MTD: Making tax disappear?

Briefings



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Figures published alongside the Budget on 15 March estimate that the government's deferral of Making Tax Digital for Income Tax Self-Assessment will cost the Exchequer more than £1.75 billion over the next five years.

ATT and CIOT said that while the decision to defer and then stage the implementation of MTD for ITSA was the right one, the programme's benefits might have begun to flow more quickly if the government had consulted earlier and worked more closely in partnership with stakeholders.

Alison Hobbs, Chair of the joint ATT and CIOT Digitalisation and Agent Strategy Committee, explained: 'While we have spent the last seven years engaging with HMRC on MTD, it started too late in the policy development process.

'Key decisions, such as who would be in scope, what they need to do, and the implementation timetable were already decided. If consultation had begun at an earlier stage, the tax profession could have worked with HMRC to identify options to meet the policy objectives of reducing errors and mistakes and using the

opportunities that technology provides to make it easier for taxpayers to meet their tax obligations.

‘It’s not too late to learn this lesson for the future,’ she concluded.