Making Tax Digital ‘is not optional’

Briefings

September 2026



25 August 2026

ATT, CIOT and LITRG react to HMRC’s latest Making Tax Digital statistics.

HMRC has published new figures showing that 436,000 sole traders and landlords have met the deadline for filing their first quarterly Making Tax Digital (MTD) update. It also announced that from September it will begin signing up taxpayers who have yet to register for MTD.

ATT noted that HMRC’s decision to begin signing up taxpayers who have not registered themselves was a clear message that MTD ‘is not optional’. Director of Public Policy Emma Rawson said taxpayers should use the opportunity to register themselves before HMRC does, saying this would give taxpayers ‘greater control over the process and more time to ensure they have the right software, digital records and systems in place before their MTD obligations come fully into effect.’

Rawson also said those signed up by HMRC ‘should not assume’ that everything has been taken care of, and should check that the records it holds are accurate.

CIOT encouraged taxpayers to use the ‘soft landing’ penalty regime to establish good record-keeping habits and become familiar with MTD’s software requirements. Ellen Milner, CIOT’s Director of Public Policy, said it was ‘encouraging’ to see that people were complying with the new quarterly reporting requirements and noted that these updates would be needed before taxpayers could file their end-of-year tax return.

LITRG noted that the numbers meant nearly half the taxpayers in scope for MTD had yet to file their first quarterly return, and that automatic sign-ups were an opportunity for HMRC to understand the barriers that have prevented some taxpayers from signing up already. LITRG Technical Officer Sharron West said it was also an opportunity for HMRC ‘to better understand what tools and support taxpayers need to comply with Making Tax Digital going forward.’

CIOT’s reaction can be read here.

ATT’s response can be read here.

LITRG’s comments can be read here.