

Welcome to our monthly newsletter for Tech-Talk members. We hope you find this useful, but as always, please contact Billie Mcloughlin for further help or if there are any topics you wish to discuss.

## Making Tax Digital for Income Tax – Yes, it is still going ahead

We have seen HMRC make an announcement about the 'Digital Roadmap' expected in the spring, but this month there have been a few other headlines associated with MTD for ITSA.

First is a new guidance that has been released to clarify what counts as qualifying income for self-employed and property-related earnings.

The guidance provides examples, such as combining income from self-employment and rental properties to determine if a taxpayer falls within the MTD IT scope. For instance, if you earn £25,000 from rentals and £27,000 from self-employment, your total qualifying income would be £52,000, making you subject to MTD IT requirements.

### Who Needs to Comply with MTD IT?

Another updated guidance page outlines who must follow MTD IT. It includes an interactive tool where taxpayers can assess if they need to comply, based on eligibility criteria like income thresholds and National Insurance numbers. Notably, taxpayers with qualifying income below £30,000 remain exempt from MTD IT requirements and can continue with traditional self-assessment tax returns. Additional exemptions are available for those who can't reasonably use digital systems due to age, disability, or other specific circumstances.

### Multiple-Agent Support

HMRC has also launched a new development phase for software that supports multiple agents. This allows taxpayers to designate a primary agent with full access and several supporting agents with limited capabilities. The goal is to streamline complex scenarios where multiple professionals handle different aspects of a taxpayer's digital tax submissions.



### Software Developments and Beta Testing

FreeAgent, Hammock, Xero and Dext have joined the growing list of software tools supporting MTD IT, bringing the total to nine available platforms. They are now part of HMRC's private beta phase, which will allow you to get familiar with the system before it becomes mandatory in 2026.

### Future of Digital Tax

The new Chancellor did not verbally mention MTD in the announcement on 30th October, however outlined in the OOTLAR was the plan to extend MTD for Income Tax to sole traders and landlords with an income of over £20,000 by the end of this Parliament.

The rollout will begin from:

- April 2026 for sole traders and landlords with income over £50,000
- April 2027 for those with income over £30,000
- Those with an income of over £20,000 by the end of this parliament.

The new updates confirm the government's commitment to digital tax compliance and the evolving landscape for accountants and bookkeepers and MTD is no longer something to put on the back burner.

# Dropbox jumps on the AI band wagon

Dropbox has just unveiled an exciting new tool called Dropbox Dash AI, designed to revolutionise how we manage and search for our data. This innovation, positioned as an AI-powered universal search tool, aims to address a problem familiar to many: while it's easy to search the internet for general information, finding details within your own files can be a challenge.

Dash AI allows users to search across multiple platforms—whether it's Google Drive, Notion, HubSpot, or other tools—all from a single central interface. This means no more switching between apps to find that elusive document or file; everything can be accessed through one consolidated search. It's like having a personal assistant for your digital workspace, streamlining workflows and saving time.

## AI-Powered Capabilities

One of the most intriguing features of Dropbox Dash is its Generative AI technology, which learns and adapts to user behaviour over time, becoming more accurate and intuitive. This AI-driven system isn't limited to searching; it can summarise documents and answer questions about your files. Right now, it handles individual files, but plans are in place to extend this functionality to folders and even an entire Dropbox account.

The concept is simple but powerful: you could pull up a document and ask anything about it—such as a summary of its contents—directly within the app.

## Beyond File Storage: Stacks and Start Page

Dropbox has also introduced Stacks, a feature that goes beyond traditional file management. Stacks organise your information and resources for easy access, whether it's a document, link, or resource from another platform. Additionally, the Start Page acts as a dashboard, giving users an overview of their recent activities and centralising key content for quick navigation.

