



## Making Tax Digital:

What businesses & landlords need to know in 2026

By Linggard & Thomas



Linggard  
& Thomas  
Accountants  
Empowering Your Business

### A simpler, smarter way to manage tax

Running a business today means balancing customers, suppliers, cash flow, and day-to-day operations. Tax compliance often ends up at the bottom of the list, until deadlines appear.

**Making Tax Digital (MTD)** is designed to change that by moving businesses towards a more streamlined, digital way of managing tax.

MTD is HMRC's initiative to modernise the UK tax system. Instead of relying on paper records or last-minute submissions, businesses are encouraged and, in many cases, required to keep digital records and submit updates using compatible software.

While some parts of the system are already in place, the rollout continues to expand, making it increasingly important for businesses to understand what's coming next.

### What does MTD actually involve?

In simple terms, Making Tax Digital requires self-employed businesses and landlords to:

- Keep financial records in digital form
- Use HMRC-approved accounting software
- Submit tax information electronically, on a quarterly basis

VAT-registered businesses are already within the MTD system, and as of the 06/04/2026 it will also apply to Income Tax for sole traders and landlords with qualifying income above £50,000, from 2027 it will be £30,000.

### Why it matters for your business

At first glance, MTD may sound like an added layer of administration. In reality, when set up properly, it can make day-to-day financial management significantly easier.

### More control, less guesswork

Digital records give you a real-time view of income, expenses, and profit, helping you understand how your business is performing throughout the year.

### Fewer errors

Manual bookkeeping increases the risk of mistakes. Digital systems help reduce missing data, duplication, and miscalculations.

### Time savings

Automation tools such as bank feeds, invoice tracking, and expense categorisation can reduce hours of manual work each month.

### Less stress at year-end

With accurate records maintained throughout the year, tax returns become far more straightforward.

### Who should be preparing?

If you are self-employed or a landlord, MTD is something to plan for now rather than later.

Even if you are not yet required to comply, early adoption can make the transition smoother and help your business become more organised and efficient.

### Common concerns

We often hear concerns such as:

#### “I'm not very tech-savvy.”

Modern accounting software is designed for ease of use, with simple dashboards and mobile access.

#### “It will cost too much.”

Most businesses find the time saved and improved accuracy outweigh the monthly software cost.

### “It sounds complicated.”

With the right setup and guidance, the process is usually far more straightforward than expected.

### How Linggard & Thomas can help

Every business is different, which is why tailored support is key. We help clients:

- Understand MTD requirements
- Select suitable accounting software
- Set up efficient digital bookkeeping systems
- Maintain compliance with HMRC rules
- Prepare for future changes with confidence

Our aim is to remove confusion and make tax management as straightforward as possible.

### Looking ahead

Making Tax Digital is more than a compliance change, it's an opportunity to modernise how businesses manage their finances.

Those who prepare early are better placed to stay organised, reduce stress, and make more informed financial decisions.

If you would like clear, practical advice on how MTD affects your business, **Linggard & Thomas** are here to help.



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🌐 [www.linggardandthomas.co.uk](http://www.linggardandthomas.co.uk)

☎ 01637 801083

✉ [info@linggardandthomas.co.uk](mailto:info@linggardandthomas.co.uk)

📍 Kew An Lerg, Stret Myghtern Arthur, Nansledan, Cornwall, TR8 4UX