

MTD Record-Keeping and Software Starter Guide

A plain-English companion guide for sole traders, self-employed users, and landlords who want a calmer way to understand what is changing, what to keep, and where to go next.

Why this guide is worth reading

This is more than a printable checklist. It explains what the MTD change means in practice, who it affects first, what records to keep, how software choices differ, where free or bank-linked routes may help, and which pages on the site give the best next step.

4 live tools

Use the site for start dates, quarterly deadlines, record-keeping, and a rough tax set-aside estimate.

4 MTD guides

Read the rules in plain English before relying on software or rushed deadline decisions.

Software help

Compare free options, bank-linked routes, features, and official HMRC pages in one place.

Download + site links

Use this PDF as a guide, then jump back into the site pages that help most.

Inside this guide

- What the MTD change means in practice.
- Who is affected first and what qualifying income means.
- What records to keep digitally so quarterly updates are less stressful.
- How to think about software without overpaying or choosing the wrong workflow.
- Free and bank-linked software routes to look into.
- Direct links back to the most useful pages on the site.

Important note: this guide is general information and practical guidance only. It is not HMRC, not official filing software, and not tax advice.

What changes under MTD - in plain English

MTD for Income Tax is a more digital way for sole traders and landlords to keep records and report income and expenses to HMRC. It changes the rhythm of tax admin. Instead of only thinking about tax once a year, people in scope need to keep digital records through the year, send quarterly updates using compatible software, and still complete the year-end return process.

Digital records

Income and expenses need to be kept in a digital format rather than left as loose paper notes or a last-minute scramble.

Quarterly updates

People in scope send updates every 3 months, so the year becomes more structured.

Year-end still matters

Quarterly updates do not replace the final tax return stage. Users still need to finish the year properly.

Software is part of the process

HMRC does not provide the software itself. Users need compatible software to handle records, updates, and the year-end flow.

What this means for a real person

If you are used to dealing with tax as one stressful job near 31 January, the biggest change is that the admin becomes more regular. That sounds like more work at first, but it can also mean fewer surprises if your records and software setup are clearer.

Who is affected first

Tax year checked	Threshold	Likely MTD start	How to read it
2024-25	Over GBP 50,000 qualifying income	6 April 2026	First mandatory phase for those over the highest threshold.
2025-26	Over GBP 30,000 qualifying income	6 April 2027	Second phase for users above the lower live threshold.
2026-27	Over GBP 20,000 qualifying income	6 April 2028	Later rollout phase currently treated as part of the expansion path.

Important: the start-date question is driven by qualifying income, which is not the same as annual profit after expenses. That is why a start-date checker and a tax set-aside estimate are not doing the same job.

Qualifying income, in plain English

One of the easiest mistakes to make is mixing up qualifying income and profit. Profit matters when people think about the tax bill. Qualifying income matters when people try to work out whether MTD is likely to apply and when it starts.

Simple version

For many users, the practical starting point is to think in terms of gross income from self-employment, property, or both before expenses. That is why a simple MTD checker usually asks for gross figures rather than profit.

Self-employment only

If you only have self-employment income, your MTD timing question may be simpler because there is only one main source to review.

Self-employment plus property

If you also have property income, you may need to combine more than one source when thinking about scope and software fit.

Profit is still important

Profit still matters for set-aside planning and the likely tax bill. It just is not the same question as qualifying income.

Use the site when you are stuck

The best next page for this question is [MTD Start-Date Checker](#). If you want the fuller explanation first, use [How qualifying income works for MTD](#) on the site.

Digital record-keeping checklist that actually helps

Record-keeping becomes much easier when users stop trying to build a perfect system and focus on a clean routine. The goal is not to make bookkeeping feel heavy. The goal is to make quarterly updates and year-end work less chaotic.

