Making Tax Digital for VAT: sign up windows for the voluntarily VAT registered

Indirect Tax

22 February 2022

Taxpayers who are voluntarily registered for VAT are required to follow the Making Tax Digital for VAT rules from the first day of the VAT return period that starts on or after 1 April 2022.

Making Tax Digital (MTD) for VAT became mandatory from 1 April 2019, though only for taxpayers that were obliged to be registered for VAT due to breaching the VAT registration threshold of £85,000. For taxpayers that were voluntarily registered, they still had the choice to sign up for MTD or to continue to use the Government Gateway for submitting VAT returns, and the choice of keeping their VAT records in paper or digital formats. To date, over 30% of the voluntarily registered population have opted in to MTD for VAT.

Actions for the voluntarily VAT registered

From 1 April 2022 onwards, anyone who is voluntarily registered (unless they have applied for exemption) must comply with the MTD for VAT requirements, which include:

- keeping VAT records in a digital format;
- where several accounting packages are used, they must be digitally linked; and
- VAT returns must be submitted using MTD compatible software.

Further guidance can be found in VAT Notice 700/22 (tinyurl.com/2fjauxfn).

When to sign up for MTD

We have prepared a sign-up illustration for voluntarily registered taxpayers and this can be found on the CIOT's website: www.tax.org.uk/mtd_sign_up.

The above dates are based on some assumptions and provisos, further details of which can be found on the sign-up illustration.

Image

