



A landlord's guide to the tax changes coming in April 2026

What's changing, who it affects, and how to prepare

From April 2026, HMRC is introducing a significant change to the way many landlords report their rental income. While the amount of tax you pay is not changing, how and when you report your income will.

This guide explains what's happening, who it affects, and what we recommend you do next.

The key change: Making Tax Digital for Income Tax (MTD IT)

From 6 April 2026, some landlords will be required to follow Making Tax Digital for Income Tax rules.

This means moving away from one annual Self Assessment return and instead:

- keeping digital records, and
- submitting regular updates to HMRC using approved software.

Who will be affected from April 2026?

You will fall into the new system from April 2026 if:

- You are an individual landlord (or joint owner), and
- Your gross property income (not profit) is over £50,000 per year, based on your 2024/25 tax return

Gross income means total rent received before expenses.

Important clarifications

- The rules apply to individual landlords, not limited companies
- If you also have self-employment income, this is added to your property income when assessing the £50,000 threshold
- The threshold will reduce to £30,000 from April 2027

Some landlords may qualify for exemptions (for example, due to digital exclusion), but these are limited and must be agreed with HMRC.

What will change in practice?

1. Digital record keeping

You (or your accountant) will need to keep rental income and expense records digitally, using MTD-compatible software.

This includes:

- rental income received
- allowable expenses
- dates, amounts and categories

Spreadsheets alone won't be sufficient unless they link directly to approved software.

2. Quarterly updates to HMRC

Instead of one annual submission, you'll submit four quarterly updates each year. These are summaries, not tax bills.

Typical deadlines are:

- 7 August
- 7 November
- 7 February
- 7 May

These updates help HMRC build a real-time picture of your income, but they do not mean you pay tax quarterly.

3. End-of-year submission still required

At the end of the tax year, you'll still complete a final declaration to confirm:

- total income
- allowable expenses
- any adjustments

Your tax payment deadline remains 31 January, as it is now.

4. Penalties and the "soft landing"

HMRC has confirmed a soft landing period for the first year of MTD IT (2026/27).

This means:

- no penalty points for late quarterly updates in the first year
- penalties can still apply for late final returns or late payment of tax

What isn't changing?

It's worth being clear about what isn't changing:

- Allowable expenses rules remain the same

- Mortgage interest relief rules are unchanged
- Capital Gains Tax is unaffected
- Payment dates for tax remain the same

This is primarily a reporting and admin change, not a tax increase.

What we recommend landlords do now

1. Check whether you'll be affected

Look at your 2024/25 gross rental income. If it's close to or above £50,000, assume you'll be in scope and plan early.

If you use an accountant, ask them to confirm your position.

2. Get your records in good order

Clear, consistent record keeping will make this transition far easier. Many landlords find it helpful to:

- keep property income and expenses clearly separated
- retain invoices and receipts digitally
- record expenses regularly rather than annually

3. Speak to your accountant about software

You'll need MTD-compatible software, or confirmation that your accountant will handle submissions on your behalf.

This is not something to leave until April 2026.

4. Allow time to adjust

Quarterly reporting is a mindset shift. Even with a soft landing, early preparation will reduce stress and minimise errors.

Our role

While tax advice must always come from your accountant or tax adviser, we're committed to keeping our landlords well-informed and prepared for regulatory and legislative change.

If you'd like:

- a shorter summary for joint landlords
- a checklist version
- or a version tailored to portfolio landlords

Just let us know – we're happy to help.

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