RB Insights

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RB ACCOUNTANCY SERVICES

Supporting Your Business

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Whether you're a business owner aiming to maximise your potential or someone needing help with personal tax returns, our team at RB Accountancy Services is here to support you.

We use the latest cloud accounting software and draw on years of experience to make sure you're compliant and have up-to-date information, helping you to make the best decisions for your business or personal finances.

You'll find us at the Waters Edge Business Centre in Barton upon Humber, where we're easy to reach for all your accountancy needs. Plus, we offer convenient parking facilities. Our dedicated team provides personalised service, whether you prefer in-person consultations or virtual meetings.

We look forward to supporting your financial journey!

WELCOME TO OUR NEWSLETTER!

As we approach the end of the 2025/26 tax year, now is a good time to review your finances and prepare for the year ahead. Once the tax year ends on **5 April 2026**, we encourage clients to send their records and information to us as soon as possible so we can begin work on your tax return. Early completion allows for early submission and gives you clear visibility of any tax liability well ahead of the **31 January 2027 HMRC filing and payment deadline.**

In this edition of our Newsletter, we focus on **Making Tax Digital for Income Tax Self Assessment (MTD ITSA),** a key topic as it becomes mandatory for many taxpayers from April 2026. Our first article provides a clear overview of what MTD ITSA means and how it will change the way income is reported to HMRC. The second article explains **HMRC's Points Based Penalty System,** helping you understand how the system works and what it could mean for your business.

You will also meet Jess Portas, our Support Administrator, and learn a little more about the team working behind the scenes to support you. Our Key Dates section highlights important tax deadlines and MTD ITSA quarterly submission dates, while our Spotlight on Services looks at how we can help you prepare for MTD ITSA, from onboarding and software guidance through to ongoing compliance support.

We hope you find this edition useful. If you would like to discuss anything mentioned in this newsletter, please feel free to contact our team. We are always happy to help

Rebecca

SPOTLIGHT ON...

MTD ITSA

MTD ITSA Onboarding & Support

With MTD ITSA becoming mandatory for many clients, we provide onboarding and ongoing support to keep you and your business compliant while minimising disruption.

Our services include:

Income threshold assessment – Check if MTD ITSA applies to you
Software selection & setup – Get the right tools ready for use
Digital record review & transition support – Move to MTD-compliant processes smoothly
HMRC enrolment assistance – Register for MTD ITSA
Quarterly MTD ITSA submissions – Accurate, timely updates to HMRC
Annual Income Tax Return submission – Ensure your year-end filing is complete and compliant

We take care of all your compliance requirements, giving you peace of mind and the freedom to focus on running and growing your business, confident that your financial obligations are fully managed.

Please don't hesitate to get in touch with our dedicated team for further information or support.

INCOME TAX ALLOWANCES 2026/27

Personal Allowance £12,570
Income Limit for Personal Allowance £100,000
Dividend Allowance £500
Marriage Allowance Transfer (if applicable) £1,260

Top Tip

Preparing for MTD ITSA

If you think Making Tax Digital for Income Tax (MTD ITSA) may apply to you now or in the future, it's worth starting preparations now. Moving to digital record-keeping and compatible accounting software early can make the transition much smoother and help avoid last-minute pressure when you become mandated.

If you are unsure whether MTD will affect you, speak with us today. We can help you understand the requirements, check if you will need to comply, and make sure you are prepared.

What you need to know as the April 2026 deadline approaches

Making Tax Digital for Income Tax Self Assessment (MTD ITSA) represents one of the biggest changes to personal tax reporting in recent years. From April 2026, many sole traders and landlords will need to keep digital financial records and submit updates to HMRC more regularly using compatible software.

The aim of the initiative is to modernise the tax system, improve accuracy, and give taxpayers a clearer picture of their tax position throughout the year. While the changes may sound significant, with the right preparation the transition can be straightforward.

Who will be affected?

MTD ITSA will be introduced in stages.

It will apply to:

Sole traders and landlords with combined annual business and/or property income over £50,000 from 6 April 2026

The threshold will then reduce to:

- £30,000 from April 2027
- £20,000 from April 2028

If your income falls within these thresholds, it's important to start thinking about how your records are currently maintained and whether they will meet the new digital requirements.

What will change?

Under MTD ITSA, eligible taxpayers will need to:

- Keep digital records of income and expenses
- Use HMRC-compatible accounting software
- Submit quarterly updates to HMRC summarising business income and expenses
- Submit an Annual Income Tax Return to finalise your tax position

These changes mean that instead of preparing everything once a year, information will be reported to HMRC more regularly.

Frequently asked questions

Do I still submit a tax return?

Yes. Under Making Tax Digital for Income Tax, an Annual Income Tax Return is still required to finalise your overall tax position for the year.

