

Making Tax Digital:

powering growth, prosperity, and public services

Value Added Tax, a research paper from Progressive Britain, found that delivering HM Revenue and Customs' (HMRC) flagship digitisation programme would give the Exchequer an additional £3.8 billion a year to spend on public services. It would also help to end the scourge of late payments to small businesses and put artificial intelligence (AI) and other digital tools in the pockets of small business owners up and down the country.

**PROGRESSIVE
BRITAIN**

**STARTUP
CALIATION**

More cash for public services, more time for HMRC

Making Tax Digital drives faster, more accurate tax returns. Estimates suggest that Making Tax Digital would provide the Exchequer with an additional £3.8 billion a year to spend on public services, from schools to hospitals to police. The reduced error and fraud rates will also free up time for hard-working HMRC officials, allowing them to focus on the most important work.

Ending the scourge of late payments

Digitally delivered and machine-readable invoices have already slashed payment times for small businesses' invoices, from 81 days down to 36. E-invoicing, deliverable through Making Tax Digital, will allow better tracking of late payers, ultimately putting more cash in the pockets of entrepreneurs across the UK.

Powering growth and prosperity for small businesses

Making Tax Digital will put digital tools, including AI, in the pockets of small businesses throughout the UK. This will help them boost their productivity and grow through increased efficiency. Customers of Intuit QuickBooks save an average of 35 hours per month, freeing them up for more valuable work. The spillover effects of the digital adoption that Making Tax Digital will drive could be as high as £57 billion in annual productivity gains, according to research from Volterra Partners.