



VAT User Guide

Making Tax Digital VAT returns from your own spreadsheet
— mapped, checked and filed to HMRC, with liabilities and
payments tracked alongside.

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VAT: getting started

Switch on the VAT service, enter your VAT registration number and find your way around.

IN SHORT

- Tax Optimiser is MTD bridging software: keep your own spreadsheet
- Enable VAT from the dashboard card - first year is free
- Your VAT registration number goes under Organisation, Tax & VAT
- VAT Returns and VAT Settings live in the sidebar VAT menu

Tax Optimiser files your VAT returns to HMRC under **Making Tax Digital** as bridging software: you keep working in your own spreadsheet, and Tax Optimiser reads the nine VAT-return boxes from it and submits them digitally. Nothing about how you do your bookkeeping has to change. This guide walks the whole journey – this first article switches the service on and records your VAT registration number.

Enable the VAT service

From your dashboard, find the **VAT** card under *Your tax services* and click **Enable VAT**. The service is free for your first year of submissions, so there is nothing to pay to get started.

The screenshot shows the Tax Optimiser dashboard for 'Alex Example' (Example Trading Ltd). The interface includes a sidebar with navigation options: Workspace (Dashboard, Organisation), Tax Services (Accounts and Corp Tax, MTD ITSA, VAT), and System (Settings, Logout). The main content area displays a greeting 'Good evening, Alex.' and a summary of active services (0) and mid-setup (1). A progress bar indicates '1 setting up' and '2 not enabled'. A 'Next up' card highlights 'Finish setting up Accounts & Corporation Tax' with 1 step left. Below, three service cards are shown: VAT (NOT ENABLED), Accounts & Corporation Tax (SETTING UP), and MTD for ITSA (NOT ENABLED). The VAT card lists benefits like submitting quarterly returns and auto-calculated totals. The Accounts & Corporation Tax card shows a 50% completion progress with steps like entering the Companies House number and completing the first Accounts Production. The MTD for ITSA card lists tasks like filing quarterly updates and submitting the final declaration. Each card has an 'Enable' button and a 'Learn more' or 'User guide' link.

Enter your VAT registration number

Go to **Organisation** → **Tax & VAT** and fill in your 9-digit **VAT Registration No** – it's on your VAT registration certificate and your HMRC business tax account. The same tab lets you record your **VAT Scheme**; most

businesses are on *Standard*. Press **Save**.





Alex Example

Example Trading Ltd



WORKSPACE

 Dashboard

 Organisation

TAX SERVICES

 Accounts and Corp Tax

 MTD ITSA

 VAT

SYSTEM

 Settings

 Logout

 Switch Organisations

 Alex Example 

Example Trading Ltd

Company Details

Tax & VAT

Companies House

System & Defaults

VAT Registration No

111111162

VAT Scheme

Standard

VAT Entity

Single Organisation

Corporation Tax UTR

111111111

Corporation Tax Sender Id

Government Gateway Id

Corporation Tax Password

Government Gateway Password

Tax Office

Save

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Find your way around

Everything VAT lives in the sidebar under **VAT: VAT Returns** is the list of your HMRC periods and where you submit from, and **VAT Settings** is where you tell Tax Optimiser how to read your spreadsheet. Once you are connected, the dashboard card tracks your setup steps and then shows your next return and its filing deadline.



VAT

Making Tax Digital
quarterly returns

● SETTING UP

2 of 3 steps complete

67%



~~Enter your VAT Registration Number~~



Connect to Test HMRC



~~Send a test VAT return~~

Continue setup →

Need a hand?

Next: tell Tax Optimiser where your figures live — see *Map your spreadsheet in VAT Settings*.

Map your spreadsheet in VAT Settings

Tell Tax Optimiser which sheet and cells of your spreadsheet hold the nine VAT-return boxes.

IN SHORT

- One-off setup: map your spreadsheet once, then just upload each quarter
- Software templates pre-fill the mapping for common systems
- AI can find the cells for you, but your spreadsheet is sent to a third-party AI provider
- Check the figures AI found before saving; nothing is saved until you press Save
- Sheet name = the Excel tab name, matched exactly
- Box 7 includes no-VAT purchases, so it will not tie to 5x Box 4

Your VAT figures stay in your own spreadsheet — each quarter you'll upload it and Tax Optimiser reads the nine HMRC boxes straight out of it. **VAT Settings** is where you tell it which sheet and cells to read. You set this up once; after that the quarterly routine is just upload, check, send.

The VAT Settings screen

Open **VAT** → **VAT Settings** from the sidebar. You can also open the same settings without leaving your returns: choose **Actions** → **VAT Settings** on the **VAT Returns** list or on a return. The **VAT Submission Software** name at the top is what appears on HMRC submissions as the originating software — leave it as Tax Optimiser unless told otherwise.

VAT Return Settings

VAT Submission Software *i* Tax Optimiser

Software Template (optional) *i* Select Template

Not sure which cells to use? *f* Find the cells with AI

VAT Return Cell Mapping

Which cells in your spreadsheet hold each of the nine HMRC VAT-return boxes.

Excel Sheet Name *i* VAT

1 VAT due on sales <i>i</i>	2 VAT due on EC acquisitions <i>i</i>	3 Total VAT due <i>i</i>
B4	B5	B6
4 VAT reclaimed <i>i</i>	5 Net VAT due <i>i</i>	6 Total sales ex VAT <i>i</i>
B7	B8	B9
7 Total purchases ex VAT <i>i</i>	8 EC goods supplied ex VAT <i>i</i>	9 EC acquisitions ex VAT <i>i</i>
B10	B11	B12

Save

Start from a software template...

