GB CAPSTONE

FREE GUIDE · FOR APRIL 2027 AND APRIL 2028

MAKING TAX DIGITAL FOR LANDLORDS: YOUR FIRST YEAR

Who has to start in April 2027 and April 2028, what changes, and how to get ready.

1. ARE YOU IN, AND WHEN?

Making Tax Digital for Income Tax applies to landlords and sole traders by the size of their qualifying income. HMRC takes the figure from your Self Assessment tax return.

Qualifying income	Tax year HMRC looks at	You start on
Over £50,000	2024/25	6 April 2026
Over £30,000	2025/26	6 April 2027
Over £20,000	2026/27	6 April 2028

Qualifying income is your rent plus any self-employed sales, before expenses. Salary, pensions, dividends and your share of partnership profit do not count.

HMRC writes to the people it expects to join. If no letter comes, it is still your job to check.

Joint owners count their own share

Two people who own a property together each count their own share of the rent. £50,000 of rent shared equally is £25,000 each.

A part year

If you let for only part of a tax year, you scale the rent up to a full year to work out your qualifying income.

> ### Worked example: two flats, £34,000 of rent
>
> A landlord received £32,000 of rent in 2024/25 and £34,000 in 2025/26. The first figure is under £50,000, so nothing changed in April 2026. The second is over £30,000, so Making Tax Digital starts on 6 April 2027.
>
> Owned jointly with a spouse in equal shares, each would count £17,000, and neither would be over a threshold.

Tool: gbcapstone.com/tools/making-tax-digital-checker

2. WHAT CHANGES

Three things change. The tax itself does not.

- **Digital records.** You keep your rent and expenses in software that works with Making Tax Digital.
- **Quarterly updates.** Every three months the software adds up your records and sends HMRC the totals. These are summaries, not tax returns. HMRC does not see your receipts or invoices.
- **A tax return at the year end**, sent from software.

Your four deadlines

Update covers	Send by
6 April to 5 July	7 August
6 April to 5 October	7 November
6 April to 5 January	7 February
6 April to 5 April	7 May

Each update covers the tax year so far, so a mistake in one quarter is put right in the next. You can use calendar quarters (to 30 June, 30 September, 31 December and 31 March) with the same deadlines. You choose this in the software before your first update.

- An update is due even for a quarter with no income and no expenses.
- You can send an update from 10 days before the end of the quarter, if you expect nothing more to come in.
- For a jointly let property you can send income only in the quarterly updates, and add the expenses at the year end.

After each update, HMRC shows you an estimate of your tax bill for the year so far.

3. WHO IS OUTSIDE IT

- **Qualifying income of £20,000 or less.** You are exempt.
- **Companies and partnerships.** Making Tax Digital for Income Tax is for individuals. Partnerships do not have a start date yet.
- **Trusts and non-resident companies.** Exempt.
- **No National Insurance number** before the start of the tax year: exempt for that year.
- **Living abroad.** If your 2024/25 return included the residence pages (SA109), you did not have to start in April 2026. You start in April 2027 if your 2025/26 qualifying income was over £30,000.

Applying for an exemption

You can apply if it is not reasonable for you to use software: because of your age, a health condition or a disability, because of your religion, or because you cannot get internet access. HMRC will not accept that you filed on paper before, that you are not used to software, or that it will cost time or money.

Leaving later

Once you are in, you can choose to leave if your qualifying income stays below the threshold for 3 tax years in a row.

4. GETTING READY

- [ ] Add up your rent before expenses for 2025/26 and 2026/27. Use your own share of joint property.
- [ ] Decide who sends the updates: you, or your accountant as your agent.
- [ ] Choose software that works with Making Tax Digital for Income Tax.
- [ ] Keep the rent and the property costs apart from your personal spending.
- [ ] Sign up before 6 April of your first year.
- [ ] Put 7 August, 7 November, 7 February and 7 May in your diary.
- [ ] Send your last ordinary Self Assessment return, for the year before you start, by its usual deadline.

Sources

- GOV.UK: Find out if and when you need to use Making Tax Digital for Income Tax
- GOV.UK: Work out your qualifying income for Making Tax Digital for Income Tax
- GOV.UK: Find out if you can get an exemption from Making Tax Digital for Income Tax
- GOV.UK: Use Making Tax Digital for Income Tax, send quarterly updates

Talk it through first

Book a free 20-minute call at gbcapstone.com/contact. Free, and no obligation to go further.

Glenn Broome, Chartered Accountant (CA ANZ) · GB Capstone is a trading name of Glenn Broome.

This guide is general information about UK tax, correct as at 27 November 2026. It is not advice on your own affairs. The answer for you depends on your own figures.