

IAB Coffee Morning – 19th November 2025
MTD Questions answered by HMRC.

Q1: If the detail of who paid the invoice is within the accounting software, why would it need to go into the quarterly return?

A1: It doesn't.

The Quarterly Update only sends us the summary totals of the income and expenses, by category.

The transactional detail, the invoice details etc are retained within the software. It is simply suggested that payee / vendor details *may* be more beneficial to the trader.

Q2: I have a client who runs a pub/restaurant. There are two owners who share the profit and submit separate tax returns. The accounts are all on one software. Does their 50% share of turnover count towards the threshold? I know that partnerships are not included initially, however these are treated separately under one business (not limited). They share the profit but submit as two separate self-employed people, software though is under one roof.

A2: If these two owners are legal partners, and submit Partnership returns, then they are not yet in MTD. But they will be.

The two owners / Partners are both individual taxpayers. As such they submit individual tax returns and would have to meet their individual obligations.

Their individual Qualifying Income would certainly seem to include their 50% of the business turnover but would be confirmed by the Partnership Agreement (and previous tax returns).

As regards software, that would be a matter for the software company behind the product being used.

Q3: Please confirm that we can cross over our clients to our ASA without having another authorisation.

A3: We have copied across your existing SA authorisations so that they will be recognised in MTD for Income Tax. Unfortunately there is no client list in ASA, but you have seen the confirmation that they are there. ALL your SA authorisations have been copied (we don't know when clients will need to join MTD) and will only become visible when they are signed up to MTD.

If you have a current 64-8 authorisation for your client(s) you do not need to be re-authorised.



Q4: How do HMRC think we are going to cope with quarterly tax returns at the same time as quarterly vat returns (most vat returns are on the same quarterly time frame) without changing the vat submission quarters

A4: The MTD for Income Tax Quarterly Updates are *not* tax returns.

That is both a fact, and an important differentiation.

PCRT is also clear that the Quarterly Updates are *not* tax returns. And provides good guidance about checking the Quarterly Updates. We are not asking for, nor expecting, line by line reconciliations....

Validating your plans and working assumptions in Testing, in 25/26, is incredibly helpful for practices as it can help inform work practices, time / resource requirements and pricing strategy?

Q5: Are partnerships going to go into MTD at a later date?

A5: Yes, it won't be too long....

Q6: What about Landlords who let property, but the landlord is resident abroad also some of the properties are joint do they need to follow MTD. I have been told they don't is this correct?

A6: Non-resident landlords, those who complete SA109, will come into MTD for Income Tax, *but* from April 2027.

Non-resident landlords, and joint owners (who are all individual taxpayers and would need to meet their individual obligations) who meet an MTD threshold will need to use MTD.

Q7: I am already submitting under MTD, plus have signed up some clients. It was the best way of understanding how it worked and how best to advise the clients. A few teething problems with first quarter, but second quarter went through smoothly. Hoping by Apr 2026, we are confident and find it plain sailing registering those that have to register.

A7: Fantastic! This is first-hand experience from an IAB member. Will always be issues with something new, but we are here to help. Would encourage other members to actively get clients into Testing for tax year 24/25, and validate your planned processes and workflows.... [Sign up your client for Making Tax Digital for Income Tax - GOV.UK](#)

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Q8: I have crossed over my clients to my ASA account and have got confirmation but cannot access their details. I have talked to a couple of MTD Team and the Helpdesk, but no one is able to help and have asked me to get new authorisation from my clients.

A8: We have copied across your existing SA authorisations so that they will be recognised in MTD for Income Tax. Unfortunately there is no client list in ASA, but you have seen the confirmation that they are there. ALL your SA authorisations have been copied (we don't know when clients will need to join MTD) and will only become visible when they are signed up to MTD.

If you have a current 64-8 authorisation for your client(s) you do not need to be re-authorised.

Q9: When you have sole trader VAT which will do the quarterly tax return its great but when you do Ltd VAT as well at the same time there will be no time to complete. I am looking to change their VAT quarters which then complicates year end for them.

A9: Yes, if you have a sole trader who is VAT registered, it does make it a lot simpler as the digital records for VAT can mostly be used for the MTD for Income Tax Quarterly Updates.

You are already doing the Ltd tax returns, so the question is...how much extra work / time does the Quarterly Updates take?

The key is the digital records. If the digital records are as accurate as they can be, and kept up to date, in good time, then the amount of checking for the Quarterly Updates can be mitigated.

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Q10: The 25/26 return to be processed as normal and due by 31st January 2027, at the same time as the quarterly returns from April for the 26/27 year?

A10: Yes, that is correct.

But it is not as stark as it sounds! Remember, it is November 2025. You are probably knee deep in 24/25 tax returns? And the 25/26 tax year is already in full swing?

There are always two tax returns in play, for a lot of the time?

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