

## RECENT DEVELOPMENTS – JULY 2017

### IMPLEMENTATION OF MAKING TAX DIGITAL-CHANGES TO TIMETABLE ANNOUNCED

Ministers have confirmed a new timetable for Making Tax Digital.

Roll out for Making Tax Digital has been amended to ensure businesses have plenty of time to adapt to the proposed changes.

Under the new timetable:

- only businesses with a turnover above the VAT threshold (currently £85,000) will have to keep digital records and only for VAT purposes
- they will only need to do so from 2019
- businesses will not be asked to keep digital records, or to update HMRC quarterly, for other taxes until at least 2020

Making Tax Digital will be available on a voluntary basis for the smallest businesses, and for other taxes.

This means that businesses and landlords with a turnover below the VAT threshold will be able to choose when to move to the new digital system.

As VAT already requires quarterly returns, no business will need to provide information to HMRC more regularly during this initial phase than they do now.

Changes to VAT reporting will come into effect from April 2019. From that date, businesses above the VAT threshold have to provide their VAT information to HMRC through Making Tax Digital software.

All businesses and landlords will have at least two years to adapt to the changes before being asked to keep digital records for other taxes.

We will be pleased to discuss how these changes may affect your business and to discuss how to plan effectively for them.

Please do not hesitate to contact either Matthew Billingham or Miles Billingham if you have any queries on these changes.

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