If your spreadsheet is an export from a known system, pick it from **Software Template** — Sage, Access Dimensions, Dynamics NAV, MYOB, Manager.io and others are listed. Choosing one pre-fills the sheet name and all nine cell references; you can still adjust any of them afterwards.

The screenshot shows the 'VAT Return Settings' page in the Tax Optimiser application. The sidebar on the left includes a user profile for 'Alex Example' and navigation links for 'Dashboard', 'Organisation', 'VAT', and 'Settings'. The main content area is titled 'VAT Return Settings' and contains the following fields:

- VAT Submission Software:** A text field containing 'Tax Optimiser'.
- Software Template (optional):** A dropdown menu with a search bar. The dropdown list shows several templates: 'Account Master', 'Dynamics NAV 2013', 'Manager.io', 'MYOB Excel Summary', 'Ocean Dynamics Navision', and 'Propman'.
- Excel Sheet Name:** A text field containing 'VAT'.
- VAT Return Cell Mapping:** A grid of nine fields for mapping spreadsheet cells to VAT return items:
 - 1 VAT due on sales: B4
 - 2 VAT due on purchases: B5
 - 4 VAT reclaimed: B7
 - 5 Net VAT due: B8
 - 6 Total sales ex VAT: B9
 - 7 Total purchases ex VAT: B10
 - 8 EC goods supplied ex VAT: B11
 - 9 EC acquisitions ex VAT: B12
- Save:** A blue button at the bottom right.

...let AI find the cells...

If your spreadsheet has its own layout, Tax Optimiser can work out the mapping for you. Click **Find the cells with AI**, choose your spreadsheet (Excel .xlsx, .xls, .xlsm or .csv), tick the box to confirm you understand, then click **Find cells with AI**.

Before you use it, note that **your spreadsheet is sent to a third-party AI provider** so it can read the layout. Don't use this option if that isn't acceptable for the file.

AI fills in the sheet name and the nine cell references, and shows the figure it found under each cell reference. Each figure is read from your file the same way a normal upload reads it. If a cell holds text instead of a number, it is shown in red. If Box 3 doesn't equal Box 1 + Box 2, or Box 5 doesn't equal Box 3 – Box 4, you will see a warning.

Check every figure against your spreadsheet and correct any cell before you press **Save**. Nothing is saved until you do. AI can make mistakes, and you remain responsible for the return you send to HMRC.

...or map the cells yourself

For your own spreadsheet, fill the mapping in directly:

1. **Excel Sheet Name** — the name of the worksheet *tab* along the bottom of Excel (for example **VAT**). It must match exactly, including spaces — it is not the filename.

2. **The nine cell references** — one per HMRC box, such as **B4**. Each must point at the cell holding that box's final figure.

Press **Save**. If you'd rather adopt a ready-made layout, the upload screen (next article) offers a **Download Example Front Sheet Excel File** that matches the default mapping out of the box.

 **VAT Return Settings**

VAT Submission Software 

Software Template (optional) 

Tax Optimiser

Select Template 

Not sure which cells to use?

 Find the cells with AI

VAT Return Cell Mapping
Which cells in your spreadsheet hold each of the nine HMRC VAT-return boxes.

Excel Sheet Name 

VAT

1 VAT due on sales 

2 VAT due on EC acquisitions 

3 Total VAT due 

B4

B5

B6

4 VAT reclaimed 

5 Net VAT due 

6 Total sales ex VAT 

B7

B8

B9

7 Total purchases ex VAT 

8 EC goods supplied ex VAT 

9 EC acquisitions ex VAT 

B10

B11

B12

Save

The nine boxes at a glance

- **Box 1** — VAT due on sales and other outputs.
- **Box 2** — VAT due on acquisitions of goods from EU member states (Northern Ireland traders only; 0 for most businesses).
- **Box 3** — total VAT due: Box 1 + Box 2.

- **Box 4** — VAT reclaimed on purchases and other inputs.
- **Box 5** — net VAT due to (or reclaimable from) HMRC: Box 3 – Box 4.
- **Box 6** — total value of sales excluding VAT, in whole pounds.
- **Box 7** — total value of purchases excluding VAT, in whole pounds — including purchases that carried no VAT, so don't expect it to be exactly five times Box 4.
- **Box 8** — total value of goods supplied to EU member states (NI traders only).
- **Box 9** — total value of goods acquired from EU member states (NI traders only).

Connect to HMRC and find your VAT periods

Practise the HMRC connection in demo mode, then grant authority for real and let your periods flow in.

