



HMRC change of heart is good news for landlords - claim

by Graham Norwood

Landlords have been given a boost from an unlikely source - HM Revenue & Customs.

HMRC has given landlords and other businesses a further year to prepare for its controversial Making Tax Digital initiative, which was to have applied to investors who submit self-assessment forms with a business or personal income over £10,000 a year in the tax year beginning April 2023.

This initiative has now been extended by 12 months.

HMRC says it has made the decision following feedback from property portfolio landlords - those with multiple properties - as well as from other business sectors.

This is all good news for the rental sector according to Angus Stewart, chief executive of online buy to let mortgage broker Property Master.

"For a typical landlord Making Tax Digital will move them from making one tax submission a year to having to file five - one every quarter and one at the end. The new deadline of April 2024 instead of 2023 will be some respite" he says.

"Our advice though to landlords is to use this time wisely. Begin by keeping good income and expenditure records

every quarter from now if you don't already do this and think about sourcing software that can help.

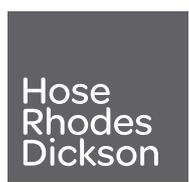
"Our fear is that Making Tax Digital will have passed many landlords by as an issue they need to prepare for not just in terms of the additional time it will take but resources in the form of software and possibly the added support of an accountant."

Under Making Tax Digital - whenever it eventually comes into force - landlords will need to send HMRC quarterly updates of their income and expenses.

At the end of the year, instead of sending in a self-assessment tax form a landlord will sign a declaration that their quarterly returns are accurate. They will then have until January 31 the following year to pay their tax, as usual.

Landlords will have up to a month after the end of every quarter to send in their MTD information. A declaration that the filings are correct must be signed by January 31 following the end of the tax year that the return applies to.

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