rentalbux

Making Tax Digital for Landlords

Equipping Landlords for what’s next in the tax

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Chapter 01

The Essentials:

What Landlords Need to Know

In this chapter, we're going to break down one of the most overlooked pieces of Making Tax Digital (MTD) for landlords:

Figuring out if you even need to comply.

We'll show you exactly:

- Who needs to follow MTD for ITSA rules (and who doesn't)
- What landlords need to do (requirements for landlords)
- And most importantly, key deadlines (and what's changing from the current system)

By the end of this chapter, you'd have a clear roadmap of where you stand and the exact steps you need to take to get ready for Making Tax Digital for Income Tax.

What is Making Tax Digital?

Making Tax Digital (MTD) is part of HMRC's plan to transform the tax system of the UK by digitalising the tax reporting. This initiative aims to bridge the tax gap and simplify the tax process.

Under MTD, landlords will be required to use HMRC compatible software to keep digital records of income and expenses, send quarterly updates to HMRC and make a final declaration at the year end. This fundamental change in tax reporting changes how landlords and HMRC interact with each other.

It was first introduced in 2019 for VAT registered businesses with annual turnover above £85,000. It was then extended to all VAT registered businesses in 2022 regardless of their turnover. HMRC intends to roll out this initiative further to cover Income Tax, Partnerships and Corporation Tax

Who Needs to Comply and When?

MTD for ITSA applies to sole traders and landlords. Whether and when you must comply with MTD depends on your qualifying income. Qualifying income is the gross income from self-employment and UK property before any expenses.

How To Work Out Your Qualifying Income?

- Add gross income from self-employment and property rental.
- Exclude income from employment, partnerships or investments (unless it's disguised self-employment)
- If you have more than one trade or property business, combine the amount you earn from both streams.
- If you jointly own property, add up your proportion of the property rented out.

Example:
George is a graphic designer. In the tax year 2024/25, he earned:

- £22,000 from graphic design (sole trader)
- £9,000 from freelance web development
- £14,000 from part-time employment
- £1,500 from dividends

Only income from self-employment and property rental counts towards qualifying income for MTD purpose. So, George's qualifying income is £31,000 (£22,000+£9,000).

When Do You Need to Join MTD

- 6 April 2026: Self-employed individuals and landlords with qualifying above £50,000 will need to comply. The qualifying income is based on the Self-Assessment Tax Return for 2024/25.
- 6 April 2027: Individuals with qualifying income above £30,000 on the 2025/26 tax return.
- 6 April 2028: Individuals with qualifying income above £20,000 on the 2026/27 tax return.

Heads Up:

The government has said it may expand MTD to cover those earning below £20,000 threshold. So, even if you're exempt today, this might change in the future.

What Landlords Need to Do?

There are three core requirements to MTD IT.

- Keep digital records
- Submit quarterly updates
- Make a final declaration

Digital Record Keeping: The Foundation of MTD

You will have to keep digital records of income and expenses related to your self-employment and/or property business in MTD compatible software.

For each item of income and expenses i.e. each transaction, you must record:

- Amount
- Date
- Tax Category (as defined by HMRC).

  For example,
  - Turnover
  - Cost of goods bought for resale
  - Wages, salaries and other stuff costs
  - Car, van & travel expenses

These categories broadly align with SA103 and SA106 of the current Self-Assessment Tax Return. In some cases, taxpayers may be eligible for simplified record keeping options as well.

Simplified record keeping

- You can use “three-line accounting” for digital record keeping if your business or property income is below the current VAT registration threshold (£90,000). This allows you to record each item of income and expenses without needing to allocate it to a specific category of income/expenses type.
- The only exception to this rule is residential finance costs such as mortgage interest which needs to be categorised separately.
- Joint property owners using the “three-line accounts”, and whose qualifying income is below VAT threshold can record a single summary of income figure for each quarter and report total annual expenses. They do not have to categorise income and expenses except for residential loan interest.
- Joint property owners can record income category totals each quarter and record expenses category totals once a year. This applies only to joint property entries.
- For mixed expenses (capital, revenue or personal use), all taxpayers can either record just the allowable part or enter the full amount and later adjust the non-allowable part.

