Overseas landlords warned not to mistake MTD deferral for a permanent exemption

Prop Home urges overseas landlords to treat their MTD deferral as a preparation window, with many potentially entering the regime from April 2027.

Supporting Overseas Landlords in the UK

SHEFFIELD, UNITED KINGDOM, August 3, 2026 /EINPresswire.com/ -- Overseas Landlords Urged to Use MTD Deferral as a Preparation Window, Not a Permanent Exemption
Prop Home warns many non-resident property owners could still face quarterly digital tax reporting from April 2027

Overseas landlords with UK rental property are being urged not to assume they are permanently exempt from Making Tax Digital (MTD) for Income Tax, despite many non-resident owners currently benefiting from a temporary deferral.

> “The practical challenge is not the tax itself. It is whether overseas landlords have accurate, organised records to support digital reporting if they come into scope.”
>
> *Paul Harrison*

According to Prop Home, a significant number of overseas landlords who are outside the regime for the 2026/27 tax year may still be brought into MTD from 6 April 2027, depending on their circumstances and income levels.

The property management company is encouraging landlords to use the additional time to improve record keeping, review reporting processes and speak to qualified tax professionals where appropriate.

Paul Harrison, Founder of Prop Home, said:

"Many overseas landlords may see that they are exempt from Making Tax Digital this year and conclude that the issue has gone away.
In reality, for many owners, this is likely to be a deferral rather than a permanent exemption.

The practical challenge is not necessarily the tax itself. It's whether landlords have accurate, organised records that can support more frequent digital reporting if and when they come into scope."

Focus on Property Records, Not Tax Advice

Making Tax Digital for Income Tax requires eligible individuals to maintain digital records and submit information to HMRC using compatible software.

Prop Home stresses that it does not provide tax advice and is not commenting on any individual's tax position. Instead, the company says the change highlights the growing importance of reliable property records, particularly for landlords managing UK property from overseas.

As a property management business, Prop Home works alongside landlords' accountants and advisers by providing clear records of rent collection, maintenance expenditure, contractor invoices and management costs.

Paul Harrison added:
"Property managers, accountants and landlords each play different roles.

Tax advice should always come from a suitably qualified tax professional. Our role is to help ensure that the underlying property records are accurate, accessible and properly documented.

Good record keeping has always been important. As reporting becomes more digital, it becomes even more important."

Why Overseas Landlords Should Pay Attention

Many non-resident landlords whose 2024/25 Self Assessment return included SA109 residence information are currently exempt from MTD for the 2026/27 tax year.

However, that exemption will not necessarily continue in future years.

Prop Home says landlords should avoid making assumptions about their MTD obligations and should seek advice from a qualified accountant or tax adviser regarding their own circumstances.

The company also notes that MTD operates separately from the longstanding Non-Resident Landlord Scheme, meaning some landlords could potentially be affected by both sets of requirements.

Practical Steps Before April 2027

Prop Home recommends that overseas landlords use the period before April 2027 to:
- ensure property and tax records are up to date;
- establish whether their income may bring them within future MTD thresholds;
- check whether any exemption is temporary or continuing;
- discuss software and reporting requirements with a qualified accountant or tax adviser; and
- ensure their letting agent or property manager provides clear records of rental income & expenditure.

Paul Harrison said:
"Nobody wants to discover shortly before a reporting deadline that key information is missing or spread across different systems.
Landlords who use this additional year to organise their records and reporting processes are likely to be in a far stronger position if they later become subject to Making Tax Digital requirements."

Prop Home manages residential property for UK and overseas landlords across the whole of England including London, Sheffield, Leeds, Manchester and Birmingham.

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