

Financially Savvy Freelancer

Webinar Summary: Making Tax Digital

Thank you for joining our recent webinar on becoming more financially savvy. It was a pleasure to bring this to you in collaboration with **Backup Tech**, **The BACK LOUNGE**, and the **UK Live Event Freelancers Forum**.

The provided text is a transcript of a webinar discussing **Making Tax Digital (MTD) for income tax**, focusing on how the new rules will affect freelancers, sole traders, and landlords in the technical entertainment industry. The webinar was supported by the charity **Backup Tech**.

Here is a summary of the key points covered: **Making Tax Digital for Income Tax (MTD)**

Session: Decoding Making Tax Digital. ARE YOU READY!?

Webinar: Tuesday 20th January 2026

Hosts:

- **Paul Jones**, UK Live Event Freelancers Forum
- **Suzi Green**, The BACK LOUNGE

Guest Speaker(s):

- **Jon Cowley**, FCCA, from David Howard Accountants

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- The **Requirement**: MTD requires affected individuals to keep digital records of their income and expenses and make four quarterly submissions to HMRC, along with an end-of-year submission and the normal annual tax return (a total of six returns).
 - **Who is Affected**: The rules apply to **sole traders and landlords**. They do not affect limited companies (unless VAT registered) or PAYE employees. If an individual has both sole trade and rental income, the gross income from both is combined for the threshold.

- **Thresholds (Gross Income/Turnover, not Profit):**
 - **Starting April 6, 2026:** Mandatory for those with an annual gross income over **£50,000**.
 - **2027 Tax Year:** The threshold drops to **£30,000**.
 - **2028 Tax Year:** The threshold drops to **£20,000**.
 - The requirement to start is based on the gross income reported in the *previous* tax year.
- **Exempt Income:** Income from pensions, interest, investments, and PAYE employment is **not** included in the MTD gross income threshold calculation.
- **Submissions & Deadlines:** Submissions are due one month after the end of each quarter (e.g., the April-June quarter is due by August 5th). The figures required for the quarterly submissions are basic (total income and total expenditure).
- **Penalties & Advice:** HMRC is expected to take a "soft landing" approach initially, but a penalty system for late submissions will eventually be enforced. It is advisable to start submitting voluntarily now to get used to the process.

Software and Accountants

- **Software Requirement:** While digital records (like an Excel file) are acceptable, a special **bridging software** is required to submit the figures to HMRC.
- **Software Options:** Available options include popular bookkeeping packages (QuickBooks, Xero, Sage) and simpler, lower-cost, accountant-administered options like **MTD Assist** (which was demonstrated).
- **Professional Advice:** The speaker advised that a **chartered accountant** is a valuable resource, especially for getting documentation certified for mortgages or complex financial planning.

Helpful links

 <https://support.glasscubes.com/en/articles/12470697-keeping-digital-records-for-mtd>

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★ Industry Financial Aid (with Links)

Backup Tech

Backup Tech (The Technical Entertainment Charity) is a UK registered charity which provides financial support to entertainment technology industry professionals who are seriously ill or injured (or to their surviving family members) as well as those who find themselves in financial difficulty.

Hardship Grants are tailored to help people who find themselves in financial difficulty, with short-term financial support. To find out more visit the Backup Tech website.

 <https://www.backuptech.uk>