MTD Software Requirements

You must keep all the digital records and submit quarterly updates (more on this in the next section) using HMRC approved software. Unlike Self-Assessment Tax Return, manual entry on HMRC's website is not allowed. You can use either MTD compatible software or spreadsheets with bridging software.

You can also choose to use different software for quarterly updates and the final declaration as long as both are HMRC approved.

Pro Tip:

Use MTD compatible software and update your digital records regularly. It keeps you organised and makes quarterly filing easier.

Quarterly Updates: What & When You Actually Need to Submit

Every quarter, you're required to make a digital submission of your income and expenses from the past three months. These digital submissions just provide the summary totals of your income and expenses and include:

- Income totals by category
- Expense totals by category
- And if eligible, just the "3-line accounts" including total income, total expenses and net profit/loss.

Note that these submissions do not trigger tax payments nor they include any tax calculations, adjustments or individual transaction level detail.

You can choose to follow either cash or accrual basis for quarterly submission. And if you have more than one source of qualifying income stream, you must make separate quarterly submissions for each business/income stream.

For Example:

Someone with 2 self-employments and 1 UK property will make 12 quarterly submissions and a final declaration per year.

4 Quarterly updates * 3 Qualifying income stream + 1 final declaration = 13 total submissions

Quarterly Submission Deadlines

Each quarterly update must be filed by the 7th of the month following the quarter-end. You may choose either the calendar-year or your organization’s fiscal-year quarter system. However, you cannot create your own custom quarters.

Option 1: Tax Year Quarters (default)

Quarters	Period Covered	Submission Deadline
Q1	6 April- 5 July	7 August
Q2	6 April – 5 October	7 November
Q3	6 April – 5 January	7 February
Q4	6 April – 5 April	7 May

Option 2: Calendar Quarters (if elected before first update)

Quarters	Period Covered	Submission Deadline
Q1	1 April – 30 June	7 August
Q2	1 April – 30 September	7 November
Q3	1 April – 31 December	7 February
Q4	1 April – 31 March	7 May

Each of these quarterly updates are cumulative meaning each quarterly submission includes all income and expenses from the start of the tax year (6 April) up to the end of that quarter. This allows you to correct errors from the previous quarter without refiling those submissions.

Basis Period Reform (BPR) Interaction

Starting 2024/25 tax year, everyone must report profits based on the tax year. So, if your accounting year doesn't end between 31 March and 5 April, you'll need to:

- Time-apportion profits
- And make year-end adjustments

This complicates in-year updates. To avoid this complication, you can align your accounting-year end with the tax year, ideally 31 March or 5 April. This makes quarterly updates simpler, final declarations more straightforward and compliance with MTD and BPR easier.

Good To Know: Going On Holiday? Submit Early

If you're confident that no significant transactions are expected, you can submit your quarterly updates slightly ahead of the quarter-end. Any transactions that occur afterward can simply be included in the next quarterly submission.

Finalisation: Wrapping Up the Tax Year Under MTD

Final declaration is a legally binding submission that confirms your total income for the tax year, along with any relevant adjustments, reliefs or allowances.

Here's how you can make final declaration:

1. **Submit all 4 quarterly updates**
   Report your self-employment and property income across the tax year.
2. **Pull in your quarterly data**
   HMRC stores all your quarterly updates and your software can fetch it automatically.
3. **Submit allowances and adjustments**
   Add for all sort of allowances including the relevant accounting adjustments. capital allowances, disallowable expenses or private use adjustments.
4. **Claim all relevant reliefs**
   Enter pension contributions, gift aid, trading or property allowances.
5. **Review your tax result**
   Check for accuracy, correct any errors, and confirm everything's complete.
6. **Submit your Final Declaration**
   Officially declare that your return is complete and accurate. It is legally binding.

This submission completes your reporting obligation for the year and triggers any tax due. And it will eventually replace the Self-Assessment Tax Return.

Deadline for Final Declaration

Final declaration must be submitted by 31 January following the end of the tax year, just like Self-Assessment Tax Return.

Tax Year	Final Declaration Deadline
2026-27	31 January 2028
2027-28	31 January 2029

You can make your final declaration using the same software that you used for quarterly updates, or you can use a different one if you prefer.

Hmrc Update! EOPS Is No Longer Required Under MTD For ITSA

Previously, landlords and sole traders had to submit an End of Period Statement (EOPS) for each business on top of digital record keeping, quarterly updates, and a final declaration.