Do I need software?

Yes. Digital records must be kept using HMRC-compatible software. Spreadsheets on their own are not sufficient unless they are linked to HMRC using approved bridging software.

What happens if submissions are late?

HMRC operates a points-based penalty system for late submissions and non-compliance. This means it will be important to keep records up to date and ensure all reporting deadlines are met.

Do payment dates change?

One of the most common questions we receive is whether tax will need to be paid quarterly.

The answer is no.

Although reporting will become quarterly, income tax payment deadlines remain exactly the same as they are now under the current Self Assessment system:

- 31 January – Balancing Payment and first Payment on Account
- 31 July – Second Payment on Account

Quarterly submissions are for reporting purposes only, not for making payments.

However, more regular reporting can actually be beneficial. By keeping records up to date and submitting quarterly summaries, you will have greater visibility of your potential tax liability throughout the year, helping with budgeting and cashflow planning.

How we can support you

We have already contacted clients who will be affected from April 2026 and shared a detailed MTD ITSA guide explaining the upcoming changes.

If you received this information and would like to discuss how it applies to you, our team would be very happy to talk it through and help you plan the next steps.

MTD ITSA will change the way many people report their income, but with early preparation the process can be straightforward and well managed.

If you think you may be affected or simply want to understand what the changes mean for you, please get in touch with our team. Planning ahead now will ensure everything is in place well before the April 2026 deadline and give you confidence that your tax affairs remain fully compliant.

HMRC's Points-Based Penalty System

What It Means for You

HM Revenue & Customs has introduced a **points-based penalty system** for late submissions under **Making Tax Digital and VAT.**

Instead of receiving an automatic penalty for every late return, **a penalty point is added each time a deadline is missed**. Once the points threshold is reached, a **£200 penalty** is charged.

Submission Frequency	Points Threshold
Annual	2 points
Quarterly	4 points
Monthly	5 points

After reaching the threshold, **each further late submission triggers another £200 penalty.**

When Do Points Reset?

Penalty points can be cleared by:

- **Submitting any outstanding returns**
- **Meeting all deadlines for a compliance period**

The length of the compliance period depends on how frequently you submit returns.

Late Payment Penalties

Separate penalties may apply if **tax is paid late**, with charges possible **15 days and 30 days after the due date**, plus **interest on overdue amounts.**

Why It Matters

With more businesses moving to quarterly reporting under Making Tax Digital, keeping records up to date and meeting deadlines is increasingly important to avoid penalties.

If you're unsure how the rules apply to you, please contact us and we'll be happy to help.

Key Dates

5 April 2026 – End of the 2025/26 Tax Year

6 April 2026 – MTD ITSA becomes mandatory for income over £50,000

6 April – 5 July 2026 – MTD ITSA First Quarterly Update **(submission deadline 7 August 2026)**

6 July – 5 October 2026 – MTD ITSA Second Quarterly Update **(submission deadline 7 November 2026)**

6 October – 5 January 2027 – MTD ITSA Third Quarterly Update **(submission deadline 7 February 2027)**

6 January – 5 April 2027 – MTD ITSA Fourth Quarterly Update **(submission deadline 7 May 2027)**

31 July 2026 – HMRC Second Payment on Account deadline

31 January 2027 – HMRC Online Self Assessment filing and payment deadline

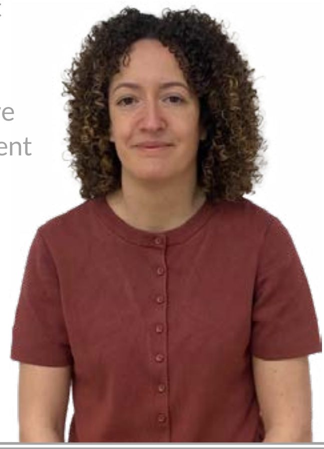
Meet the Team

Meet Jess Portas - Support Administrator

Jess joined RB Accountancy Services six months ago and has quickly become an important part of our administrative and compliance team.

She supports Companies House secretarial services, client onboarding processes, Anti-Money Laundering compliance checks, and general administration.

Jess plays a key role in ensuring client records are accurate, compliant and efficiently maintained. Her organised and methodical approach helps ensure smooth internal processes and excellent client service.



Jess particularly enjoys building relationships with clients and supporting the wider team behind the scenes. Outside of work, she enjoys spending time with family and keeping active.

Get the App

Stay on top of your personal taxes with the HMRC App.

Managing your tax affairs has never been simpler. The free HMRC app gives you secure, on-the-go access to your tax code, income history, National Insurance contributions, and Self Assessment details — all from your mobile device. Click here or use the QR code for guidance on how to download the app.