

[News story: HMRC launches a new way to report income and expenses online](#)

HM Revenue and Customs' (HMRC) ambition for most businesses to keep records digitally and send quarterly summary updates moves a step closer with the launch of the Making Tax Digital for Business (MTDfB) pilot.

In April, HMRC will invite some customers, both businesses and their agents to sign up for a new way to report income and expenses online. At different stages of the pilot customers will help HMRC develop and improve the new service by:

- using accounting software to record their business income and expenses
- sending summary reports of their income and expenses direct from their digital records quarterly or more often if they choose
- signing up to go paperless

Based on the information they report, customers will get an estimated tax calculation.

As soon as the new service has been tested with the first group of businesses and agents, other customers will be able to join the pilot. These customers will be able to report their income and expenses for the quarter they join as well as any previous quarters.

Customers who aren't invited to take part in the pilot at the beginning won't be able to start sending quarterly reports to HMRC immediately, but they can:

- start to use accounting software to keep their records if they don't already
- check with their software supplier, or agent, that any software they use, including spreadsheets, is compatible with quarterly reporting

HMRC will publish a list of software suppliers who've developed compatible software and registered with them later in the year. Some of this software is free.

In a recent [agents blog](#) HMRC explains how it's working with tax agents to bring about this major change.

Find out more about [making tax digital for business](#).