**HMRC system becomes digital.**

Many UK taxpayers are now able to manage their tax affairs following the launch of Personal Tax Accounts. Businesses, self-employed workers and landlords will have to update their tax information on HMRC’s digital system on a regular basis, which HMRC will generate through this shift to a digital system. The aim is that by 2016, every individual and small business will have access to their own secure digital tax account, like an online bank account, that enables them to interact with HMRC digitally. Also, it is planed that by 2020, businesses and individual taxpayers will be able to register, file, pay and update their information at any time. For the vast majority, there will be no need to fill in an annual [tax return](http://money.aol.co.uk/tag/tax+returns/). The launch of personal tax accounts is part of a drive towards a fully digital tax service. Two million businesses are already using their digital accounts and every individual taxpayer will also have access to their own digital account by April 2016.

At the moment, the information that HMRC receives from a range of sources is held on separate systems. This can mean taxpayers being asked to give information to the taxman that it already holds on another system. The new digital tax accounts will join up the information HMRC holds in one place.

Also, everyone can to get a consultation on the issue of payment from the Government – on options to simplify the payment of taxes, align payment arrangements and bring payment dates closer to the time of the activity or transactions generating the tax liability.

The Making Tax Digital project has also shown the opportunity to align payment arrangements across different taxes and to provide a more joined-up service for taxpayers. The government has already brought the collection of Class 2 National Insurance Contributions (NICs) for the self-employed into the arrangements for self-assessment, which means that from April 2015, Class 2 NICs are being collected alongside Class 4 NICs for most. The government is also consulting on the abolition of Class 2 NICs and reform of Class 4 to further simplify the system.

Also, HMRC plans to add some new services to the PTA to simplify and combine all possible actions and procedures, for example:

* improvements to the features of the system, so customers can look a year ahead and back on their current, future and previous tax position;
* a new online payment and repayment service;
* the opportunity for non-self-assessment customers to choose to stop receiving paper from HMRC;
* integration of the tax credits online service in time for 2016 renewals;
* introducing change of the marriage allowance service;
* introduction of the new national insurance/state pension service and so on.