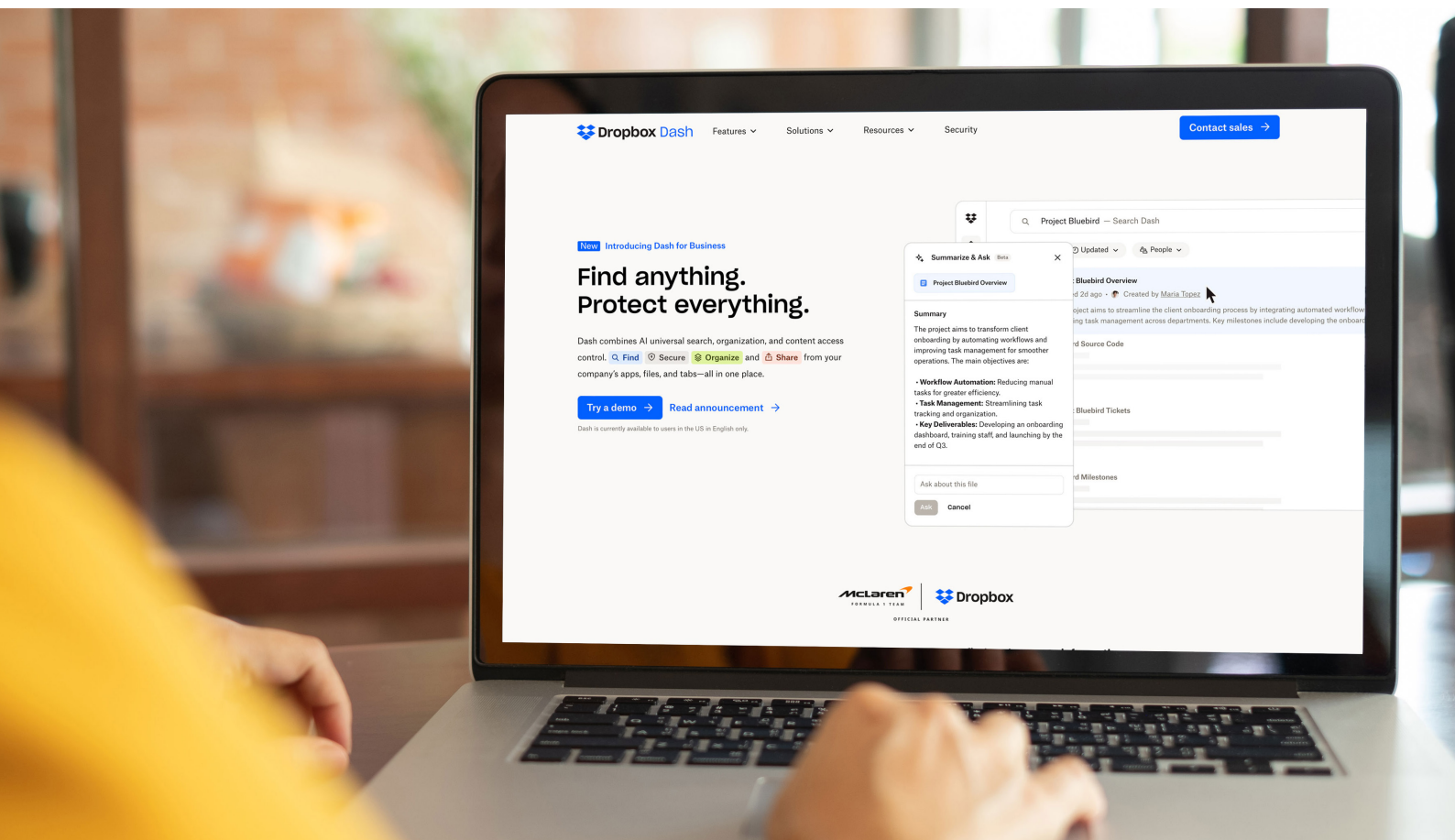
I personally love this, as someone who listens to podcasts and watches video, it will allow storage in the same way we do with traditional documents.