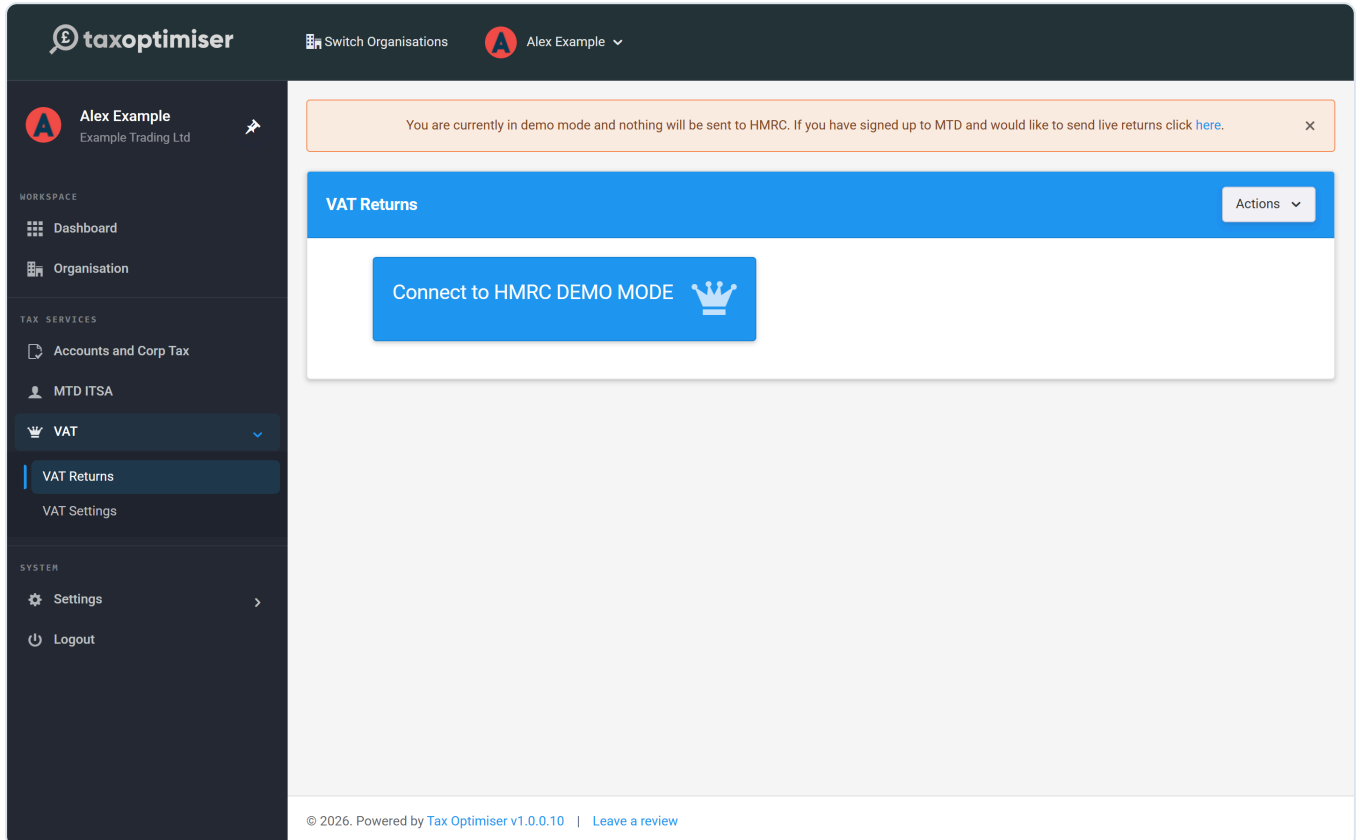
IN SHORT

- Periods (obligations) are pulled from HMRC, never typed in
- Demo mode is a safe rehearsal: nothing is sent to HMRC
- Granting authority lasts 18 months; reconnect when it expires
- You must be signed up to MTD with HMRC before going live
- Accountants can connect once with an HMRC agent account

Under Making Tax Digital your VAT periods come *from* HMRC: once connected, Tax Optimiser pulls down your open and completed periods (HMRC calls them obligations) and you submit against them — you never type in period dates yourself. Every new organisation starts in **demo mode**, a safe sandbox where you can practise the whole journey without anything being sent to HMRC.

Connect in demo mode

Open **VAT** → **VAT Returns**. While you are in demo mode a banner reminds you that nothing will be sent to HMRC. Click **Connect to HMRC DEMO MODE**.



Walk the dummy gateway

You'll step through a simulation of HMRC's real connection flow, so there are no surprises when you do it for real: press **Continue**, then **Sign in** on the dummy login (no credentials needed in demo mode), and finally **Grant authority** — this is the permission that lets Tax Optimiser fetch your periods and submit returns on your behalf.

THIS IS A DUMMY VERSION OF THE HMRC PLATFORM

FOR SIMULATING TESTING WITH Tax Optimiser

Because this is a dummy site nothing will be sent to the HMRC site. **Tax Optimiser** needs permission to interact with HMRC on your behalf. To grant this authority, you'll need to:

1. Sign in to your Government Gateway account.
2. Grant authority to interact with HMRC on your behalf.

This authority will last for 18 months. You can [remove this authority](#) at any time.

► Details

[Continue](#)

Authority to interact with HMRC on your behalf

The **Tax Optimiser** software application is requesting to do the following:

- View your VAT information
- Change your VAT information

It will be able to do the above for 18 months from when you grant authority. Just press Grant Authority

[Grant authority](#) [Do not grant authority](#)

Your VAT periods arrive

Back on **VAT Returns** you'll see demo periods in the returns table — one already *Fulfilled* (a completed return can't be submitted against) and one *Open* awaiting data. The **Liabilities** and **Payments** tabs sit alongside. In

demo mode you can reset this sample data at any time with **Actions** → **Reset Test Data**.


taxoptimiser

 Switch Organisations
  Alex Example


Alex Example
 Example Trading Ltd



WORKSPACE

 Dashboard
  Organisation

TAX SERVICES

 Accounts and Corp Tax
  MTD ITSA
  VAT
  VAT Returns
  VAT Settings

SYSTEM

 Settings
  Logout

You are currently in demo mode and nothing will be sent to HMRC. If you have signed up to MTD and would like to send live returns click [here](#).

VAT Returns

VAT Returns

Liabilities

Payments

Period	Start Date	End Date	Due Date	Net Due	Return Status	Submission Status	Actions
2026-05	01/03/2026	31/05/2026	07/07/2026	12250.00	Open	Confirmation of data required	
2026-02	01/12/2025	28/02/2026	07/04/2026	8000.00	Fulfilled	Completed	

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Going live

When you're ready, click the link in the demo banner. In the **Live mode** confirmation, choose **Set to live mode**. You do not need to sign up to Making Tax Digital for VAT first: HMRC signs up VAT-registered businesses automatically unless they are exempt, so there is no sign-up step and no confirmation email to wait for.

