

Making Tax Digital

Big changes are coming to the UK tax system. Will you be ready?

What Is Making Tax Digital?

The face of tax is changing. Under the Making Tax Digital programme, the government is aiming to modernise the UK tax system, making it more effective, more efficient and easier to use. The full transformation is expected to happen before 2020, but there are some important deadlines for businesses before that date – one of which is coming in April 2019.

As well as enabling individuals and organisations to submit their tax returns and information electronically, the new system will make it easier for them to view and manage their records. Not only is this system expected to be faster, it will reduce the chance of mistakes, which can be expensive to rectify – both for HMRC and businesses.

What's Happening In April 2019?

From this date, all businesses with annual turnover that exceeds the VAT threshold of £85,000 will be required to meet their VAT obligations through the new system. According to the government's guidance, they will have to "keep their records digitally (for VAT purposes only)" and "provide their VAT return information to HMRC through Making Tax Digital compatible software."

In many cases, this will mean upgrading to new accounting software, such as Pegasus Opera 3, which is fully compatible with the new system.

Advantages Of Making Tax Digital

Although the government isn't yet enforcing Making Tax Digital beyond VAT, it is opening up the system beyond that on a voluntary basis, and it's anticipating a healthy level of interest from businesses, including those that aren't mandated by the VAT obligations.

From April 2018, businesses will be able to voluntarily submit income tax records digitally, as well as sending quarterly summary updates to HMRC, using compatible software or apps. Making Tax Digital will also be available for National Insurance contributions.

Key advantages include:

- Always knowing where you stand when it comes to tax.
- Having access to tax information online in a single place.
- Being able to work online collaboratively with an agent.
- Being able to plan and budget more effectively.

How Can TMB Help?

As an award-winning reseller of Pegasus software, we can help you get the best deals on Opera 3. This up-to-date accounting and payroll solution is designed with SMEs in mind – and it's fully compliant with Making Tax Digital.

For more information about Opera 3, contact TMB on [0333 900 9050](tel:03339009050) or email info@tmb.co.uk. If you're already a TMB customer, you can also speak directly to your account manager.