My Tax Digital®
by Open Answers

MTD VAT & Income Tax Self Assessment

Background

Since 2019 My Tax Digital has successfully submitted billions in VAT returns on behalf of tens of thousands of businesses allowing them to be MTD compliant.

With the forthcoming mandation of Making Tax Digital for Income Tax Self Assessment, My Tax Digital now supports digital income tax submissions for sole traders and landlords.

What is ITSA?

- Making Tax Digital for Income Tax Self Assessment (ITSA) is a new system for sole traders and landlords.
- It requires them to report income and expenses to HMRC digitally.
- It's currently voluntary, but many will be required to use it starting in April 2026.

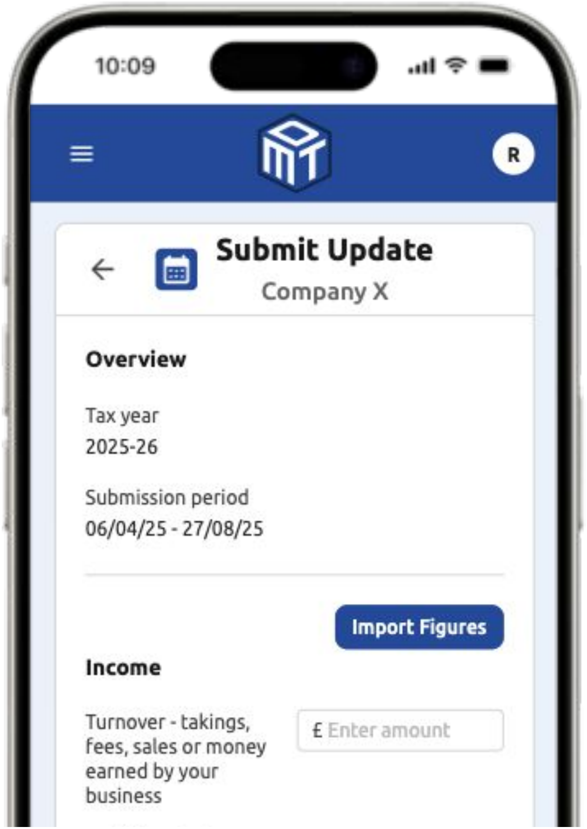
New Mandatory Filing Rules

- Who: Individuals with qualifying income over £50,000.
- When: Starting in April 2026.
- How: My Tax Digital

New ITSA Features

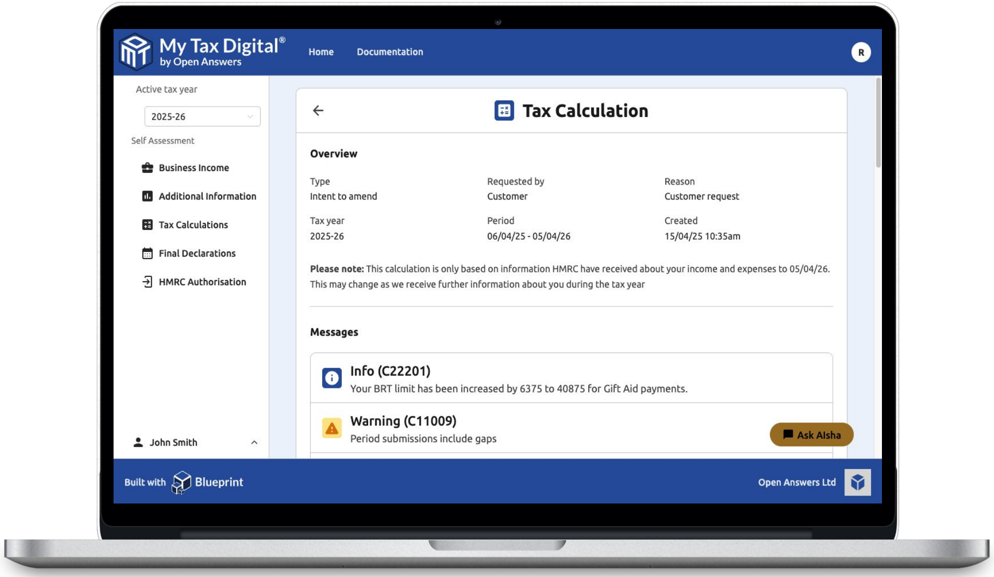
Expanded Income Support: Support for MTD for Income Tax Self Assessment (ITSA), allowing users to submit periodic updates for self-employment and both UK and foreign property income.

End-to-End Functionality: The software will offer a full suite of features to meet MTD requirements, including creating and maintaining digital records, submitting quarterly updates, viewing estimated tax liabilities, and making final adjustments.



Comprehensive Tax Calculations: The software retrieves tax calculations directly from HMRC, providing users with in-year estimates, annual forecasts, and end-of-year calculations. By the 2026/27 tax year, it will also support a wide range of non-mandated income sources like UK interest, dividends, and pensions.

Bridging Software Option:
Users who prefer to keep their records in a spreadsheet, like Microsoft Excel, can use My Tax Digital as bridging software to submit their income tax returns to HMRC.



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My Tax Digital: Your MTD ITSA Journey

MTD ITSA for Sole Traders & Landlords

For: Sole traders and landlords
Qualifying Income: > £50,000
Mandatory Start: April 2026

Digital Reporting & Expanded Income Support

- Report Income & Expenses Digitally
- Submit Periodic Updates
- Covers Self-Employment, UK & Foreign Property Income

End-to-End Functionality

- Create & Maintain Digital Records
- Submit Quarterly Updates
- View Estimated Tax Liabilities
- Make Final Adjustments

Bridging Software Option

- Use Spreadsheet Records (e.g., Excel)
- My Tax Digital Acts as Bridging Software
- Submit Income Tax Returns to HMRC

Comprehensive Tax Calculations (from HMRC)

- Direct from HMRC
- In-Year Estimates & Annual Forecasts
- End-of-Year Calculations
- Supports UK Interest, Dividends, Pensions (by 2026/27)