The screenshot shows the Tax Optimiser web application interface. A modal dialog titled "Live mode" is open, displaying instructions for enabling live mode. The background interface includes a sidebar with navigation options like "Dashboard", "Organisation", "Accounts and Corp Tax", "MTD ITSA", "VAT", "VAT Returns", "VAT Settings", "Settings", and "Logout". The main content area shows a table of VAT Returns with columns for Period, Start Date, End Date, Due Date, Net Due, Return Status, Submission Status, and Actions.

Live mode

Please ensure you have received an email from HMRC confirming that you are on MTD. Once you set to live mode all your returns all your submission will be your actual live returns.

If you need to sign up to MTD please click [here](#)

Close Set to live mode

Period	Start Date	End Date	Due Date	Net Due	Return Status	Submission Status	Actions
2026-05	01/03/2026	31/05/2026	07/07/2026	12250.00	Fulfilled	Completed	Edit
2026-02	01/12/2025	28/02/2026	07/04/2026	8000.00	Fulfilled	Completed	Edit

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In live mode you connect exactly as you practised, but on HMRC's real gateway with your real **Government Gateway** credentials — HMRC may also ask you to complete two-factor authentication. Accountants can instead connect using their **HMRC agent account** and submit for every client from one authority. The authority lasts 18 months; when it expires, reconnect from **Actions** → **Reconnect to HMRC**. Your live periods then replace the demo ones, and if a period you're expecting hasn't appeared yet, use **Refresh from HMRC**.

Upload your VAT figures

Drag your spreadsheet onto the open period and check the nine boxes it fills.

IN SHORT

- The uploaded file is the source of truth; boxes are read-only
- Fix figures in your spreadsheet and re-upload, not in the app
- Example front-sheet files are downloadable from the upload panel
- Sheet-not-found errors mean the tab name does not match settings
- A failed upload offers Review settings with AI, which fixes the mapping and re-processes the same file
- Nil returns: reset values to zero, then submit as normal

Each quarter you upload your spreadsheet to the open period and Tax Optimiser fills the nine boxes from the cells you mapped in *VAT Settings*. The boxes themselves are read-only — the uploaded file is always the source of truth, which is exactly what Making Tax Digital's digital-links rules want.

Open the return

On **VAT Returns**, click the period link of the *Open* return. You'll see the return's dates and status, the nine boxes at zero, and an **Upload File** panel on the right. If you don't have your own layout yet, the two example files under the panel give you a ready-made front sheet that matches the default cell mapping.

taxoptimiser Switch Organisations Alex Example

You are currently in demo mode and nothing will be sent to HMRC. If you have signed up to MTD and would like to send live returns click [Here](#).

VAT Return

Details Audit Log

Start Date 01/03/2026

End Date 31/05/2026

Due Date 07/07/2026

HMRC Status Open

Submission Status Confirmation of data required

Values

1. VAT due on sales 0.00

2. VAT due in the period on acquisitions of goods made in Northern Ireland from EU Member States 0.00

3. Total VAT due 0.00

Upload File

Drop file to upload or CLICK

[Download Example Front Sheet Excel File](#)

[Download Example Excel File with Transaction](#)

To change the what sheet and cells to extract the data from, please change the settings [here](#)

Upload your spreadsheet

Drag your file onto the upload area (or click it to browse). Excel files (.xlsx, .xls, .xlsm) and .csv are accepted. Processing takes a few seconds — the page updates itself when it's done, and the file is kept on the return so you can **Download** it later or **Delete** it and upload a corrected version.

Check the nine boxes

The boxes now show what was read from your spreadsheet — check them against your records before sending. In our example company the quarter's standard-rated sales were £85,400, so Box 1 shows £17,080.00 of output VAT, Box 4 reclaims £4,830.00 of input VAT, and Box 5 lands on £17,080 – £4,830 = **£12,250.00** net VAT due. If a box is wrong, fix the cell in your spreadsheet and upload again — don't adjust the mapping to a different cell unless the layout itself changed.

The screenshot shows the Tax Optimiser VAT Return interface. The sidebar on the left contains navigation links for Workspace (Dashboard, Organisation), Tax Services (Accounts and Corp Tax, MTD ITSA, VAT, VAT Returns, VAT Settings), and System (Settings, Logout). The main content area is titled 'VAT Return' and includes a 'Details' tab and an 'Audit Log' tab. The 'Details' tab shows the following information:

- Start Date:** 01/03/2026
- End Date:** 31/05/2026
- Due Date:** 07/07/2026
- HMRC Status:** Open
- Submission Status:** Confirmation of data required
- Values:**
 - 1. VAT due on sales: 17080.00
 - 2. VAT due in the period on acquisitions of goods made in Northern Ireland from EU Member States: 0.00
 - 3. Total VAT due: 17080.00

On the right side, there is an 'Upload File' section with a dashed box for dropping a file or clicking to upload. Below this are two buttons: 'Download Example Front Sheet Excel File' and 'Download Example Excel File with Transaction'. A note below the buttons states: 'To change the what sheet and cells to extract the data from, please change the settings [here](#)'. Below the 'Upload File' section is an 'Uploaded File' section showing a file named '1106260728demo.vat.return.xlsx'.

