



Leavitt Walmsley Associates
CHARTERED CERTIFIED ACCOUNTANTS

FAQs MTD FOR ITSA

WHY HAS MTD FOR ITSA BEEN INTRODUCED?

- To reduce errors in tax returns
- To close the tax gap
- To move tax reporting closer to real time
- To create a clearer, more consistent system

WILL MTD AFFECT MY UNIVERSAL CREDIT?

- No direct impact on entitlement
- Income assessed in broadly the same way
- Better records may make reporting easier
- It changes how you report, not what you receive

MY INCOME WAS UNDER £50K LAST YEAR — DO I STILL START IN APRIL 2026?

- It depends on 2024/25 qualifying income:
 - Over £50k → start April 2026
 - Under £50k → do not start April 2026
- You'll join when you first exceed the threshold
- Best practice: prepare early anyway

WHAT IF I MAKE A MISTAKE IN A QUARTERLY UPDATE?

- Errors in Q1 – Q3 → correct in the next update
- Errors in Q4 → resubmit the fourth quarter
- Updates are cumulative, so corrections are built in

WHEN IS THE FINAL DECLARATION DUE?

- Filing deadline has not changed
- Final Declaration due 31st January
- Payment dates remain the same:
 - Balancing payment: 31st January
 - Payments on account: 31st January & 31st July