

# Making Tax Digital for VAT

Many business owners will be aware of the new HMRC regulations being enforced from April 2019, for Making Tax Digital.



Unfortunately, there are just as many who have yet to comprehend, how this imposed initiative will affect their business.

From 1 April 2019 all VAT registered businesses with taxable turnover above the VAT threshold of £85,000 will be required to:

- Keep their accounting records digitally in a software product or spreadsheet.
- Submit their VAT returns to HMRC using a compatible software solution.

### How does it affect my business?

Reassuringly, there are no changes to the underlying VAT rules, only the submission process.

'Making Tax Digital' applies to your business for the first VAT quarter that starts on or after 1 April 2019.

A six-month deferral to October 2019 will apply to some businesses which fall into specific categories; these will be directly notified by HMRC.

### Is your business ready for MTD?

It is required that all eligible businesses use software to submit their VAT returns digitally. Paper records will no longer meet the legal requirements in tax legislation.

A business must either use HMRC compatible accounting software, 'bridging software' (mainly for spreadsheet users) or appoint an agent to submit returns to HMRC on their behalf.

### What are my choices?

There are many cloud-based MTD compatible accounting software options available such as Xero, Quickbooks and Sage. These provide many benefits to a business aside from being MTD compliant.

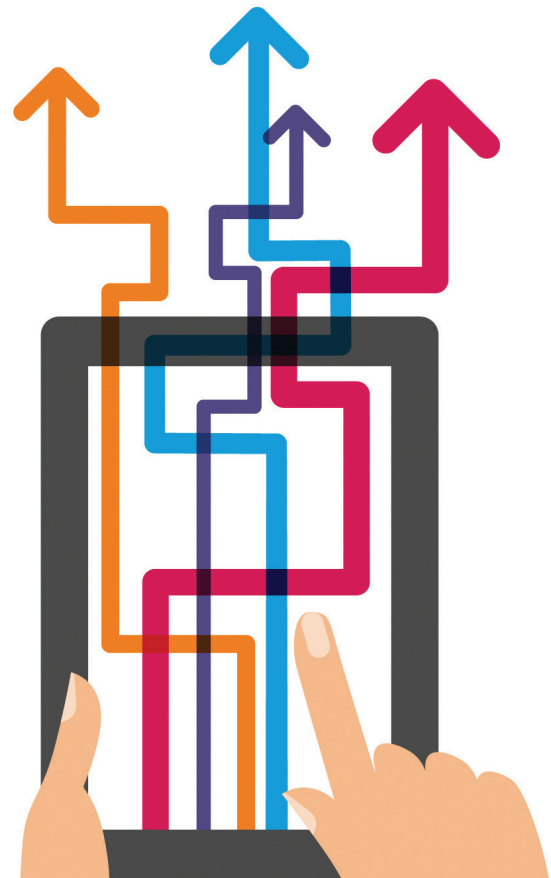
For those using Excel spreadsheets, you must use 'bridging software' to create the digital link with HMRC.

### Will the changes benefit my business?

Embracing these digital changes with the right solution to suit your business or organisation has the potential to unlock benefits such as identifying key issues early, reviewing figures on a more regular basis and advance warning of future tax obligations. These allow a business to delve deeper into how it's performing in real time and allow for effective planning, forecasting and budgeting.

It is vital that you discuss all available options with a professional advisor to ensure a proactive approach is taken to address these mandatory changes.

For further advice call Denny on **01892 784 321** or visit [www.honeybarrett.co.uk](http://www.honeybarrett.co.uk)



## Making TAX DIGITAL

**Honey Barrett**  
Chartered Accountants

### Need help with Making Tax Digital for VAT?

For advice on these digital changes contact our team of experts today

**Eastbourne 01323 412277**  
**Bexhill 01424 730345**  
**Wadhurst 01892 784321**

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