

MTD for Income Tax: jointly held property

If an individual meets the qualifying income test, they will be mandated to comply with the Making Tax Digital for Income Tax (MTD for IT) Regulations. Any income they receive from jointly held property will then be subject to the MTD for IT rules. In this factsheet we cover how the rules apply to income from jointly held property.

How income from jointly held property is included in 'Qualifying Income'

An individual's 'qualifying income' (generally, their combined turnover from self-employment and property) is used to determine if and when they are mandated into MTD for IT. When determining an individual's qualifying income, HMRC states that if an individual only receives notice of their jointly let property income after deduction of expenses, then that is the figure to be included in qualifying income. If both income and expenses are notified to the individual, the income before deduction of expenses is included.

Record-keeping and quarterly updates: general rules

Even if an individual only includes their net share (income after deduction of expenses) of jointly let property income in their qualifying income figure, if they are mandated to comply with the MTD for IT requirements, they must follow the rules outlined in HMRC's Update Notices. The ["Making Tax Digital for Income Tax: Update Notice"](#) prescribes the detailed contents of the digital records for jointly let property businesses.

Each item of income and expenditure must be entered into the MTD-compatible software and categorised accordingly. There are 4 income categories and 9 expense categories. It is the totals for each of these categories that will be sent to HMRC each quarter, on a cumulative basis.

Note that if an individual has property both in the UK and overseas, they will have two different property businesses: UK and overseas. This means that two separate sets of quarterly updates must be submitted to HMRC.

Easements for jointly held property

There are easements in "Making Tax Digital for Income Tax: Digital Record-keeping Notice".

The easement for jointly held property will allow an individual to:

- ❑ Report income quarterly according to the categories specified by the update notice.
- ❑ Report expenses annually in the categories outlined in the update notice.

This would involve making just one entry per quarter for each of the required property income headings and just one entry per annum for each of the required property expense headings.

Easements for businesses with turnover below £90,000

A further easement exists for businesses with turnover below the VAT registration threshold, which is currently £90,000.

If turnover from the entire UK or overseas property business is below £90,000, this easement can be combined with the easement for jointly held property.

The individual could:

- ❑ Report a single income figure in the quarterly updates.
- ❑ Report a single expense figure annually.

This would involve making just one entry per quarter for 'income' and just one entry per annum for 'expenses'.

Where an individual receives property income and incurs residential property finance costs (such as mortgage interest), they must create a separate digital record for these costs and send them separately from other expenses, even if taking advantage of an easement.

This document has been prepared for information purposes and does not constitute advice. All information deemed correct as at 20 October 2025