

## Digital Tax & Small Businesses

Fieldwork Dates: 7th - 12th May 2019

Sample: 502 Senior Decisionmakers In Small Businesses

Total	Business Size (number of employees)		
	Sole trader	2 to 5 employees	6 to 9 employees

### Work location

	502	305	132	65
Unweighted base	502	305	132	65
<b>Base</b>	<b>502</b>	<b>286</b>	<b>115</b>	<b>101</b>
North	19%	20%	21%	14%
Midlands	14%	13%	17%	14%
East	7%	8%	7%	6%
London	17%	16%	10%	26%
South	30%	32%	29%	28%
Wales	5%	4%	5%	5%
Scotland	7%	6%	8%	6%
Elsewhere (i.e. outside of Great Britain)	1%	1%	3%	2%

For the following question, by 'Making Tax Digital', we mean the new initiative by the UK government to change the administration of the UK tax system to a digital one. It will affect how businesses and other organisations, agents and individuals maintain their accounting and tax records and how they transact and communicate with HMRC. Which, if any, of the following do you think will be result of the introduction of Making Tax Digital? (Please select all that apply. If you haven't heard of the UK Government's initiative Making Tax Digital, please select the 'Not applicable option')

	502	305	132	65
Unweighted base	502	305	132	65
<b>Base: All Senior Decision Makers</b>	<b>502</b>	<b>286</b>	<b>115</b>	<b>101</b>
There will be reduced stress overall for me and my business	6%	7%	3%	8%
I will have less paperwork	23%	21%	23%	32%
Companies will have less privacy	18%	19%	21%	12%
My business will have to pay more tax	5%	6%	6%	2%
I'll have to spend more money on my tax affairs	28%	27%	30%	29%
I'll have to engage more with HMRC	17%	18%	18%	14%
It will improve my cash flow	2%	1%	1%	6%
It will make managing my tax affairs easier and more efficient	19%	17%	14%	31%
None of these	14%	14%	11%	15%
Don't know	13%	14%	14%	8%
Not applicable – I haven't heard of the UK Government's initiative Making Tax Digital	12%	14%	14%	5%

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Has your company moved onto digital tax?

Unweighted base	437	261	114	62
<b>Base: All Senior Decision Makers</b>	<b>440</b>	<b>244</b>	<b>100</b>	<b>96</b>
Yes, it has	32%	27%	31%	47%
No, it hasn't	54%	61%	63%	29%
Don't know	14%	13%	6%	24%

You previously said that your company hasn't moved to digital tax yet... How prepared, if at all, do you feel your company is to move to digital tax?

Unweighted base	248	158	72	18
<b>Base: All Senior Decision Makers whose companies have NOT moved to MTD</b>	<b>239</b>	<b>148</b>	<b>63</b>	<b>28</b>
Very prepared	8%	8%	8%	6%
Fairly prepared	26%	23%	24%	44%
Not very prepared	26%	24%	31%	28%
Not at all prepared	31%	32%	33%	17%
Don't know	10%	13%	4%	6%

You previously said your company has moved to digital tax ... How prepared, if at all, did you feel your company was to move to digital tax?

Unweighted base	134	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>	<b>141</b>	<b>66</b>	<b>31</b>	<b>45</b>
Very prepared	35%	39%	29%	34%
Fairly prepared	39%	31%	49%	45%
Not very prepared	16%	20%	17%	10%
Not at all prepared	6%	3%	6%	10%
Don't know	3%	7%	-	-

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You previously said your company has moved to digital tax ... Most businesses were required to use the "Making Tax Digital" systems by 1st April 2019... How far in advance of the initial April 2019 deadline, did you start preparing to move to digital tax? (Please select the answer that comes closest)