Common upload problems

- **"The Sheet ... cannot be found"** — the sheet name in VAT Settings doesn't match a tab in your file. Remember it's the tab name, not the filename.
- **"Value for ... must be a numeric"** — the mapped cell holds text, such as a label, instead of a number in your file.
- **A box reads zero unexpectedly** — the mapped cell is empty in your file.
- **Nil return?** — you still have to submit. Use **Actions** → **Reset all values to zero** on the return instead of uploading a file of zeros.

If the upload fails because of the sheet or the cells, the error message offers **Review settings with AI**. It reads the file you just uploaded, and you don't need to choose it again. It then suggests the sheet and cells, and shows the figure it found in each one. As with the AI option in VAT Settings, the file is sent to a third-

party AI provider and you confirm that first. Check the figures, then press **Save and re-process file**. The new settings are saved and the same file is read again, so you don't need to upload it a second time. You can also change the mapping yourself at any time from **Actions** → **VAT Settings** on the return.

Send your return and keep the receipt

Accept the declaration, get HMRC's acceptance back and keep the receipt as proof of filing.

IN SHORT

- Send is only available once the period has finished
- The declaration is the legal confirmation HMRC requires
- The receipt (form bundle number etc) is your proof of filing
- Every action is recorded in the return's audit log
- Errors: fix and retry; reconnect if authority has expired

Once the boxes are right, sending is two clicks — a declaration, then HMRC's acceptance comes back with a receipt that is your proof of filing. You can only send once the period has actually finished; until then the return shows a polite reminder instead of the send button.

The declaration

Click **Send VAT Return**. The declaration asks you to confirm the figures are true and complete — this is the legal declaration HMRC requires, so only accept it once you've checked the boxes. You can add an internal note (it stays in Tax Optimiser, nothing extra goes to HMRC). Click **Accept**.

taxoptimiser

Alex Example
Example Trading Ltd

WORKSPACE

- Dashboard
- Organisation

TAX SERVICES

- Accounts and Corp Tax
- MTD ITSA
- VAT
- VAT Returns
- VAT Settings

SYSTEM

- Settings
- Logout

Declaration

When you submit this VAT information you are making a legal declaration that the information is true and complete. A false declaration can result in prosecution.

1. VAT due on sales	17080.00
2. VAT due in the period on acquisitions of goods made in Northern Ireland from EU Member States	0.00
3. Total VAT due	17080.00
4. VAT reclaimed in the period on purchases and other inputs (including acquisitions in Northern Ireland from EU member states)	4830.00
5. Net VAT Due to be paid to customs or reclaimed by you	12250.00
6. Total value of sales and all other outputs ex VAT	85400
7. Total value of purchases and all other inputs excluding any VAT	31200
8. Total value of dispatches of goods and related costs (excluding VAT) from Northern Ireland to EU Member States	0
9. Total value of acquisitions of goods and related costs (excluding VAT) made in Northern Ireland from EU Member States	0

demo-vat-return.xlsx

Download Delete

↑

What happens next

The return is queued and submitted to HMRC using the authority you granted, and the **Submission Status** moves from *Submitting to HMRC* to *Submission Accepted* – the screen updates itself, no need to refresh. In demo mode the cycle completes instantly and nothing leaves Tax Optimiser.

The screenshot shows the Tax Optimiser interface for a VAT Return. The top navigation bar includes the logo, a 'Switch Organisations' button, and the user 'Alex Example'. A sidebar on the left contains navigation links for 'Workspace' (Dashboard, Organisation), 'Tax Services' (Accounts and Corp Tax, MTD ITSA, VAT, VAT Returns, VAT Settings), and 'System' (Settings, Logout). The main content area is titled 'VAT Return' and features a 'Details' tab and an 'Audit Log' tab. The 'Details' tab shows the following information:

Field	Value
Start Date	01/03/2026
End Date	31/05/2026
Due Date	07/07/2026
HMRC Status	Fulfilled
Submission Status	Completed
Values	
1. VAT due on sales	17080.00
2. VAT due in the period on acquisitions of goods made in Northern Ireland from EU Member States	0.00
3. Total VAT due	17080.00

On the right side, there is an 'Uploaded File' section showing a file named '1106260728demo-vat-return.xlsx' with 'Download' and 'Delete' buttons. Below this is the 'HMRC Confirmation Receipt' section, which displays the following information:

Field	Value
HMRC Processing Date	11/06/2026
Payment Indicator	BANK
Form Bundle Number	256660290587
Charge Ref Number	aCxFaNx0FZsCvyWF

A 'Generate Receipt' button is located at the bottom of the HMRC Confirmation Receipt section. A warning banner at the top of the main content area states: 'You are currently in demo mode and nothing will be sent to HMRC. If you have signed up to MTD and would like to send live returns click [Here](#).'

Your HMRC receipt

On acceptance the **HMRC Confirmation Receipt** panel fills in: the **Processing Date**, the **Payment Indicator** (how HMRC expects the balance to move – BANK means direct payment to or from your bank), the **Form Bundle Number** (HMRC's internal reference for the submission) and, where money is due, a **Charge Ref Number**. These are generated by HMRC and are your proof the return was filed; **Generate Receipt** turns them into a PDF you can keep or send to a client.

HMRC Confirmation Receipt

HMRC Processing Date

☰

11/06/2026

Payment Indicator

BANK

Form Bundle Number

256660290587

Charge Ref Number

aCxFaNx0FZsCvyWF

Generate Receipt

i

If you have made a mistake, ✕ don't worry. Unfortunately HMRC don't allow changes through software, but you can correct the error on your next return or report it to HMRC, depending on its size. Our guide [Amending a VAT return after it has been sent](#) explains how.

The full rules are in section 4 of [HMRC's guidance on correcting VAT errors](#). You can also call the HMRC VAT Helpline on 0300 200 3700.

