



# Making Tax Digital for VAT – What should you do now?

HMRC have now issued all the letters out to businesses that have a turnover of £85,000 and above that already pay VAT, these businesses will need to file their taxes digitally from the 1st April 2019.

So, if you are in receipt of HMRC’s letter, you may have a whole host of questions around ‘What should I do now?’ ‘When should I join?’ and ‘How do I sign up?’

Let’s tackle these three key questions in turn, firstly, ‘What should I do now?’ There is an article that we published on our website back in July 2018, which is a great starting point for you to read;

<https://www.krestonreeves.com/news-and-events/31/07/2018/hmrc-making-tax-digital-vat-the-key-facts>

Turning to the second question, ‘When should I join?’ Whilst the roll out is from the 1st April 2019, your VAT periods will determine the correct time for you to sign up. We have compiled the following grid to help you;

VAT period	Digital records kept from	Deadline for filing 1 <sup>st</sup> MTD VAT
1 December 2018 – 28 February 2019	N/A	N/A
1 January 2019 – 31 March 2019	N/A	N/A
1 February 2019 – 30 April 2019	N/A	N/A
1 March 2019 – 31 May 2019	N/A	N/A
1 April 2019 – 30 June 2019	1 April 2019	7 August 2019
1 May 2019 – 31 July 2019	1 May 2019	7 September 2019
1 June 2019 – 31 August 2019	1 June 2019	7 October 2019

And finally, the third question of 'How do I sign up'? This question needs to be tackled in two parts as you will need the right software before you can sign up. The software must be able to send VAT returns directly to HMRC and must also be compatible with Making Tax Digital for VAT.

HMRC have created a handy tool that will tell you if your software is compatible or not. The link is here; <https://www.tax.service.gov.uk/making-tax-digital-software>

If your current software is not on the list, please give our dedicated Online Services team a call (details are at the bottom of this article) and we will do our best to advise you.

If your software is compatible, you will need to know before you sign up, if you pay the VAT by Direct Debit, you will not be able to sign up in the 15 working days leading up to, or the 5 working days after sending a VAT return.

### **What you will need to sign up are;**

- 1 Your Government Gateway user ID and password.
- 2 Your VAT registration number.

### **What happens after you sign up?**

HMRC will send you a confirmation email within 72 hours of signing up. You must not submit a VAT return before you have received the confirmation email.

HMRC has created a helpful guide to help you with the signing up process and the link is here;

<https://www.gov.uk/guidance/help-and-support-for-making-tax-digital#How-to-sign-up-to-Making-Tax-Digital-for-VAT>

One final point that needs to be covered before you submit your VAT return, is that the software must be authorised within the settings, to enable the first VAT return under Making Tax Digital to be successfully received by HMRC. If you are not sure how to do this, your software supplier will be able to help you.

**If your business needs support and advice in preparing for MTD, please email us at [enquires@krestonreeves.com](mailto:enquires@krestonreeves.com) or call +44 (0)330 124 1399 to arrange to speak with one of our specialists in London, Kent and Sussex.**

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**Call:** +44 (0)330 124 1399

**Email:** [enquiries@krestonreeves.com](mailto:enquiries@krestonreeves.com)

**Visit:** [www.krestonreeves.com](http://www.krestonreeves.com)

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