Navigating the Digital Ridge: A Guide to Making Tax Digital for Outdoor Professionals

As outdoor instructors, we're used to navigating by the stars, the contours of a map, or a GPS. But there's a new kind of terrain coming into view; one that requires less compass work and more digital awareness: **Making Tax Digital (MTD) for Income Tax**.

For years, the 31 January deadline has been the "summit" many of us scramble toward. But the landscape is changing. HMRC is phasing in a system that replaces the single annual tax return with a more frequent, digital-first approach. Here's what you need to know to stay on track.

***Disclaimer**: This article is for general guidance only. Always consult a qualified accountant or HMRC for advice tailored to your situation.*

What is Making Tax Digital?

MTD is a government initiative designed to modernise the UK tax system. Instead of one big year-end push, you'll be required to:

1. **Keep digital records** of all business income and expenses (no more shoe boxes of receipts).
2. **Use MTD-compatible software** to send updates to HMRC.
3. **Submit quarterly summaries** of your business activity.

MTD has already been introduced for VAT-registered businesses. The next major phase, MTD for Income Tax Self Assessment, will affect many outdoor professionals.

When Does It Affect You?

Your start date depends on your **qualifying income** — your total gross turnover *before* expenses from self-employment and any property you rent out.

Qualifying Income	Mandatory Start Date
Over £50,000	6 April 2026
Over £30,000	6 April 2027
Over £20,000	6 April 2028 (expected)

If your turnover is below £20,000, you can currently continue using the traditional Self Assessment system, however, you'll likely be affected at some point after 2028, so it might be worth becoming compliant in preparation.

This matters because many outdoor professionals juggle multiple income streams —

guiding, instructing, expeditions, seasonal contracts, occasional PAYE roles, and sometimes rental income. It's easy to cross a threshold without realising.

Who is not affected (yet)?

There are a few categories of instructors who are not impacted by Making Tax Digital (yet):

- Individuals who exclusively work as an employee and are paid through PAYE. If you're an employee and all your income is through PAYE, you don't need to take any action.

- Individuals who operate as a limited company and are paid as a director through that company. HMRC have not indicated that limited companies will be affected by MTD in the near term, however, the direction of travel is that all entities are moving towards more frequent digital submissions, so it's likely your company will fall into scope eventually, so it's worth transitioning to compliant systems and processes over the next few years.

If you're in one of these groups, you can continue as normal — but adopting digital systems early will make any future changes far easier.

The New "Quarterly Rhythm"

Under MTD, the single January deadline is replaced by a series of check-ins. You'll submit a summary every three months:

- **Quarter 1 (Apr–July):** Due 7 August
- **Quarter 2 (July–Oct):** Due 7 November
- **Quarter 3 (Oct–Jan):** Due 7 February
- **Quarter 4 (Jan–Apr):** Due 7 May
- **Final Declaration:** Due 31 January (the following year)

Crucially, this does *not* mean paying tax four times a year.
Payment deadlines (31 January and 31 July) remain the same. Quarterly updates simply give HMRC — and you — a real-time view of your likely tax bill.

What Will Change for Outdoor Instructors?

Under MTD ITSA, you'll need to:

1. Keep digital records

Using software or an app to record income and expenses in real time.

2. Submit quarterly updates

Replacing the single annual tax return with four smaller summaries.

3. Submit an End of Period Statement (EOPS)

Where you make year-end adjustments — similar to the current process.

4. Submit a Final Declaration

This replaces the traditional Self Assessment return and confirms all your income for the year.

Penalties

HMRC is introducing a points-based penalty system:

- Each missed quarterly update = **1 point**
- Reach **4 points** → **£200 penalty**
- Every additional missed deadline = another **£200**

There are no late-submission penalties for the **first four quarters** after joining.

Tools for the Trek: Choosing Your Software

You can no longer manually type figures into the HMRC portal. You must use **compatible software**. You have two main options:

All-in-one apps

Xero, QuickBooks, FreeAgent — ideal for working on the go.
Snap a photo of a fuel receipt at a service station and the app will categorise it for you.

Bridging software

If you prefer spreadsheets, you can keep using Excel — but you'll need bridging software to submit your figures digitally.

Pro Tips for Outdoor Instructors

- **Capture as you go:**
  When you're out on a week-long expedition or winter skills course, paperwork is the last thing on your mind. Logging expenses in real time prevents the "lost receipt" syndrome.
- **Check your turnover:**
  MTD thresholds apply to **gross** income. If you bill £52,000 but spend £10,000 on gear and travel, you're still over the £50,000 threshold.
- **Don't wait for the deadline:**
  Transitioning to digital bookkeeping takes time. Start experimenting with an app now so that when your mandatory start date arrives, it's just business as usual.

The Benefits (Yes, There Are Some)

While MTD can feel like an uphill slog, it can actually help:

- **Better cash-flow awareness** — invaluable in a seasonal industry.
- **Fewer surprises** — clearer visibility of your tax position.
- **Less last-minute stress** — no more January panic.
- **More professional systems** — especially useful when working with clubs, charities, or running your own courses.

Final Word

While more frequent reporting may feel like a steep ascent, the goal is better financial visibility. Knowing your tax liability mid-season helps you budget for quieter winter months — or that new rack of climbing gear.

The mountains may always be analogue, but your tax admin is going digital. With the right preparation, you'll be ready for the transition and able to focus on what you do best: helping people explore wild places with confidence.

For more detailed guidance, visit GOV.UK and search for "Making Tax Digital for Income Tax." Stay safe out there—and stay compliant!