



Landlords and Making Tax Digital

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What we'll be covering

- / What is Making Tax Digital (MTD) for Income Tax?
- / How will it affect landlords?
- / Introduction to Hammock
- / Next steps

What is MTD for Income Tax?

- / MTD = the Government's initiative to digitalise tax administration
- / The aim, according to HMRC is to: *"...make it easier for individuals and businesses to get their tax right and keep on top of their affairs"*
- / *For landlords: essentially, using software to manage your rental property accounts and submitting these to HMRC*
- / *Ultimate aim is surely to collect tax earlier*

What is MTD for Income Tax?

- / Will be introduced 6 April 2024... in the tax world that isn't far away!
- / Will affect landlords with 'income' (not profit) of at least £10,000
- / *Also need to consider self-employment income in income test*
- / *Quarterly filings will need to be made to HMRC*
 - *5 August (period 6 April – 5 July)*
 - *5 November (period 6 July – 5 October)*
 - *5 February (period 6 October – 5 January)*
 - *5 May (period 6 January – 5 April)*

What is MTD for Income Tax?

- / A 'End of period statement' (EOPS) to be submitted to HMRC
- / Lastly, a final declaration disclosing other income and reliefs

The bad news first...

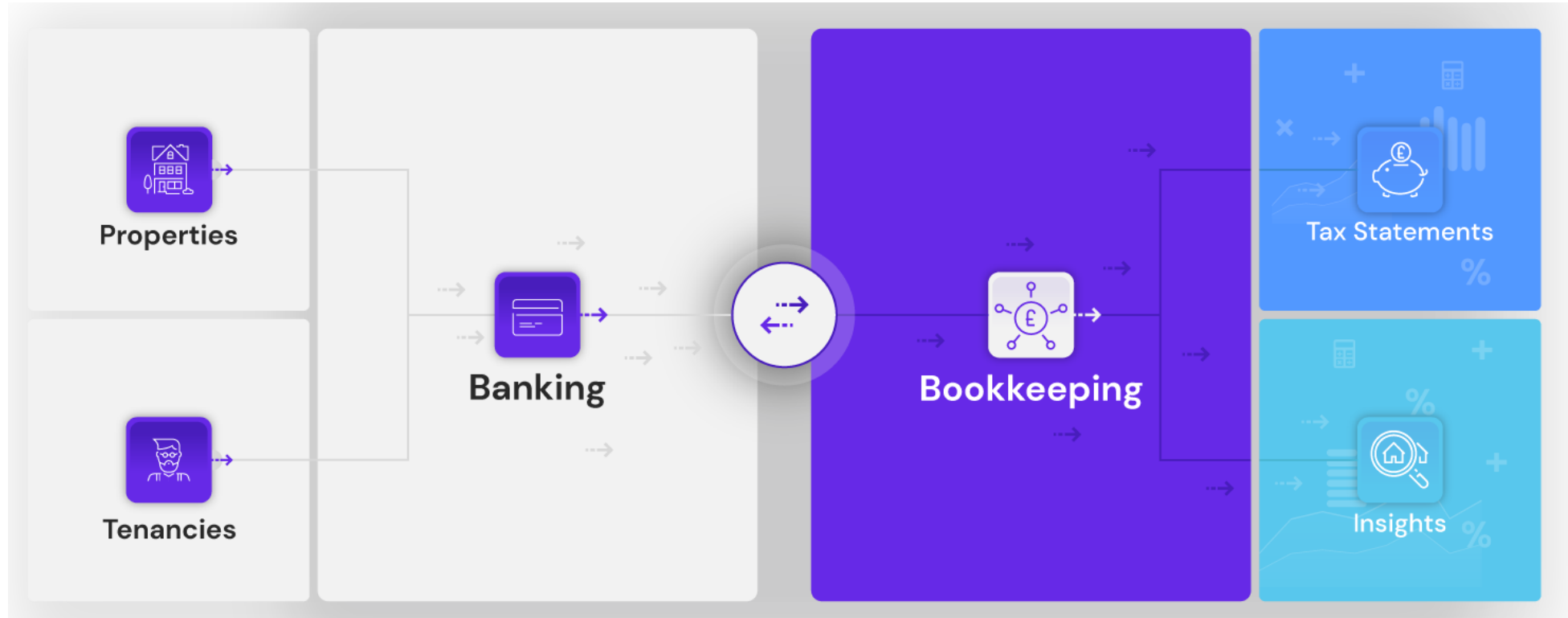
- / One single tax return is being replaced with six submissions to HMRC
- / Additional work by the accountant/tax adviser normally means additional professional fees
- / Potentially, quarterly tax payments, 30 days after the filing deadline

...and now the good news

- / Organised records and accounts
- / Financial statements instantly accessible on mobile phone, tablets or laptops
- / Recordkeeping in one place
- / Central location for documents (tenancy agreements, certificates, inventory etc)
- / Tax affairs up to date with HMRC

How we can help

/ What Hammock can do...



Next steps – Hammock

- / Register for Hammock using the link provided
- / Link bank accounts
- / Book in call with Hammock for 30 minute training

Next steps – BKL

- / Review the position in respect of fees. General options:
 - Do nothing – this will result in more time spent by BKL and therefore the annual fee will have to increase
 - Sign up for Hammock – the software fees are included within your BKL fee and therefore a small increase is expected
 - Sign up for Hammock and for BKL direct debit payments (quarterly or half yearly) – BKL committing to keeping clients on current fee levels

Thank you



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