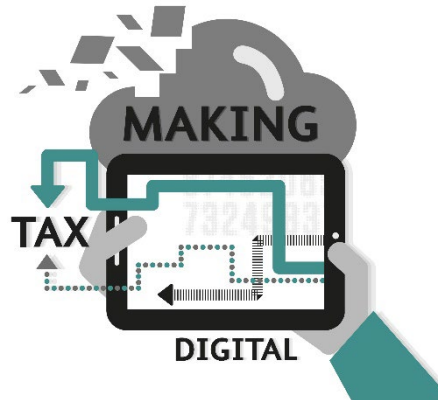




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Making Tax Digital for Landlords



A practical guide for UK landlords — including those with multiple or overseas properties — to understand Making Tax Digital (MTD) for Income Tax and how to prepare.

What is Making Tax Digital?

Making Tax Digital (MTD) for Income Tax is a UK government initiative requiring landlords to keep digital records and submit quarterly income updates to HMRC using compatible software, followed by a final annual declaration.

Reminder: When it applies

MTD will apply to landlords based on gross qualifying income:

- 1 **From 6 April 2026** – income above £50,000
- 2 **From 6 April 2027** – income above £30,000
- 3 **From 6 April 2028** – income above £20,000

Qualifying income includes UK rental income and foreign rental income if you are UK tax resident. Thresholds are based on income before expenses.

What landlords will need to do

- 1 Keep digital records of income and expenses
- 2 Submit four quarterly updates each tax year
- 3 File a final year-end declaration via compatible software

Tax payment deadlines themselves are not changing — only the reporting process.

If you own overseas property

Foreign rental income is included where you are UK tax resident. Digital record keeping becomes especially important for currency tracking, expenses and consolidated reporting across properties.



Key Filing & Payment Dates

Quarterly filing deadlines (based on standard tax year):

- 7 August (for period 6 April – 5 July)
- 7 November (for period 6 April – 5 October)
- 7 February (for period 6 April – 5 January)
- 7 May (for period 6 April – 5 April)

Final declaration deadline:

- 31 January following the end of the tax year

Tax payment dates remain unchanged:

- 31 January (balancing payment and first payment on account)
- 31 July (second payment on account, where applicable)

How to prepare now

- 1 Review your total rental income across all your properties
- 2 Separate property finances from personal spending
- 3 Move to digital bookkeeping where possible
- 4 Choose suitable MTD-compatible software
- 5 Register for MTD for Income Tax

<https://www.gov.uk/guidance/sign-up-your-business-for-making-tax-digital-for-income-tax>

- 6 Seek professional advice if unsure

What qualifying income is

Your qualifying income is the total income you get in a tax year from self-employment and property. Your total income may come from more than one source of self-employment or property income.

All other sources of income reported through Self-Assessment do not count towards your qualifying income, such as income from:

- employment (PAYE)
- your share of profit from a partnership as an individual partner
- dividends (including those from your own company)
- a State Pension
- private pensions

Working out your qualifying income

HMRC will assess your gross income (income before you deduct expenses, also called your turnover). You should also check your qualifying income yourself.

To assess your qualifying income for a tax year, HMRC will look at the Self-Assessment tax return that you submitted in the previous tax year.



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For example, your gross income could be:

- £27,000 from rental income
- £25,000 from self-employment income

In this example, your total qualifying income would be £52,000.

HMRC will review your return and find your income is above the relevant threshold, they will write to you confirming that you need to use Making Tax Digital for Income Tax by the start of the next tax year.

Even if you do not receive a letter, you must still check your qualifying income to find out if you need to use the service and sign up.

Ceased income sources

Self-employment or property income that has ceased since you submitted your last tax return will be included in your qualifying income, if you have another continuing source of self-employment or property income.

For example, you may have had 3 different sources of self-employment income on your tax return for the 2024 to 2025 tax year. If one of these sources ceased during that tax year but you continue to receive income from the other 2 sources, the income received from the ceased source will still count towards your qualifying income.

If your income from self-employment or property (including income from ceased sources) is more than the relevant threshold, you'll need to use Making Tax Digital for Income Tax.

Once you start using the service and your qualifying income drops below the relevant threshold for 3 tax years in a row, you can choose to opt out.

If all your self-employment or property income sources have ceased since you submitted your last Self-Assessment tax return, you:

- will not need to use Making Tax Digital for Income Tax
- should tell HMRC

If you have another reason to submit a tax return, you will still need to complete one as normal.

If you get income from a jointly owned property

Your share of the property income will count towards your qualifying income. For example, you:

- jointly own a property with your sibling which generates £50,000 in income
- both receive an equal share
- do not have any income from self-employment

In this example, your qualifying income would be £25,000.

If you jointly own a property and only receive notice of your share of the income after expenses have been deducted, then HMRC will assess that figure for your qualifying income.



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Final thought

MTD is primarily a compliance change, but it can improve visibility of tax liabilities and overall financial control across your property portfolio when implemented properly.

Our Advisory Approach

We support clients transitioning to digital tax reporting through software implementation, compliance reviews, quarterly reporting support and ongoing strategic advisory services.





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