

# What does **Making Tax Digital** mean for landlords?





**Making Tax Digital (MTD) is the government's initiative to implement a fully digital tax system in the UK.** A phased rollout of MTD is already under way and a milestone scheduled in April 2026 will mean significant changes to the way that landlords are required to report their income and expenses to HMRC.

This guide explains everything you need to know about Making Tax Digital as a landlord, including how the initiative will impact you and what you will need to do to prepare for the changes coming into effect in April 2026.

## Making Tax Digital: the story so far

**Making Tax Digital** (MTD) sets out a bold vision for the UK to have, in the words of HMRC, “one of the most digitally advanced tax administrations in the world”. It promises to “transform tax administration so that it is easier for taxpayers to get their tax right”.

- **MTD for VAT** requires all VAT-registered businesses to keep digital records and use MTD-compatible software to submit their VAT returns electronically.
- **MTD for Income Tax**, also known as MTD for Income Tax Self Assessment (MTD for ITSA), will replace the current system of annual Self Assessment tax returns. For landlords and self-employed business owners with a total business or property income over £50,000, MTD for Income Tax will come into effect in April 2026. Those with an income of more than £30,000 will have to follow the rules from April 2027. Partnerships will be required to join at a date yet to be announced.





# Will all landlords be affected by **MTD for Income Tax**?

MTD for Income Tax will initially apply to all landlords whose total property or business income is above £50,000 per year. Any landlord who meets this requirement will have to follow MTD for Income Tax rules from 6th April 2026. Those with income above £30,000 will have to follow the rules from April 2027.



## As a landlord, what will I have to do under MTD for Income Tax?

If your total property and/or self-employed business income is above £50,000 per year, from 6th April 2026 you'll be required to use [MTD-compatible software](#) to:

- keep records of your property and/or business income and expenses in a digital format
- send [quarterly updates](#) of your property and/or business income and expenses to HMRC
- finalise your property and/or business income by submitting a [final declaration](#) (which will replace the annual Self Assessment tax return) to HMRC



## Keeping digital records

Under MTD for Income Tax, you'll need to use MTD-compatible accounting software to keep digital records of all your property income and expenses. If you're a self-employed business owner as well as a landlord, you'll also need to keep digital records of your business income and expenses.

FreeAgent makes it easy for you to keep digital records relating to your property income and expenses, and those of your business if you're also self-employed:

- If you set up a bank feed, your bank transactions will be imported into FreeAgent automatically on a daily basis.
- You can use the software to record all of the income and expenses for each of your properties and even track their profitability.
- And with FreeAgent's powerful invoicing functionality, you can set up recurring invoices to record monthly rent payments from your tenants automatically.

## Sending quarterly updates

You'll need to send a summary of your business income and expenses to HMRC [every three months](#) using MTD-compatible software. The deadlines for submitting quarterly updates will be the same for everyone who has to follow the MTD for Income Tax rules, including landlords. From 6th April each year from 2026 onwards, these deadlines will be:

- 5th August
- 5th November
- 5th February
- 5th May





## Finalising your income

At the end of the tax year, you'll need to finalise your business income by submitting a [final declaration](#) that will replace the current process of completing an annual Self Assessment tax return.

The process of submitting a final declaration allows you to confirm that the updates you've sent to HMRC throughout the tax year are correct.

It also gives you an opportunity to add details about any relevant personal income or tax reliefs you received during the tax year, and to make other necessary adjustments.

You'll be required to submit the final declaration and pay the tax you owe by 31st January of the following tax year.

## Can I sign up to MTD for Income Tax now?



An MTD for Income Tax pilot scheme has been running since 2018, and certain eligible landlords and businesses can choose to [sign up and follow the rules voluntarily](#). However, please note that your accountant, bookkeeper or tax agent might prefer to sign you up to MTD for Income Tax on your behalf, in which case they will need to [follow a different process](#).

If you're unsure whether you should sign up for MTD for Income Tax before it becomes mandatory in April 2026, please speak to your accountant.



## Find out more

To find out more about Making Tax Digital and how the introduction of MTD for Income Tax will affect you as a landlord, please speak to your accountant.



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