What to keep	Why it matters	Best site page
Income amounts and dates	You need a clear value and date for each income entry so your records stay usable through the year.	Interactive helper
Expense amounts, dates and categories	Categories help you review your records properly instead of trying to decode everything at the deadline.	Record helper
Supporting receipts or notes	Short notes and supporting evidence help when an entry is not obvious later.	Checklist download page
A regular review habit	A monthly or fortnightly routine is usually easier than one large catch-up before a deadline.	Resources hub

Best way to use this PDF and the site together

Use this PDF as your saveable or printable overview. Then go back into the site for the working versions: [Digital Record-Keeping Helper](#), [Resources hub](#), and [checklist download page](#).

Choosing software without overpaying or overcomplicating it

Users often jump straight to price. That is understandable, but it is not the smartest first filter. The better first filter is fit: what income sources do you need to report, what records do you already keep, and do you want one product to handle everything or more than one tool working together?

Self-employment only

If you only need self-employment support, a simpler product may be enough. You may not need broader property support or a more layered setup.

Self-employment plus property

If you also need UK property or foreign property support, the software may need to handle a broader return picture more cleanly.

Existing spreadsheet users

If you already keep records in spreadsheets, the best software is not always the one that forces a complete reset on day one.

One product vs more than one

One product can be simpler because the records, quarterly updates, and year-end process can stay in one place. If more than one product is involved, the workflow may need more care.

The mistake to avoid

Do not choose only on price. A low-cost or free option can still be the wrong fit if it does not support the income types you need, the workflow feels too awkward, or the year-end stage becomes more work than it should be.

Use these site pages next: [Software hub](#), [How to Choose MTD Software](#), [Free vs Paid MTD Software](#), and [MTD Software Features Checklist](#).

Free and bank-linked options to look into

These are not blanket recommendations or sponsorships. They are useful starting points to investigate because they may reduce cost or simplify setup for some users. Always check the provider's current terms, eligibility, and feature scope before choosing.

FreeAgent via NatWest, RBS, Ulster Bank or Mettle

FreeAgent can be free with eligible NatWest, Royal Bank of Scotland, and Ulster Bank business current accounts. Mettle account holders can also access it free if they make at least one transaction a month.

Best for: Best for users who want an established accounting product and either already bank with those providers or are happy to compare that route.

[Open official page](#)

Starling

Starling says its MTD tool is part of the sole trader account and is included free, with direct submissions, reminders, and support built into the banking environment.

Best for: Best for sole traders who want a bank-linked route and prefer tax admin inside the same account environment.

[Open official page](#)

Monzo

Monzo has official MTD pages and says users can file tax straight from Monzo for free, with digital records and quarterly updates handled in the product experience.

Best for: Best for users who already bank with Monzo Business or want to compare a modern app-led route.

[Open official page](#)

Clear Books

Clear Books markets a free MTD option for sole traders and landlords and says it supports digital records, quarterly updates, and year-end filing.

Best for: Best for users who want a dedicated software route without needing a bank-linked package.

[Open official page](#)

Use HMRC's pages too

Use [HMRC software finder](#) as an official starting point, then read [HMRC's choosing-software guide](#) before choosing if your situation is not straightforward.

Best pages on the site to use next

This PDF works best as a companion guide, not as a substitute for the site. The site gives you the working tools, the fuller guide pages, the software comparison routes, and the resource layer in one place.

Best site page	What it helps with
Start Here	A calm route into the site if you are not sure where to begin.
MTD Start-Date Checker	A likely start-date answer based on threshold phases and tax year.
Quarterly Update Deadline Planner	A clearer view of the quarterly reporting rhythm.
Digital Record-Keeping Helper	An interactive checklist version of the record-keeping support.
Tax Set-Aside Estimator	A rough planning tool for how much profit to reserve through the year.
Software Hub	A stronger starting point for software comparison, official links, and free routes to investigate.
Checklist Download Page	The page that hosts this download and related checklist help.

A simple 30-minute action plan

1. Use Start Here if you feel unsure.
2. Check your likely MTD start date.
3. Read the qualifying-income and deadline guides.
4. Use the record-keeping helper and keep this PDF handy.
5. Compare software using the Software hub and HMRC's pages before choosing.

Visit the site: <https://tax.aurecima.com>