

Dear customer,

You may need to change the way you report your income and expenses

We're changing the way some sole traders and landlords need to report their income and expenses.

If your total income from self-employment and property is over £50,000 (before deducting expenses or taxes) in your 2024-25 tax return, you'll need to use Making Tax Digital for Income Tax from 6 April 2026 (unless you're exempt).

What is Making Tax Digital for Income Tax

It's a new way of recording and reporting your income and expenses from self-employment and property. This means you'll need to get commercial software that works with Making Tax Digital for Income Tax, which can help you to:

- create, store and correct your digital records of income and expenses
- send us your quarterly updates (summaries of your digital records)
- submit your tax return.

Get the benefits of signing up early

You may be able to sign up now for the 2025-26 tax year and start using Making Tax Digital for Income Tax straight away. This is the best way to help you get ready and test the service.

This means you'll have:

- more time to get used to the changes
- exclusive access to our dedicated Customer Support Team - they'll help you with Making Tax Digital for Income Tax and with some of your other income tax queries.

To find out more, go to GOV.UK and search 'sign up voluntarily for Making Tax Digital for Income Tax'.

What you need to do to get ready

If you are affected by this change you should start preparing now. You'll need to sign up for Making Tax Digital for Income Tax by April 2026.

Please scan the QR code in this letter or go to GOV.UK and search 'Making Tax Digital for Income Tax for individuals step by step'. You can then work out:

- if you're likely to be affected
- what to do if you are affected, including how to sign up.

More information

Please go to GOV.UK and search:

- 'get ready for Making Tax Digital for Income Tax' to find out more about the benefits of signing up now
- 'Making Tax Digital for Income Tax exemption' to find out if you might be exempt.

If someone helps you with your tax, you may want to speak to them about this letter.

Yours sincerely,