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Making Tax Digital (MTD) for Income Tax:

Qualifying income and mandation timeline

What does “qualifying income” mean?

Qualifying income is the total of a client’s gross income from self employment and property.

Gross income means income **before expenses are deducted** (often referred to as turnover).

HMRC uses figures that are **already reported on the Self Assessment tax return** to determine whether — and when — a client must use Making Tax Digital (MTD) for Income Tax.



How qualifying income is worked out

1 Identify the income sources

Look at the client’s Self Assessment return and identify any:

- Self employment income
- Property income (UK or foreign)

2 Use gross figures only

Take the **gross income amounts** reported for those sources (not profits).

3 Add them together

Add together the qualifying income figures to get the client’s **total qualifying income.**

If that total meets or exceeds the relevant threshold, the client is mandated for MTD for Income Tax.

What income is included?

Self employment (sole trade)

- SA103F box 15
- SA103S box 9

Self employment other income

- SA103F box 16
- SA103S box 10

Qualifying care receipts (for example foster care or shared lives care) are excluded.

UK property income

UK property income (gross) — SA105 box 20

Other UK property income — grant of lease — SA105 box 22

Other UK property income — reverse premiums — SA105 box 23

Furnished Holiday Let (FHL) income — SA105 box 5 (relevant for 2024/25 tax year. From 2025/26 tax year FHL is abolished.)

Foreign property income

Foreign property gross income — SA106 box 14

Foreign property income — reverse premiums — SA106 box 16



Using the SA200 tax return summary

If you use the **SA200 summary**, equivalent figures may appear in summary boxes (for example: box 3.6 for self employment turnover, box 6.1 for UK property income).

When do clients become mandated?

MTD for Income Tax is being introduced in phases.

The tax year in which qualifying income is assessed determines **when MTD starts.**

MTD trigger tax year	Qualifying income threshold	MTD mandation start year	What this means
2024/25	£50,000	2026/27	Clients whose qualifying income meets or exceeds £50,000 in 2024/25 must use MTD from 2026/27
2025/26	£30,000	2027/28	Clients whose qualifying income meets or exceeds £30,000 in 2025/26 must use MTD from 2027/28
2026/27	£20,000	2028/29	Clients whose qualifying income meets or exceeds £20,000 in 2026/27 must use MTD from 2028/29

Worked example (illustrative only) based on 2024/25 tax return for 2026/27 mandation

Client income reported on the Self Assessment return:

- Self employment turnover: £32,000
- UK property rental income: £21,000
- PAYE employment salary: £40,000

Worked example steps

1 Identify the income that counts

Only self employment and property income is included.

- Self employment income
- Property income (UK or foreign)

2 Add together qualifying income

- £32,000 (self employment)
- £21,000 (UK property)

Total qualifying income: £53,000

3 Compare to the threshold

£53,000 exceeds the £50,000 threshold.

→ The client is mandated or MTD for Income Tax

Employment income does not affect qualifying income.

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