

Press release: Making Tax Digital for VAT pilot open for business

Making Tax Digital for VAT will make it easier for businesses to manage their tax and will save them, and their agents, time which can instead be devoted to maximising business opportunities, encouraging growth and fostering good financial planning.

From 1 April 2019, under Making Tax Digital, around 1 million businesses registered for VAT with a taxable turnover above £85,000 will need to keep their VAT records digitally and file their returns using Making Tax Digital-compatible software.

The pilot opens today for around half a million businesses whose affairs are up to date and straightforward, and will extend to most other business types over the coming months. HMRC has also listened to concerns and will give a small group of customers with more complex requirements a further 6 months to prepare. This will ensure there is sufficient time for testing the service with them in the pilot before they are required to join.

[Mel Stride MP, Financial Secretary to the Treasury](#), said:

HMRC is transforming the tax administration so that it's more effective, more efficient and easier for taxpayers. Today's announcement means that around half a million businesses will be able to join Making Tax Digital and start filing their VAT returns online, making it easier to get their tax right first time.

More and more businesses use digital tools every day to help them operate – tax shouldn't be different. This is a major step towards bringing VAT into the 21st century.

Theresa Middleton, Director for Making Tax Digital for Business, said:

Millions of people are already banking, paying bills and interacting with their suppliers and customers online. Using digital tools to help businesses manage their business income and expenses and get their tax right builds on this momentum and will also help them get more control over their finances.

Eligible businesses and agents shouldn't leave preparations to the last minute and are encouraged to join the pilot as soon as they can. Read [more information on Making Tax Digital](#).

Background

HMRC's ambition is to become one of the most digitally advanced tax administrations in the world and Making Tax Digital is making fundamental changes to the way the tax system works – transforming tax administration so that it is:

- more effective
- more efficient
- easier for taxpayers to get their tax right