Spotted a mistake after filing? HMRC doesn't allow corrections through software — depending on the size of the error it's adjusted on your next return or reported separately. See *Amending a VAT return after it has been sent*.

The audit log

The **Audit Log** tab on the return records every step — who uploaded, who accepted the declaration, what was sent and HMRC's response — with timestamps. Useful when an accountant and client share the work.

Switch Organisations

Alex Example

Alex Example

Example Trading Ltd

WORKSPACE

Dashboard

Organisation

TAX SERVICES

Accounts and Corp Tax

MTD ITSA

VAT

VAT Returns

VAT Settings

SYSTEM

Settings

Logout

You are currently in demo mode and nothing will be sent to HMRC. If you have signed up to MTD and would like to send live returns click [Here](#).

VAT Return

Details

Audit Log

Status	Description	UserName	Date
Submission Accepted	The VAT Return has been accepted		11/06/2026 20:13:45
Submitting to HMRC	Organisation VAT Return has been reviewed and Sent by Alex Example	Alex Example	11/06/2026 20:13:45
Confirmation of data required		Alex Example	11/06/2026 20:13:30
Confirmation of data required	The Total VAT Due was 0.00 is now 17080 The Total Value Purchases Ex VAT was 0.00 is now 31200 The Total Value Sales Ex VAT was 0.00 is now 85400 The Reclaimed VAT was 0.00 is now 4830 The Sales VAT Due was 0.00 is now 17080 The Net VAT Due was 0.00 is now 12250	Alex Example	11/06/2026 20:12:13

Uploaded File

1106260728demo-vat-return.xlsx

Download Delete

HMRC Confirmation Receipt

HMRC Processing Date

11/06/2026

Payment Indicator

BANK

Form Bundle Number

256660290587

Charge Ref Number

aCxFaNx0FZsCvyWF

Generate Receipt

If HMRC rejects it

A rejected return shows the HMRC error and the status changes to *Submission Error* – fix the cause and send again with **Retry sending VAT return**. Two cases worth knowing:

- **Authority expired** – the error links you straight to the reconnect flow; grant authority again and retry.
- **"Already submitted"** – HMRC sometimes reports a duplicate even when the return went through, or it was filed in other software. Check the period in your Government Gateway account, then confirm in Tax Optimiser to mark it filed.

If an error doesn't make sense, contact support@taxoptimiser.co.uk.

Amending a VAT return after it has been sent

A VAT return can't be changed once HMRC has accepted it. Correct the error on your next return, or report it to HMRC, depending on its size.

IN SHORT

- A sent VAT return can't be changed or resent
- £10,000 or less: correct it on your next return, through your spreadsheet
- £10,000 to £50,000: next return only if within 1% of box 6
- Over £50,000 or deliberate: report it to HMRC separately
- Errors can be corrected for four years
- HMRC VAT Helpline: 0300 200 3700, Monday to Friday, 8am to 6pm

Once HMRC has accepted a VAT return it **can't be changed or sent again**. That is HMRC's rule for every piece of Making Tax Digital software, not just Tax Optimiser. If you find a mistake afterwards, you **correct the error** instead. Small errors are put right on your next return. Larger ones, and any deliberate ones, are reported to HMRC separately. This article explains which applies to you, what to do in Tax Optimiser, and where to get help from HMRC.

Not sent it yet? If the return hasn't been sent to HMRC, there is nothing to amend. Fix your spreadsheet and upload it again. See *Upload your VAT figures*.

Work out the net value of the errors

HMRC's rules depend on the **net value** of the errors you have found on earlier returns:

1. Add up the VAT you owe HMRC because of the errors.
2. Add up the VAT HMRC owes you because of the errors.
3. The difference between the two is the net value.

For example, if you missed £900 of VAT on a sale and also forgot to claim £250 of VAT on a purchase, the net value is £650 owed to HMRC.

Keep a note of each error as you find it: the date you found it, the VAT period it happened in, whether it was VAT on sales (output tax) or VAT on purchases (input tax), and the paperwork it relates to.

Smaller errors: adjust your next return (Method 1)

You can correct the errors on your next return if the net value is:

- **£10,000 or less**, or
- **between £10,000 and £50,000** and no more than **1% of the box 6 figure** (your total sales excluding VAT) on the return for the period in which you found the errors.

The correction goes through **box 1** (VAT due on sales) and **box 4** (VAT reclaimed on purchases) of the return for the period in which you found the errors. Boxes 3 and 5 then pick up the difference.

In Tax Optimiser the nine boxes are read from your spreadsheet, so the correction is made in the spreadsheet:

1. In your spreadsheet for the current period, include the correction in the figures that feed box 1 or box 4. Show it as its own line so you can see it later.
2. Open the period from **VAT** → **VAT Returns** and upload the file as usual.
3. Check the boxes on screen include the correction, then click **Send VAT Return**.

You don't need to tell HMRC separately about an error you made despite taking reasonable care. If the error was careless, HMRC asks you to tell them about it as well, whatever its size, so that any penalty is reduced.

Larger or deliberate errors: tell HMRC (Method 2)

You must report the errors to HMRC separately, and **not** adjust your return, if:

- the net value is **more than £50,000**, or
- the net value is **between £10,000 and £50,000** and is more than 1% of the box 6 figure on the return for the period in which you found the errors, or
- the errors were **deliberate**, whatever their size.

You can also choose to report errors of any size this way instead of adjusting your return.