That's now changed.

HMRC has scrapped EOPS requirement and rolled its function into a final declaration. This makes your year-end process simpler and more streamlined

Heads-Up: Penalties Are Changing Too

HMRC has introduced a new point-based penalty system for MTD ITSA. Under this system, you will receive one penalty point for each late submission. Once you reach a total of four points, HMRC will issue a £200 penalty. Every subsequent late submission will also trigger a £200 penalty, although your points total will not increase further.

Additionally, HMRC has introduced new penalties for late payment of taxes under MTD. Here how it works:

Days After Payment Due	Action	Penalty
0-15	Paid or Time-to-Pay (TTP) arrangements agreed by Day 15	No penalty
16-30	Paid or TTP agreed by Day 30	2% penalty (half the full rate)
Day 31	Some tax is still unpaid, no TTP agreed	4% penalty (full rate)

TTP is an arrangement for taxpayers who struggle financially to pay their taxes on time. Under this arrangement, you can defer your tax payment for reasonable period, and no penalties will accrue if you honour the terms of the agreement.

Mtd Penalties: The Full Story

We've only scratched the surface here. For the detailed breakdown of how MTD penalties work including tracking penalties points across multiple submissions, HMRC discretion, and exceptional cases, check out our latest blog post: *MTD Penalties Explained*

Getting Ready:

What Will MTD Actually Cost You

Now that you know what MTD needs and its bright sides, let's peek at how you can meet those requirements.

And most importantly, what it might cost you.

You have got three choices:

- Do It Yourself with software
- Get help from accountant or agent, or
- Fully outsource it and stay hands-off

Option 1:

Managing It Yourself (DIY Approach)

If you're organised and willing to invest time on learning, handling Making Tax Digital (MTD) compliance yourself can be the most cost-effective option.

Here's what you need to do:

- Select and set up an MTD-compatible software
- Connect your bank account or manually input transactions
- Categorise income and expenses (most software will assist with this)
- Submit quarterly updates and final declaration on time

If you're up for a bit of learning and well organised, DIY route can be the simplest and the most cost-effective way to stay compliant with MTD.

Cost of DIY Approach

There are two main costs to consider: time and subscription fees.

- **Time:** Expect to spend 2 to 3 hours initially for setup. Ongoing updates and submissions may take 3 to 4 hours each quarter.
- **Money:** Subscription costs for MTD compatible software range from £0 to £50 or even higher per month.

Pro Tip:

The DIY approach works well if you have one or two rental properties, a stable income stream, and no complex expenses. If you're already used to managing your own finances, the DIY route could be a simple and budget-friendly solution.

Option 2:
Keeping Records Yourself While Getting Professional Help for Submissions

We call it, "Half-DIY" approach. This is the practical middle ground for many landlords.

Here's how this approach works:

- You keep your own digital records using MTD-compatible software.
- You grant software access to letting agent or accountant.
- They handle the quarterly submissions and the final declaration for you.

This allows you to maintain full control over your financial records while ensuring that your filings are completed accurately and on time.

Cost of Half DIY Approach

The major cost associated with this approach are: MTD-compatible software and Professional support.

- **Subscription for MTD Compatible Software:** Ranges between £0 to £50 per month or higher depending on the provider and features
- **Accountant/Agent Support:** Between £150 to £400 per year depending on the level and frequency of support required.

Pro Tip:

This approach is ideal if you are comfortable with using software but prefer to have an expert handle the official submissions. It offers a good balance of independence and professional oversight.

Option 3:
Fully Outsourcing to a Professional

If you are managing multiple properties or simply prefer to avoid tax administration, fully outsourcing your MTD obligations can be the most convenient option.

Here's how it works:

- You share access to your property income and expense records.
- Your accountant or letting agent handles everything from start to finish including maintaining digital records, submitting quarterly updates, and filing final declaration.

This approach ensures you remain fully compliant with MTD rules throughout the year.

Estimated Cost of Fully Outsourcing

Typically, full-service MTD support typically costs between £500 to £1,000 per year. The exact fee may vary depending on:

- The number of properties
- The complexity of your financial situation
- And whether your accountant or letting agent can include MTD as part of their services

Pro Tip:

Before hiring someone new, check with your existing accountant or letting agent. They may already offer MTD or can include it in your current service package at little or no added cost.

