatible software, but these are simply summaries of your income and expenses. They are not tax payments and do not create new payment deadlines.

If you're already familiar with Self Assessment, tax payment deadlines remain the same. The main change is that you'll keep digital records and send updates to HMRC more regularly.

Top tip: Use the estimated tax calculation in your software to help budget for future tax payments.

Myth 4: "I need to buy expensive new software for MTD."

Busted!

There are a range of software options available for Making Tax Digital (MTD) for Income Tax, including free and low-cost products.

The right option for you, will depend on your circumstances and the way you manage your records. Options may include software that helps you create and maintain digital records, bridging software that works alongside existing spreadsheets, and in some cases software available through your existing bank account provider.

Not all software products offer the same features, and the most expensive option isn't always the right one for you.

Top tip: Before choosing software, use [HMRC's software finder tool](#) to check that it's compatible with MTD for Income Tax, and watch the '[How do I choose software for Making Tax Digital for Income Tax?](#)' video to help you compare the options available.

Myth 5: "Only my self-employment or property income matters under MTD."

Busted!

Making Tax Digital (MTD) for Income Tax applies based on your qualifying income. This means the total gross income (often called turnover) you receive from self-employment and property before expenses are deducted.

You'll send quarterly updates for your self-employment and property income through MTD-compatible software. If you have other income sources, such as PAYE employment and pension income, you will still need to include them in your tax return, which will also be submitted through your software.

Top tip: If you're unsure whether MTD applies to you, remember that the threshold is based on your self-employment and property income, but you'll still need to consider any other taxable income when completing your tax return.

Where to find more information:

- Check [MTD for Income Tax dates you need to know](#) for a clear timeline of start dates, quarterly update deadlines, and Self Assessment tax return deadlines.
- Read the guidance on [how to send quarterly updates for MTD for Income Tax](#).
- Use the GOV.UK software finder to [find software that's compatible with Making Tax Digital for Income Tax](#).
- Read the guidance on [creating digital records for MTD for Income Tax](#).
- Check [Making Tax Digital for Income Tax for sole traders and landlords](#) for step-by-step guidance.
- Check the [new late submission and late payment penalties](#) for information on the new penalties under Making Tax Digital for Income Tax.
- Visit [Help and Support for Making Tax Digital](#) for webinars, videos, and support content for taxpayers, businesses and agents.

2. Education materials - how you can help your members prepare for MTD

To help educate and raise awareness of Making Tax Digital (MTD) for Income Tax, HMRC has created materials that you may share to support your members as they prepare for this new digital process.

- **New Software selection video:** HMRC has published a video on [how to choose software for Making Tax Digital for Income Tax](#). This can help individuals understand what to think about when choosing compatible software, including the different features available and where they can find further information.
- **New Making Tax Digital for Income Tax video:** HMRC has published a video on [Making Tax Digital for Income Tax](#). This can help to bring the customer experience to life in a simple and accessible way, as they prepare for and use MTD.
- **Sign up video guide:** HMRC have created a [step-by-step video guide](#) that takes the user through the process of signing up to MTD for Income Tax.
- **Digital leaflet:** HMRC has created a [simple digital leaflet](#) which explains the changes and provides a checklist to get ready.

- **Quarterly updates guidance:** Share HMRC guidance on [how to send quarterly updates for MTD for Income Tax](#), including what quarterly updates are, when they are due, and what information is included.
- **Step-by-step guidance:** Encourage members to use [Making Tax Digital for Income Tax for sole traders and landlords](#), which provides practical guidance on how to get ready.
- **Sharing information to your networks:** [Follow HMRC social media](#) and share MTD updates with your networks. HMRC also has [ready-to-use campaign materials](#) available to communicate MTD requirements to your members.
- **HMRC webinars and videos:** HMRC provides webinars and video support for different audiences. Encourage your members to view these free, practical sessions. Visit GOV.UK for more information on [registering and joining webinars](#).



For helpful guidance on how to use Making Tax
Digital for Income Tax visit
makingtaxdigital.campaign.gov.uk