

Investment Helps Small Businesses Tackle Digital Tax

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Partner At Hentons, Pav Bagri

Impending changes to the way businesses pay tax have led Leeds-based accountants and business advisers Hentons to invest heavily in its online and digital services offering alongside establishing key partnerships with providers of online accounting software packages used by millions of UK businesses.

Making Tax Digital (MTD) is an HMRC initiative designed to make sure the UK tax system is more efficient and easier for taxpayers. Making Tax Digital for business (MTDfb) begins on 1 April 2019 with MTD for VAT. From that date, VAT-registered businesses above the threshold of £85k will have to keep digital records and submit VAT returns using

compatible software. Income tax and corporation tax changes will come into effect from 2020 at the earliest.

Hentons has been developing its own systems in readiness for the changes and has adopted a number of relevant HMRC approved and recommended software packages and tools which it can introduce, implement and train clients on.

To ensure seamless transitions, Hentons has established platinum partnerships with many leading software providers including QuickBooks, Xero and FreeAgent. Further partnerships with other providers are imminent.

Partner at Hentons, Pav Bagri commented: "Many businesses are completely in the dark about the digital tax changes that HMRC is rolling out next April, and it's bound to confuse. We're doing all we can to make the preparations as easy as possible for clients and as part of our ongoing digital investment programme we are providing access to various resources and insights for all clients and contacts including blogs, videos, news, calculators and guides.

"An online portal is in place for clients which allows the secure and efficient exchange of documents and approval of accounts and tax returns. There are relevant guides and tools for entrepreneurs, SME's, sole traders and start-ups and with MTD looming what we're doing is providing access to valuable support and advice across all areas of business and finance."

Benefits to business clients include real-time data access, accuracy, full, speed, security, cost-effectiveness and greatly enhanced time management and efficiency.

Added Pav: "Over the coming weeks and months, it's important that businesses review systems and resources, first checking that they are compatible with HMRC and if so, how these can be further improved to make the switch to MTD with minimal disruption.

"It's important to plan and act quickly as the earlier the transition is made, and the sooner businesses can start reaping the rewards. Software users must also give themselves enough time to ensure they are at ease with new systems before making the switch. Finally, speaking with an adviser will help business owners to prepare for the changes and ensure full compliance."