Comparing the Options Side-By-Side

Here's a quick side-by-side comparison table weighing up cost and effort of each option.

Options	Who's This For	What You're Required to Do	Cost
Option 1: Managing It Yourself	• Landlords with one or two properties • Those comfortable with tech	• Keep digital records • Submit quarterly updates and final declaration	• Software subscription: £0 to £50/month
Option 2: Half DIY	• Want some control but not the admin of tax submissions • Nervous about making mistakes • Don't want to fully outsource	• Keep digital records only	• Software subscription: £0 to £50/month • Accountant fee: £150 to £400/year
Option 3: Fully Outsourcing to a Professional	• Have multiple properties • Prefer to outsource and avoid stress	• Provide access of financial records to agent	• Accountant fee: £500 to £1000+/year

Chapter 03

Tools of the Trade:

What's the Right Software for You

Now that you know what you need to do and how much it will cost you, let's explore the relevant software for you.

In this chapter, we have covered:

- All-in-one tools for MTD
- A simple option if you want to stick with spreadsheets

We're keeping it short- just enough to help you navigate software options confidently.

The Role of Software in MTD Compliance

You must use HMRC approved software for keeping digital records, submitting quarterly updates, and making the final declaration. Unlike Self-Assessment Tax Return, manually entering information on HMRC's website is not allowed.

You can use different HMRC-approved software for different stages, such as one for submitting quarterly updates and another for completing the final declaration.

HMRC does not provide its own filing software. So, it is your responsibility to select and maintain the right tools.

Types of Software

You can use two types of software to comply with MTD requirements. This includes: MTD compatible software and bridging software.

MTD compatible software

MTD-compatible software is a full accounting or tax solution that connects directly with HMRC, enabling businesses and individuals to meet digital reporting requirements under the Making Tax Digital initiative.

Here what the MTD compatible software does:

- Keeps digital records
- Send quarterly updates and final declaration
- Submits data directly to HMRC through Government Gateway

Basic plans for MTD compatible software are mostly available for free or up to around £50 per month. More advanced versions with extra features or more users may cost more.

Features of MTD Compatible Software

- Bank feeds that pull transaction automatically
- Automatic categorisation of receipts
- Mobile access
- Tax forecasting and reporting tools
- Options designed for landlords and property management

Pro Tip:

Choose software that supports both the tax year (6 April to 5 April) and the standard accounting period (1 April to 31 March). It should also handle multiple income sources such as property and self-employment.

Bridging Software- A Simple Fix for Excel Users

If you prefer using Excel, CSV files or other systems that do not directly support MTD, you can use bridging software. It creates a digital link between your records and HMRC, allowing you to stay compliant without changing how you work.

Here's what bridging software does:

- Connects your spreadsheet data to HMRC
- Prepare and sends VAT or Income Tax Updates
- Keeps an audit trail to meet compliance rules

The cost of bridging software is typically low, ranging from £5 to £50 per year or a small monthly fee. This option is great if you're comfortable with using spreadsheets and need a cost-effective fix for MTD.

CAUTION

Once your business grows or becomes more complex, you might outgrow this setup and benefit from dedicated MTD software.

Want to See the Full HMRC Approved List?

HMRC has put together a full list of software tools that meet their MTD requirements. These include both all-in-ones MTD compatible and bridging software.

If you want to see which tools are officially recognised, you can check the list here:

View HMRC official list of MTD-compatible software.

Chapter 04

Learning By Doing:

Pilot Scheme for Landlords

Many landlords worry about MTD compliance. It's new, feels complicated and there's always the fear of making mistakes with new things.

That's why HMRC has introduced the MTD pilot scheme. It lets you get hands-on experience with MTD and get comfortable with the software before it gets mandatory.

In this chapter we'll focus on:

- Why the pilot scheme matters
- What landlords can gain by joining early

By the end of this chapter, you'll set yourself up for a smoother 2026 by quietly opting in for MTD pilot scheme.

Why Join the Pilot?

The MTD pilot scheme is an early access program that lets you start using Making Tax Digital before the official deadline in April 2026. It gives you the chance to learn the system, test different tools, and build a reliable process without the pressure of penalties or last-minute changes.

