Making Tax Digital

The Accountant's Response

Following the release of the consultation documents from HMRC's Making Tax Digital scheme, the proposals have been met with concern from the accounting profession.

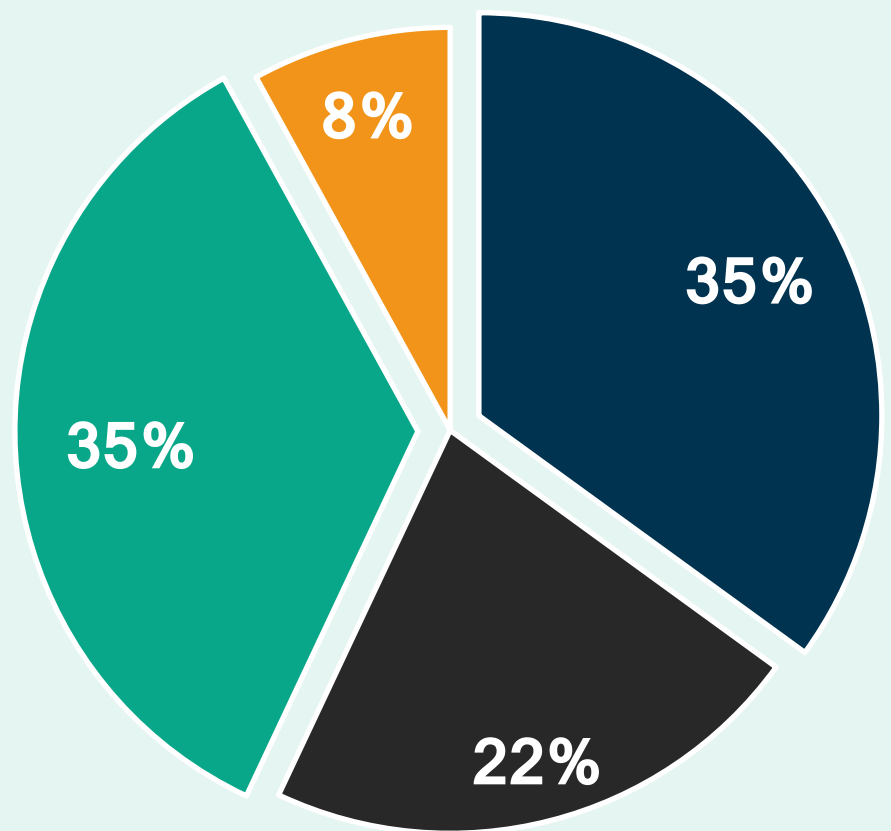We share some of the key feedback from research undertaken following our Making Tax Digital introductory webinar.

The majority of respondents worked in the corporate sector, or were sole practitioners, while 20% worked in practice.