	Unweighted base	134	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>		141	66	31	45
More than a year in advance of the deadline	25%		34%	11%	21%
9 to 12 months ahead of the deadline	10%		9%	14%	10%
6 to 9 months ahead of the deadline	3%		1%	6%	3%
3 to 6 months ahead of the deadline	15%		14%	14%	17%
1 to 3 months ahead of the deadline	23%		11%	31%	34%
2 to 3 weeks ahead of the deadline	7%		6%	9%	7%
A week ahead of the deadline	-		-	-	-
Less than a week ahead of the deadline	2%		1%	6%	-
Don't know/ can't recall	15%		23%	9%	7%

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Which, if any, of the following have you done in preparation for the roll-out of Making Tax Digital? (Please select all that apply. If your company hasn't done anything to prepare for the roll out of MTD, please select the 'Not applicable' option)

	Unweighted base	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>	<b>141</b>	<b>66</b>	<b>31</b>	<b>45</b>
Recruited a new book-keeper	2%	1%	-	3%
Discussed the changes to my company with a/ my book-keeper	10%	7%	11%	14%
Discussed the changes to my company with an/my accountant	46%	36%	60%	52%
Set aside some extra budget	11%	7%	17%	14%
Purchased a new accounting software package (e.g. Xero, Zoho Books etc.)	27%	21%	34%	31%
Introduced training for the relevant staff	10%	6%	9%	17%
Other	11%	14%	6%	10%
Don't know	2%	3%	-	3%
Not applicable – my company hasn't done anything to prepare for the roll out of MTD	21%	31%	14%	10%

To what extent do you agree or disagree with the following statements?

**MBL\_Q7\_1. My business was well-suited to deal with the introduction of Making Tax Digital**

	Unweighted base	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>	<b>141</b>	<b>66</b>	<b>31</b>	<b>45</b>
Strongly agree	38%	43%	31%	34%
Slightly agree	33%	30%	43%	31%
Slightly disagree	13%	10%	20%	14%
Strongly disagree	10%	6%	6%	21%
Don't know	5%	11%	-	-

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	Total	Business Size (number of employees)		
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<b>Making Tax Digital will make accounting and tax reporting better for my business</b>				
Unweighted base	134	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>	<b>141</b>	<b>66</b>	<b>31</b>	<b>45</b>
Strongly agree	21%	23%	17%	21%
Slightly agree	33%	34%	34%	31%
Slightly disagree	14%	16%	11%	14%
Strongly disagree	17%	13%	11%	28%
Don't know	14%	14%	26%	7%
<b>There will be ongoing financial cost for my business because of Making Tax Digital</b>				
Unweighted base	134	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>	<b>141</b>	<b>66</b>	<b>31</b>	<b>45</b>
Strongly agree	25%	23%	11%	38%
Slightly agree	27%	23%	40%	24%
Slightly disagree	13%	13%	34%	-
Strongly disagree	21%	26%	9%	24%
Don't know	13%	16%	6%	14%
<b>Making Tax Digital will take up a lot my businesses' time</b>				
Unweighted base	134	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>	<b>141</b>	<b>66</b>	<b>31</b>	<b>45</b>
Strongly agree	17%	17%	6%	24%
Slightly agree	19%	21%	20%	14%
Slightly disagree	27%	19%	49%	24%
Strongly disagree	26%	29%	17%	28%
Don't know	12%	14%	9%	10%

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Which ONE, if any, of the following statements best describes the amount of information you were given by HMRC/ The UK government with the move to digital tax?

	Unweighted base	134	70	35	29
<b>Base: All Senior Decision Makers whose companies have moved to MTD</b>		<b>141</b>	<b>66</b>	<b>31</b>	<b>45</b>
I had all the information I needed	16%		20%	11%	14%
I had the majority of information I needed	31%		20%	40%	41%
I had just about enough information to prepare	22%		23%	20%	21%
I wasn't given enough information to prepare	12%		11%	17%	10%
I didn't have any information or it didn't reach me (including if you didn't know it was happening)	11%		13%	9%	10%
Don't know	8%		13%	3%	3%