01

Hands-on Learning

The pilot scheme lets you gain practical experience with digital tools and submissions instead of relying only on guides and tutorials.

02

Test and compare tools

You can try different software, explore features, and choose what works best for your setup before it becomes mandatory.

03

No penalties for mistakes

In the MTD pilot scheme, there are no penalties for compliance issues. Thus, you can use this time to make and learn from errors.

04

Stay ahead of the rush

You can build your process early and avoid the last-minute stress many landlords face when the rules kick in.

Want to Give It a Go?

Here's how you can join MTD pilot scheme and start preparing early.

01

Sign Up Online

Visit HMRC's official website to check if you're eligible to join the pilot and register directly. It's a quick and simple way to get started.

Check eligibility and join the MTD pilot

02

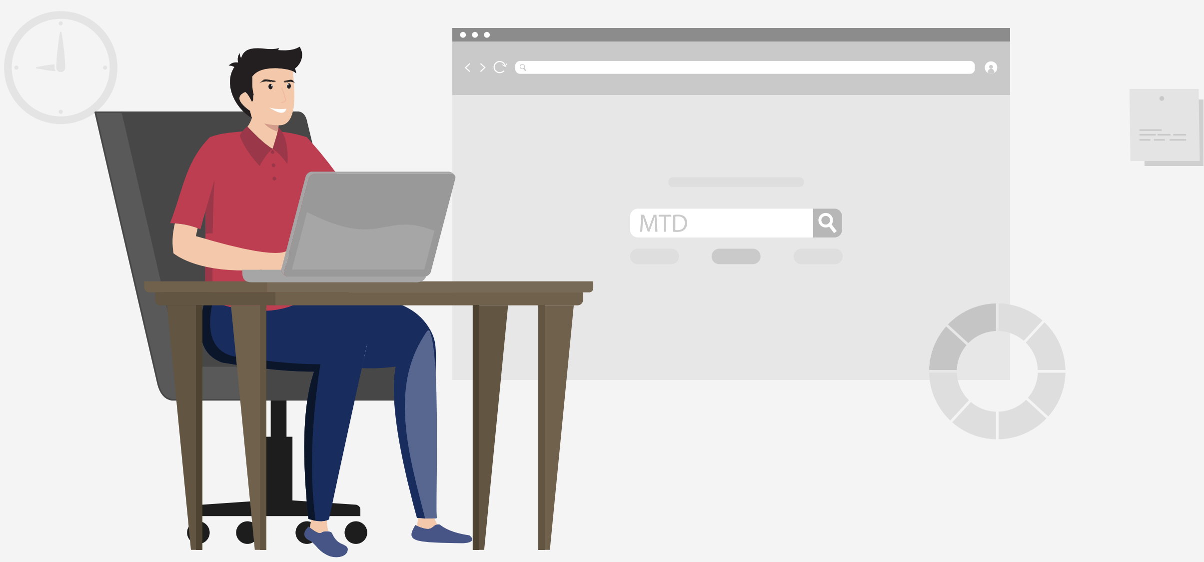
Ask Your Accountant

If you're unsure whether to join now or wait, speak with your accountant or tax adviser. They can guide you through the process or even run informal MTD trials to help you get used to the system.

Even if you don't want to sign up now for MTD pilot, it's ideal to explore the process. This ensures you're ready and know how the MTD works when it becomes mandatory in 2026.

Pro Tip:

Even if you're not ready to sign up today, just explore the process. This way, when MTD becomes mandatory in 2026, you can say, "I've done this before."



Chapter 05

Landlord–Agent

Relationships Under MTD

You've seen what MTD needs and how getting organised early can make a big difference.

But here's the thing, things can fall apart when everyone thinks someone else is doing

That's why this chapter is about working together.

By the end of this chapter, you'll know:

- Who should do what
- Common setups under MTD that work
- And how to avoid last minute panics under MTD

Sounds good. Let's dive in.

Who's Responsible for What?

Under MTD for ITSA (landlords), there are usually three parties involved:

Landlord **Letting Agent** **Accountant**

Each of these parties play a crucial role but not all roles are created equal.