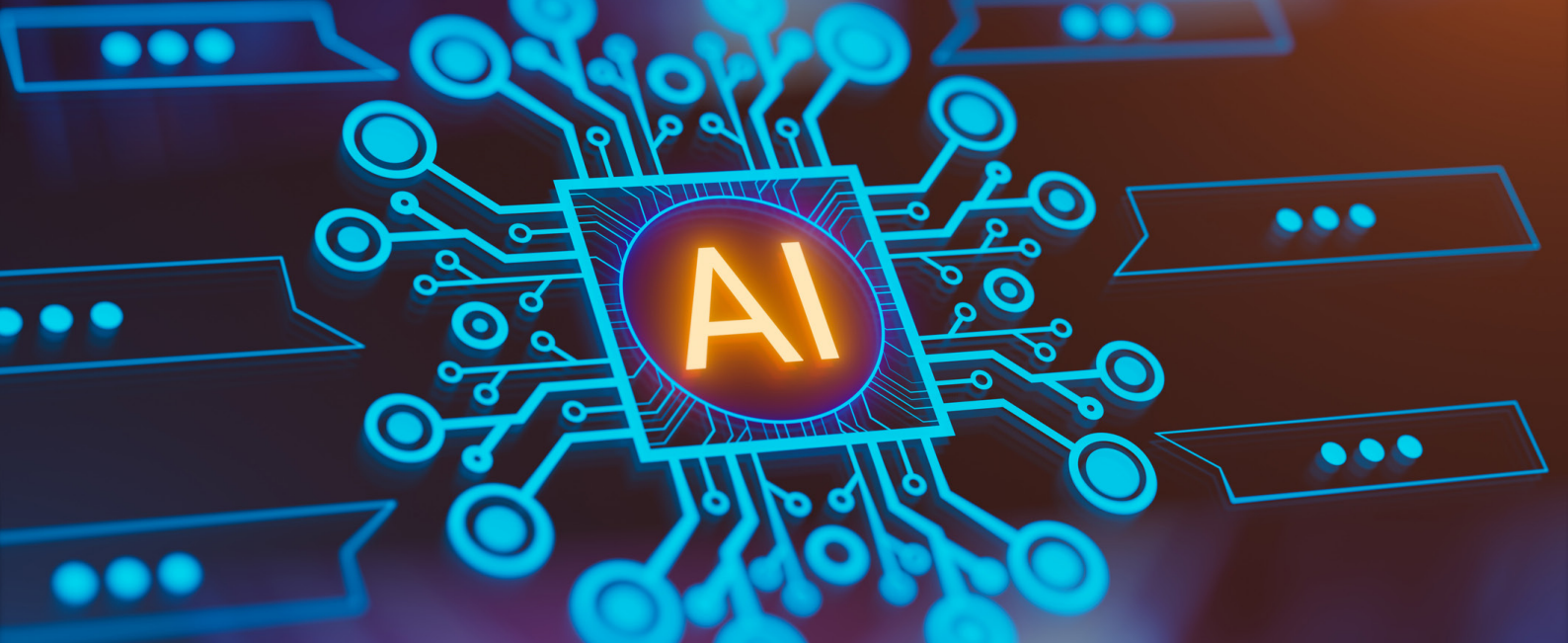
## A Step Towards a More Connected Workspace

With the integration of these tools, Dropbox Dash aims to make cloud storage not just a place to hold files, but a hub for productivity. It's about creating a space where your documents, links, notes, and tools are fully interconnected, making it easier to navigate your digital life. This could mark the end of the flash drive era, highlighting how cloud technology has made information more accessible than ever.

The buzz from Dropbox's CEO emphasises a key point: we have reached a stage where accessing our own data should be as simple as searching the web. Dropbox Dash is a step in that direction, leveraging AI to not only store information but to make it readily available and useful.

Keep an eye out as the tool evolves—there's a lot of potential for this to become a staple in digital management!





## Sage AI report findings

Recently, we were lucky enough to attend Westminster to celebrate the publication of a study conducted by Sage, in collaboration with Demos and ACCA, in which 1,100 senior accountants and bookkeepers in the UK were surveyed. The research focused on the transformative impact of AI on the accounting sector over the next five years, including effects on jobs and the economy.

The reason I felt this was so significant is because it was created with legislation in mind and built on the hope we can shape legislation around the actual use cases of our industry.

Key insights from the report include:

- 1. Widespread AI Adoption Expected:** AI usage in accounting is set to double in the next five years, from 26% of practices currently using it to over 52%.
- 2. Optimism Towards AI:** A majority of accountants (61%) view AI positively, believing it will create more opportunities than risks, with 68% confident in their ability to adapt.

- 3. Economic Benefits:** Widespread AI adoption could add £2 billion to the UK economy, potentially generating 19,000 new jobs.
- 4. Improved Work-Life Balance:** Over half (51%) of AI users report better work-life balance, reduced stress, and higher job satisfaction, as AI frees up time for higher-value tasks.
- 5. AI as a Growth Driver:** Leading AI adopters anticipate a 29% increase in staff over the next three years, significantly more than non-adopters.
- 6. AI Skills Gap:** A skills shortage remains a barrier, with 63% concerned about a lack of AI skills in their workforce, and only 16% feeling fully prepared for AI integration.

These findings highlight both the opportunities and challenges that AI presents for the accounting industry, emphasising the need for skill development to fully capitalise on AI's potential, lets hope Government act upon it!

## AI Christmas Gift for you

From the success of the launch of B-AI-lie, the AI avatar showcased at the 20:20 conference, we are doing a Christmas Special, free to all members, on how to build your own.

This will be a predominantly practical session that shows you how to build your own avatar and where to use it in your firm, using FREE tools.

Keep your eyes peeled for the session available mid December.

