



ABEL ON PROPERTY

MTD Ready

the 2026 landlord survival guide

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Why I wrote this

In 40 years I have seen many tax changes come and go. Making Tax Digital is the biggest change to how landlords report their income in my lifetime, and it is here now.

Here is the plain truth. If your rental income (plus any self-employed income) is over £50,000 a year, HMRC will no longer accept your once-a-year tax return for that income. You will keep digital records and send them a short update every three months.

I wrote this little book so you can understand exactly what it means, what you must do now, and how to make it painless. One idea at a time. No jargon.

— *Harish Verma & Awais Jawaid*

Tax rules change. This guide is general information, not personal advice. Before you act, please get advice for your own situation.

The new rule in one paragraph

MTD is live now. Landlords and self-employed people with qualifying income over £50,000 must keep digital records and send HMRC a summary of their income and expenses every quarter.

That is the whole rule. No more keeping everything in your head, or in a drawer, until January. HMRC wants to see your numbers as the year goes along.

The old once-a-year tax return does not vanish completely — there is still a final year-end declaration — but the year of the shoebox is over.

HMRC has said it will bring smaller landlords in later. From April 2027 the plan is to include those over £30,000. So even if you are under the line today, this is coming your way soon.

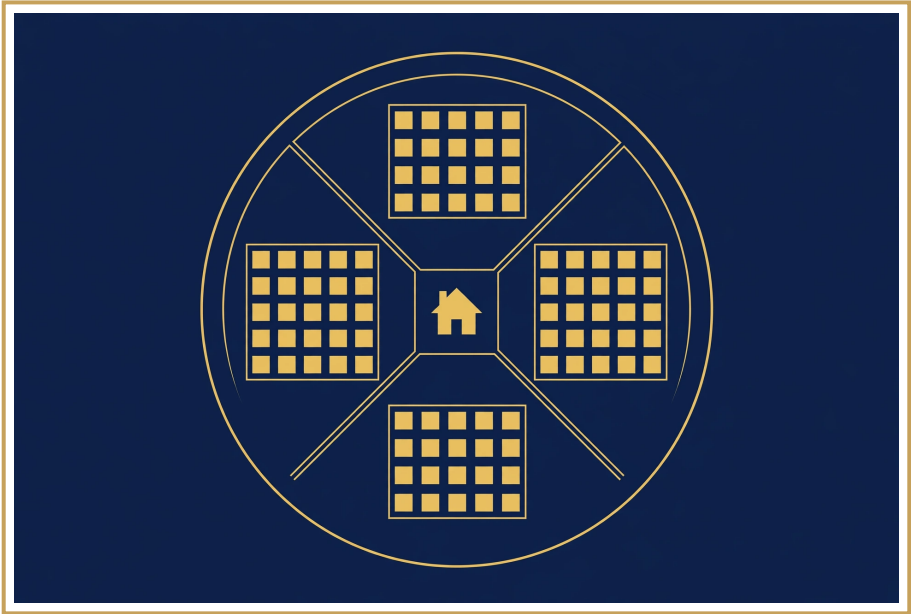
Does it catch you? The £50,000 test

Qualifying income means your gross rental income plus your gross self-employed income, before any expenses are taken off, added together for the tax year.

If that total is over £50,000, you are in it now. Under that, you are not in yet — but from April 2027 the line drops to £30,000, so keep watching.

A few plain points I tell every landlord. First, it is gross income, not profit — a landlord with £52,000 of rent and big mortgage costs is still caught. Second, if you are married or in a partnership, each person's own income is tested separately. Third, income from a limited company does not count towards this test.

If you are near the line, do the maths now. Borderline cases get no sympathy from a computer.



Four updates a year, one calm rhythm — that is all MTD asks of you.

Quarterly updates — what they really are

Four times a year you (or your accountant) send HMRC a short summary: income in, expenses out, for that quarter. Think of it as four postcards through the year instead of one long letter at the end.

A common worry: “Do I pay tax four times a year?” No. The updates are summaries, not bills. You still pay your tax in the usual way, and there is one final declaration at the end of the year to tie everything together.

Each update is due about a month after the quarter ends. Miss the rhythm and you collect penalty points — more on that later.

The hidden benefit nobody talks about: you will always know where you stand. No more January surprises.

Digital records — what counts and what does not

Digital records means your rent and expenses are recorded in software that can talk to HMRC, or in a spreadsheet connected through approved bridging software. A paper book, a memory, or a pile of bank statements does not count.

Record things as they happen. When the rent lands, log it. When the plumber is paid, log it. Five minutes a week beats five miserable days in January.

If you hate computers, this is exactly why accountants exist. Authorise your agent, send us your numbers in whatever simple format we agree, and we file everything for you.



Your rent and expenses, logged as they happen — five minutes a week.

The honest cost of getting it wrong

Late quarterly updates will fall under HMRC's points-based penalty system: miss deadlines and you collect points, and enough points turn into a fine. Interest runs on anything paid late, as it always has.

The sensible reading is simple: HMRC will not be kind to people who ignore the new system, and the computer does not forget.

But here is the good news. Landlords who start early — digital records running, software chosen, accountant authorised — find the quarterly updates take minutes. The pain is all in the transition, not in the doing.

Your simple action plan — do this now

MTD is here, and the organised landlords are calm. Do these five things and you will be one of them.

- **Check the £50,000 test. Add up your gross rents and any self-employed income. Know where you stand.**
- **Choose your route: MTD-ready software you run yourself, or an accountant who does it all for you.**
- **Clean up your money. A separate bank account (or at least a clean feed) for each property makes digital records ten times easier.**
- **Start recording digitally now. Do not wait — run the new habit from today, not from January.**
- **Authorise your agent. If we file for you, sign the authorisation early so nothing is rushed.**

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What to do next

You do not need to become a bookkeeper. You need one clean system and someone you trust to run it.

Bring us your rental numbers — however messy — and we will get your MTD system running cleanly. First conversation is on us.

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Not all accountants are the same.

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