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Landlords Earning Over £50,000 to Join Digital Tax System from April 2026

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— Categories: Real Estate



Landlords in the UK earning more than £50,000 annually will be required to follow new digital tax reporting rules from April 2026, as part of HM Revenue and Customs' (HMRC) Making Tax Digital (MTD) programme. The shift is aimed at modernising the income tax system, with a focus on reducing errors and improving record-keeping.

Under the new rules, roughly 780,000 landlords and self-employed individuals will need to keep digital financial records and submit quarterly income and expense summaries using

compatible software. This move is expected to simplify the annual tax return process and allow businesses to focus more on day-to-day operations.

Making Tax Digital was first rolled out for VAT-registered businesses and is now being extended to income tax self-assessment. According to HMRC's director of Making Tax Digital, Craig Ogilvie, the change represents "the most significant change to the Self Assessment regime since its introduction in 1997." He added that the new approach would help individuals stay on top of their tax responsibilities and ensure they pay the correct amount.

Ogilvie encouraged early participation in the HMRC testing programme, saying it would allow people to get used to the new system ahead of the mandatory deadline and access tailored support from the department's MTD team. He urged affected taxpayers to sign up on Gov.uk.

Exchequer Secretary to the Treasury James Murray described the programme as a central part of the government's plan to transform the UK's tax system into one that supports economic growth. He said the new system would make it easier for people to manage their taxes while ensuring everyone contributes their fair share.

A second rollout phase will begin in April 2027, covering an additional 970,000 people with annual incomes over £30,000. By 2028, MTD will include landlords earning more than £20,000. HMRC says the changes are designed to create a near real-time tax system, reducing the pressure of year-end reporting and improving financial oversight for taxpayers.

Landlords must use MTD-compatible software to meet the new requirements. These tools allow users to link to bank accounts, scan receipts, or manually enter data. Bridging software is also available for those who prefer to work with spreadsheets or existing accounting tools. HMRC's software finder tool on Gov.uk helps users select suitable options.

HMRC currently lists software options, including BTC Software by Bright, Federation of Small Businesses MTD (fsb 50), Glasscubes MTD Assist, Kletta, Landlord Studio, LandlordVision, PaTMA Property Manager, SE Reports, Smartpropertymanager.com, and Vital Tax. Well-established platforms like Xero and Sage also offer MTD functions.

These changes build on the success of MTD for VAT, which has helped over two million UK businesses reduce errors in their tax filings. The government says it remains committed to supporting businesses during the transition and encourages those impacted to prepare early.

Further details and registration for the MTD testing programme can be found on the official Government website, along with guidance provided by the National Residential Landlords Association.