



**WILL YOU BE
READY FOR
MAKING TAX
DIGITAL BY
1 APRIL 2019?**

Will you be ready for Making Tax Digital by 1 April 2019?

The deadline for Making Tax Digital (MTD) for VAT is fast approaching and will affect the majority of farming businesses. We wanted to provide an update on the action you should be taking now, to ensure the way you keep your accounting records is compliant for 1 April 2019.

Who does MTD affect?

All VAT-registered UK businesses with a turnover above the VAT threshold of £85,000 will need to keep digital records and submit VAT returns to HM Revenue & Customs (HMRC) using MTD compatible software.

Turnover for VAT purposes does not include rental income from residential lettings or subsidy receipts. Therefore, we would suggest that if you are close to the £85,000 threshold you contact us to clarify your position.

What does 'digital' mean?

Digital means you need to maintain your records in a format which can be directly linked to HMRC when submitting your VAT return. Spreadsheets and handwritten records are not classed as digital and will not be MTD compliant.

Check to see if you need to take action:

Action is required

- If you keep your records using:
- Spreadsheets
 - Manual records
 - Any software which is not MTD compliant. Please contact your provider if you are unsure if your software is compliant.

More information is needed

If you have an old version of a software package you should review your options – we will be happy to talk these through with you.

No further action needed

If you are already keeping your records in a digital format then your software provider should be taking steps to ensure it is MTD compliant.

HMRC can offer an exemption from complying with MTD if they believe it is not reasonably practical for you to keep digital records and submit returns for reasons such as age, disability and remoteness of location. However, this exemption will not be allowed easily or often.

Please speak to your usual Ellacotts contact for more information on any queries you might have. We will be delighted to discuss your options with you.