The Landlord: Ultimately Responsible

The landlord is legally responsible for:

- Keeping digital records of income and expenses
- Making quarterly updates
- Making Final declaration at the end of the year

It doesn't matter who's is supporting landlord or how much of the tasks are being delegated. The ultimate liability for MTD stops with the landlord.

The Letting Agent

Letting agents are incredibly useful for:

- Collecting rent and providing statements
- Tracking and categorising property-related expenses
- Helping landlord to keep digital records

Letting agents aren't responsible for submitting anything to HMRC. They are just useful when it comes to managing day-to-day property tasks.

The accountant

A qualified accountant or tax adviser can:

- Ensure everything is accurate and submitted timely
- Advise allowable expenses
- Handle quarterly updates and final declaration
- Spot and solve compliance issues

When each parties know their roles and stick to it, MTD becomes a lot less stressful. Up next: How to set up your team in a way that works.

Common Setups That Work Well

There is no single setup that fits every landlord under MTD. The key is ensuring that each person involved knows their role and stays consistent.

Below are three common setups we recommend based on the different levels of involvement and support.

Landlord + Agent + Accountant

This is a fully supported setup where most of the responsibilities are delegated.

- The letting agent collects rent and tracks expenses.
- The accountant handles digital record-keeping, quarterly updates, the final declaration, and tax planning.
- The landlord oversees the process to ensure everything runs smoothly.

Landlord + Accountant

This is best suited for landlord who self-manage their properties and want more control.

- The landlord is responsible for digital record keeping and categorisation.
- The accountant prepares and submits quarterly updates and the final declaration and provides tax support.

DIY Landlord + Occasional Support

This is the hands-on approach where the landlord manages everything directly. This is best suited for landlords who are confident using the technology and understand basic tax requirements.

- The landlord uses MTD-compatible software, maintains digital records, and submits updates.
- The accountant may assist with the year-end process or provide advice when needed.

Making Sure Everyone on the Same Page

Under Making Tax Digital, confusion often happens when roles are not clearly defined. One person assumes someone else is handling things until things get missed.

To avoid this, it's important to ensure everyone involved knows their roles and are well connected. Here's how you can do this:

01

Agree roles early

Decide who handles record keeping, quarterly updates, and the final declaration.

02

Use shared tools

Choose the MTD compatible software, agent portals, or accountant dashboards that everyone can access.

03

Set clear deadlines

Use shared checklists or calendars with reminders for each submission date.

04

Schedule regular check-ins

Arrange quick monthly or quarterly meetings between landlord, agent, and accountant.

05

Keep communication open

Make sure any questions, changes or issues are shared to avoid last-minute panic.

Chapter 06

Communicating With:

Tenants and Joint Owners

So far, we've focused on individual landlords.

But here's the thing:

Many properties are jointly owned, and most landlords have tenant to deal with.

So, in this chapter, we're talking about:

- How MTD works when more than one person owns the property
- Tips to stay in sync with joint owners
- And most importantly, what tenants need to know (and how to make rent records easier to track)

By the end of this chapter, you'll know **how to keep everyone on same page** and **avoid silent assumptions that lead to big compliance headaches.**

Understanding Joint Ownership In MTD

In the context of Making Tax Digital (MTD), joint property ownership means when two or more individuals share ownership of rental property. In case of joint ownership, each owner is responsible for reporting their own share of the property's income and allowable expenses to HMRC even if they manage the property together.

Each Owner's Responsibility

Under MTD rules:

- You must digitally record your share of the rental income and expenses.
- You are not responsible for reporting your co-owner's share.
- You must submit quarterly updates and final declaration.

For Example:

If you own 50% of a property, and the total rent received is £12,000 per year, you would report £6,000 as your income. The same applies to expenses as well.

Digital Record Keeping Options

As a joint property owner, you only need to keep records and submit updates for your share of income and expenses. You can choose between two options:

- **Full transaction-level records:** Log each transaction (e.g. rent received, repairs paid) and record only your share of each item.
- **Simplified category totals:** Record your share of total income each quarter, and the share of total expenses annually.

If your property income is below the current VAT threshold (£90,000), you can use three-line accounts:

Total Income

Total Expenses

Net-Profit

However, mortgage interest must still be recorded separately.

Quarterly Update Options

You have the flexibility in how you report. You can either:

- Submit full income and expenses details each quarter, or
- Report income only quarterly, and expenses annually via your final declaration

This only applies to jointly owned properties. If you own any property solely, you must report full details.

