Making Tax Digital

MTD engagement channels and forums

Colleagues from HMRC continue to attend different events to discuss MTD with external stakeholders. This includes the commencement of a range of MTD focussed forums with agent representative bodies and large professional service firms which have provided an opportunity to share MTD plans and approaches and engage in detailed discussions on specific aspects of the programme delivery. Similar forums to engage with trade bodies and landlord associations are due to commence in February/March.

VAT

As part of delivering on our communication strategy for VAT, we continue to deliver MTD for VAT focussed webinars to support customers with their transition to MTD, including a VAT focussed event held by Intuit.

Alongside the external events, we have issued c300,000 letters directly to VAT registered businesses with a taxable turnover below £85,000, in advance of those falling within scope of MTD from April 2022. We are planning to issue 120,000 letters to traders in February and will continue to engage and communicate with businesses and agents to support them ahead of the changes in April.

ITSA

We continue to work closely with customers and software providers to identify and bring customers into the ITSA pilot. We are working internally to determine how we communicate details of the pilot externally and hope to be able to provide a further verbal update at the meeting.

We have also delivered several ITSA focussed webinars including an event focussing on property income for the Estates Business Group. Further webinars with Iris (software developer), Institute of Chartered Bookkeepers and CPD Store are also planned in February.

Capital Gains Tax on UK Property Service

All guidance that sits around the service and calculations of dates have been updated to reflect the budget changes of the payment window, from 30 to 60 days.

VAT

Migration of VAT data from VMF to ETMP is expected to complete August 2022. The nature and complexity of data migration has resulted in additional time being required to ensure the data, much of which is transactional data, lands accurately in ETMP without any detrimental impact on our customers or our operation. The project remains on track for August 2022.

PAYE for Employers Liabilities and Payments

As advised in the December update we had planned to extend the roll out of liabilities and payments to agents with up to 7,500 clients. Unfortunately, we have discovered technical issues within the service when this was rolled out. We are now working to have the issues rectified. Due to these issues, agents who have previously opted-in via the advert can continue to access the service, but the advert is currently only being shown to agents with a client list of less than 1,000.

This will also mean a delay to the planned extension:

1. Extend to circa 4,000 agents who were not on the list in 2018 - now planning for this in late Feb 2022

2. Extend to the final largest agents (with over 7,500 clients) - now planning for this in March 2022

We know this is not ideal and do apologise for the delay. We will provide a further update in the March Update.