

# Reporting for MTD for Income Tax: What is a Final Declaration?

From April 2026, 'Final Declarations' will be a requirement for HMRC's Making Tax Digital for Income Tax initiative.

## What is a Final Declaration?

'Final Declaration' is a term used by HMRC to describe the process a taxpayer goes through to finalise their end-of-year position for tax and determine what they owe. Final Declarations used to be known as 'crystallisation.'

As part of the government's planned Making Tax Digital for Income Tax (MTD for IT) rules, the Final Declaration will replace the current annual Self Assessment Tax Return.

## When will the Final Declaration process be introduced?

Submitting a Final Declaration will be part of the new MTD for IT rules. Self employed people and landlords earning above £50,000 will need to follow MTD for IT rules from April 2026. Those earning above £30,000 will join the system in from April 2027. And, those earning above £20,000 will join the system from April 2028.

## Do I need accounting software to submit a Final Declaration?

Yes, the simplest way to submit your Final Declaration is by using HMRC-recognised MTD software.

You must have this in place ready for when you begin following MTD for Income Tax rules, but the sooner you start using cloud-accounting software to keep digital records, the smoother the transition will be.

The right cloud accounting software will help you to take control of your finances and run a healthy business. You will benefit from additional features such as invoice generation, bank reconciliation, sending quotes and capturing bills and receipts.

## What information do I need to provide in a Final Declaration?

Before starting the Final Declaration process, you need to make sure that the following have been completed:

- Submitted all four quarterly updates for the tax year (*for more information on quarterly reports please see our 'What are Quarterly Reports?' guide*)
- Provided information relating to any other income earned in the relevant tax year e.g. interest and dividends

## When do I submit a Final Declaration?

The Final Declaration can only be made once the relevant UK tax year has ended and must be made by 31st January following the end of the tax year. This mirrors the deadline for self assessment tax returns.

**Can I make changes to a Final Declaration after submission?**

If you need to make any changes to your Final Declaration you have 12 months from the filing deadline.

**What happens if I miss the deadline for submitting a Final Declaration?**

If you miss the deadline for submitting your Final Declaration, or do not pay the tax you owe on time, you may need to pay a penalty. A new points-based penalty system for MTD for IT will come into effect from April 2026. For more information on this, please see our 'Understanding MTD for Income Tax Penalties' guide.

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