

WHAT IS MTD?

Making Tax Digital (MTD) is the UK government's initiative to modernise tax reporting. For performers, musicians, & creatives, this means orchestrating your financial records digitally & hitting the high notes with timely electronic submissions.

WHO NEEDS TO BE IN TUNE & WHEN?

- From April 2019: VAT-registered ensembles & soloists earning over £85,000 although the VAT registration is no £90,000;
- Since April 2022: All VAT-registered performers, regardless of income levels;
- From April 2026: MTD for Income Tax (Self Assessment) (MTD IT) takes the stage for self-employed individuals & landlords earning over £50,000 in fee and rental income;
- From April 2027: MTD IT expands its audience to those earning between £30,000 - £50,000 in fee and rental income;
- From April 2028: MTD IT expands its audience to those earning between £20,000 - £30,000 in fee and rental income;
- Opera Ghost: MTD IT for people under £20,000 is unknown, so most likely the current tax return will remain;
- Future Encores: HMRC will extend MTD to partnerships & corporation tax in the next act.

KEY CHANGES UNDER MTD

✓ **Quarterly Performances:**
Instead of a solo annual tax return, you'll now perform four digital updates per year for self employed income & rental income.

✓ **Digital Sheet Music:**
Keep your financial records in harmony using MTD-compatible software.

✓ **Finale Submission:**
At the year's end, a final declaration replaces the traditional Self-Assessment encore & includes all other sections of the old tax return via new software.

WHAT PERFORMERS NEED TO DO NOW

- **Check Your Cues:** Determine when MTD applies to your act.
- **Find your music/script:** Set up separate bank accounts to make life easier..
- **Choose Your Instrument:** Select HMRC-approved accounting software that suits your style.
- **Rehearse Digitally:** Begin maintaining your records in digital harmony to avoid any dissonance.
- **Plan Your Sets:** Prepare for quarterly updates to keep your financial performance in tempo.
- **Educate Your Ensemble:** Ensure your team or fellow performers understand the new rhythm.
- **Curtain down:** Use tax return software to do the final declaration to HMRC.

MTD QUICK- ACTION CHECKLIST

- Confirm your MTD debut date.
- Select an MTD-compatible software that resonates with your needs.
- Register for MTD IT- it's not done automatically (yet)
- Train your ensemble or book a consultation for guidance.
- Set reminders for your quarterly financial performances.
- Prepare for the end-of-year finale declaration ie the tax return