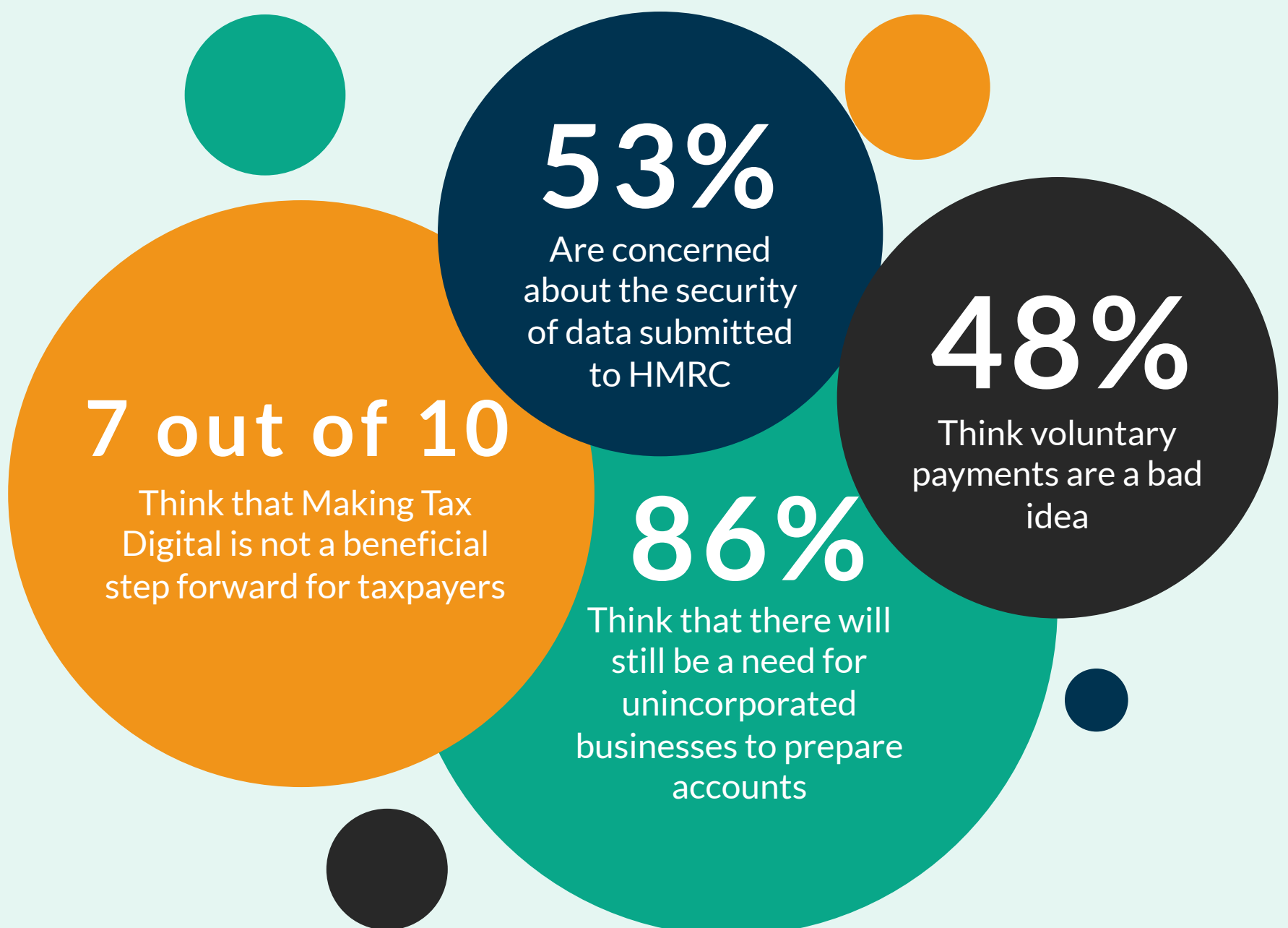**14%** Use software for financial reporting

10% Use software for tax submissions

77% Use software for both

- ■ In practice
- ■ In corporate sector
- ■ Sole practitioners
- ■ Student/other

35% — 22% — 35% — 8%

67% of respondents thought that the £10,000 enrollment threshold for Making Tax Digital should be increased to the VAT threshold.

53% Are concerned about the security of data submitted to HMRC

48% Think voluntary payments are a bad idea

7 out of 10 Think that Making Tax Digital is not a beneficial step forward for taxpayers

86% Think that there will still be a need for unincorporated businesses to prepare accounts

55% of respondents thought that the cash basis entry threshold should be higher than the VAT threshold

When asked for their opinion on the cost implications for businesses trying to make tax digital, 95% of respondents said the main costs would involve the purchase of software.

77% of respondents also said that the cost of training staff would be significant cost for businesses as they learn to use the new software.

The purchase of hardware was also a factor, suggesting that the costs for businesses may hit technology and training budgets. Everyone surveyed thought that costs would occur in some area of businesses.

Purchase of hardware	Purchase of software	Cost of training staff
48%	95%	77%

CaseWare