Tips for Working with Joint Owners

Who's keeping the receipts? Who's tracking rent payments and who's uploading it to MTD software? Things can get messy fast when more than one person owns a property. So, it's important to set some ground rules.

Here's how you can avoid confusion and keep everything on track.

01

Set Ground Rules Early

Start with the basics. How'll you divide record keeping responsibilities and how often will you update and review the records? It's better to make an agreement, even if it's just a shared document or group chat.

02

Use Shared Digital Tools

Use cloud-based spreadsheets or property software that everyone can access. This allows everyone involved to see what's been done and prevents duplicate work or missing information.

03

Assign Monthly Review Duties

Pick one person to do a monthly check of all records. This helps to make sure nothing is missing or misclassified. Additionally, it also provides a second layer of accuracy before anything is submitted to HMRC.

04

Stay in Regular Contact

Schedule monthly meetings or catch-ups even if it's just for a five-minute call. This keeps everyone informed and reduces the chances of missed tasks or last-minute surprises.

Communicating with Tenants

MTD requires you to keep accurate records of income and expenses and maintain digital links from rent received to submission.

That's hard to maintain if rent arrives as cash-in-hand or shows up on your statements as "T. SMITH."

So, **what can landlords do?**

As a landlord, you can dictate how your tenants pay. But you can make payment suggestions to tenants and explain why it matters.

For instance, you can ask them to pay by bank transfer or standing order and suggest adding a reference like a property address or tenant name.

This builds consistency and help track income and expenses effortlessly.

Chapter 06

Avoiding Common Pitfalls:

What Not to Do

Up to now, we've covered the rules, the tools and the teamwork within MTD.

But let's not forget: most MTD problems come from simple mistakes, and they are totally avoidable.

So, in this chapter, we're talking about:

- What not to do (even if seems harmless)
- What to do instead to stay compliant and stress free

Don't Leave It Until the Last Minute

Let's be honest- nobody like admin. And when the deadline is years away (April 2026), it's natural to push away MTD preparation.

But let us tell you: **scrambling at the last minute won't work.**

So, start preparing for MTD. You can:

- Choose and test MTD compatible software
- Keep digital records to get hands-on with the process
- And evaluate the need to upgrade your systems (bank feeds, spreadsheet formats or internet access)

Don't Assume Someone Else Is Handling It

You'd be surprised how often guesswork happens when professionals work together.

"I thought the letting agent was doing that."

"I assumed you had the receipts."

And the result, HMRC holds you (the landlord) legally responsible. So, confirm who is responsible for each task.

Don’t Mix Personal & Rental Finances

It’s easier to run everything through your main bank account, especially when you have just one or two rental properties.

But this shortcut can cost you heavily.

When you mix your property expenses with groceries, subscriptions or weekend gateways, you’ll spend countless hours sorting them. Or worse, you could miss something important.

So, open a dedicated bank account for your rental income and expenses.

Don’t Ignore Software Compatibility

When all software providers claim to be “easy” and “affordable”, it’s important to test your options.

Here’s what to check now.

- Is your software on HMRC’s list of approved MTD tools?
- Does your letting agent’s system integrate with yours?
- Does your software support multiple income sources?
- Is the pricing affordable?

By learning from these common pitfalls and taking proactive steps, you can stay compliant with confidence and avoid unnecessary stress on your MTD journey.

About RentalBux

RentalBux is an HMRC-recognised MTD software for UK Property, Self-Employment, and Foreign Property income. It allows landlords, letting agents, and accountants to manage digital tax submissions with full compliance under Making Tax Digital.

Additionally, RentalBux features automated rent collection, income and expense tracking, bank feed integration, automatic invoicing, tenant communication tools, secure document storage, and a dedicated tenant portal. These features make day-to-day property management simple, efficient, and accurate.

This combination of full MTD compliance and advanced management tools makes RentalBux a true all-in-one platform, enabling landlords and accountants to handle property management and tax reporting seamlessly from a single cloud-based dashboard.

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SCAN HERE

809 Salisbury House, 29 Finsbury Circus, London EC2M 7AQ

+44 20 4591 1941

info@rentalbux.com

rentalbux.com

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