Report them using HMRC's online service: [Tell HMRC about errors in your VAT Return](#). HMRC will ask for:

- how each error happened
- the VAT period it happened in
- whether it was an input tax or output tax error
- the VAT under-declared or over-declared in each period, and how you worked it out
- the total amount to be adjusted

If you can't use the online service, write to the VAT Error Correction Team at **BT VAT, HMRC, BX9 1WR** and include your VAT registration number.

HMRC then sends a notice confirming the amount, any interest, and how to pay or how you will be repaid. If you hear nothing within 40 working days, contact the VAT Error Correction Team to check they received it.

Nothing needs to change in Tax Optimiser for a Method 2 correction. Carry on filing your later returns as normal, without the correction in them.

Not sure which method applies? HMRC has a short checker: [Check how to tell HMRC about VAT Return errors](#).

Time limit, interest and penalties

- **Four years.** Errors can be corrected for four years from the end of the VAT period they happened in. For input tax you didn't claim, the four years run from the due date of that return. There is no time limit for deliberate errors.
- **Interest.** HMRC charges late payment interest if the error meant you paid too little VAT by the due date.
- **Penalties.** There is no penalty for an error you made despite taking reasonable care, as long as you correct it once you find it. Careless and deliberate errors can be penalised, and the penalty is lower if you tell HMRC before they find the error themselves.

Things that aren't errors

Some changes are part of normal VAT accounting and simply go on the return for the period they happen in. They don't count towards the limits above:

- credit notes and debit notes you issue or receive
- bad debt relief claims
- partial exemption and Capital Goods Scheme adjustments
- retail scheme annual adjustments

HMRC guidance and the VAT Helpline

The full rules are in HMRC's guidance [How to correct VAT errors and make adjustments or claims \(VAT Notice 700/45\)](#). Section 4 covers errors on a return you have already sent.

HMRC VAT Helpline: 0300 200 3700

Monday to Friday, 8am to 6pm. Closed on bank holidays.

From outside the UK: +44 2920 501 261. Relay UK: dial 18001 then 0300 200 3700.

Have your VAT registration number and postcode ready.

HMRC can tell you which method applies to you and how an error should be corrected. Our team can help with using Tax Optimiser at support@taxoptimiser.co.uk, but we can't advise on your VAT position.

Frequently asked questions

Can I send the same return again with the right figures?

No. HMRC accepts one return for each VAT period and doesn't allow it to be changed or replaced through software. Correct the error using one of the two methods above.

Which return do I put the correction on?

The return for the period in which you found the error, which is normally your next one. You don't go back to the period the error happened in.

When do I pay the extra VAT?

With Method 1 the correction changes the amount due on that return, so you pay it (or get it back) with that return in the usual way. With Method 2, HMRC sends you a notice showing the amount and how to pay.

The return was filed in other software. Does that change anything?

No. HMRC's rules are the same whichever software filed the return. If you use Method 1, include the correction in the spreadsheet for the next return you send from Tax Optimiser.

I found several errors. Do I treat them separately?

No. Add them together and use the net value to decide which method applies. If one error on its own is big enough to need Method 2, report it to HMRC straight away.

Can Tax Optimiser support tell me which method to use?

We can help with the software, but not with your VAT position. Use HMRC's checker or call the VAT Helpline on 0300 200 3700. Your accountant can also help.

Related: *Send your return and keep the receipt.*

Liabilities, payments and the quarterly cycle

Track what HMRC says you owe and have paid, and settle into the quarterly routine.

IN SHORT

- Liabilities show HMRC's charges and what is still outstanding
- Payments show what HMRC has matched to your VAT account
- New periods appear automatically; deadline is month-end + 7 days
- Refresh from HMRC re-pulls periods, liabilities and payments
- First year free, then a yearly subscription

Submitting is half the story – HMRC also reports back what each return means in money: the charges it raised and the payments it has received. The **Liabilities** and **Payments** tabs on the VAT Returns screen keep that picture next to your returns, and the dashboard keeps the next deadline in front of you.

Liabilities: what HMRC says you owe

The **Liabilities** tab lists each charge HMRC has raised – typically a *VAT Return Debit Charge* per submitted quarter – with its period, due date, the **Original Amount** and the **Outstanding Amount** still unpaid. When the outstanding amount reaches zero, that quarter is settled; anything outstanding also surfaces on your dashboard card as an amount due to HMRC.

Switch Organisations

Alex Example

Alex Example

Example Trading Ltd

WORKSPACE

Dashboard

Organisation

TAX SERVICES

Accounts and Corp Tax

MTD ITSA

VAT

VAT Returns

VAT Settings

SYSTEM

Settings

Logout

You are currently in demo mode and nothing will be sent to HMRC. If you have signed up to MTD and would like to send live returns click [here](#).

VAT Returns

Actions

VAT Returns

Liabilities

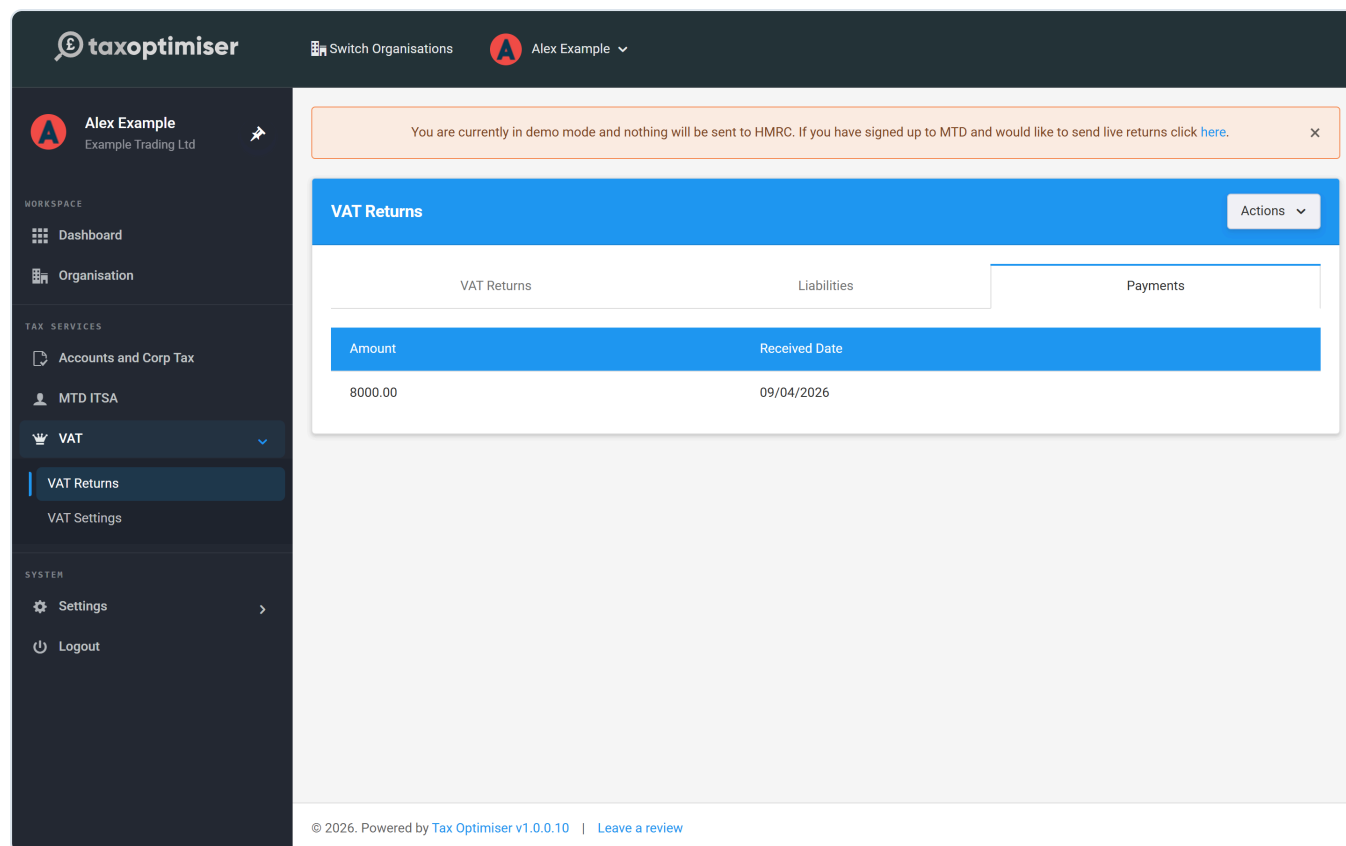
Payments

Type	From Date	To Date	Original Amount	Outstanding Amount	Due Date
VAT Return Debit Charge	01/12/2025	28/02/2026	8000.00	0.00	07/04/2026 00:00:00

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Payments: what HMRC has received

The **Payments** tab mirrors it from the other side — the payments HMRC has matched to your VAT account and the date each was received. Liabilities and payments refresh from HMRC alongside your periods, so allow a little time after paying before expecting it to appear.



The screenshot shows the Tax Optimiser interface. The top navigation bar includes the logo, a 'Switch Organisations' button, and a user profile 'Alex Example'. The left sidebar lists 'Workspace' (Dashboard, Organisation) and 'Tax Services' (Accounts and Corp Tax, MTD ITSA, VAT, VAT Returns, VAT Settings). The main content area is titled 'VAT Returns' and has three tabs: 'VAT Returns', 'Liabilities', and 'Payments'. The 'Payments' tab is active, showing a table with two columns: 'Amount' and 'Received Date'. The table contains one row with the value '8000.00' and the date '09/04/2026'. A notification banner at the top of the main area states: 'You are currently in demo mode and nothing will be sent to HMRC. If you have signed up to MTD and would like to send live returns click [here](#).' The footer indicates '© 2026. Powered by Tax Optimiser v1.0.0.10 | [Leave a review](#)'.

Amount	Received Date
8000.00	09/04/2026

The quarterly rhythm

After your first cycle the routine is pleasantly dull: a new open period appears by itself after each quarter ends, the dashboard VAT card shows it with its **file-by date** (one calendar month and seven days after the period ends), and you upload, check and send as in the last two articles. If a period you expect is missing, **Refresh from HMRC** on the VAT Returns screen re-pulls everything.

What it costs

VAT submissions are free for the first year from your first live return. After that it's a small yearly subscription — you'll be prompted in the app when the free year ends, and current prices are on the pricing page.

That's the full VAT journey. Start again from *VAT: getting started*, or browse the rest of the Help Centre.

Reconnect to HMRC (and fix the "wrong account" message)

Renew your HMRC connection in two minutes, and sort out the "incorrect Government Gateway account" message.

IN SHORT

- Reconnect from VAT, VAT Returns - the button is on the top blue bar
- Permission lasts 18 months, then you reconnect the same way
- The "wrong account" message just means the wrong Gateway sign-in was used
- The right account shows a VAT section on your HMRC Business tax account
- Your Gateway user ID was emailed to you when the account was created

From time to time Tax Optimiser needs to be reconnected to HMRC — the permission you grant lasts 18 months, and occasionally a connection is made with the wrong sign-in details. The good news: reconnecting takes about two minutes, and if you've seen a *"connected to an incorrect Government Gateway account"* message, this article shows you exactly how to sort it out.

Step 1: Reconnect to HMRC

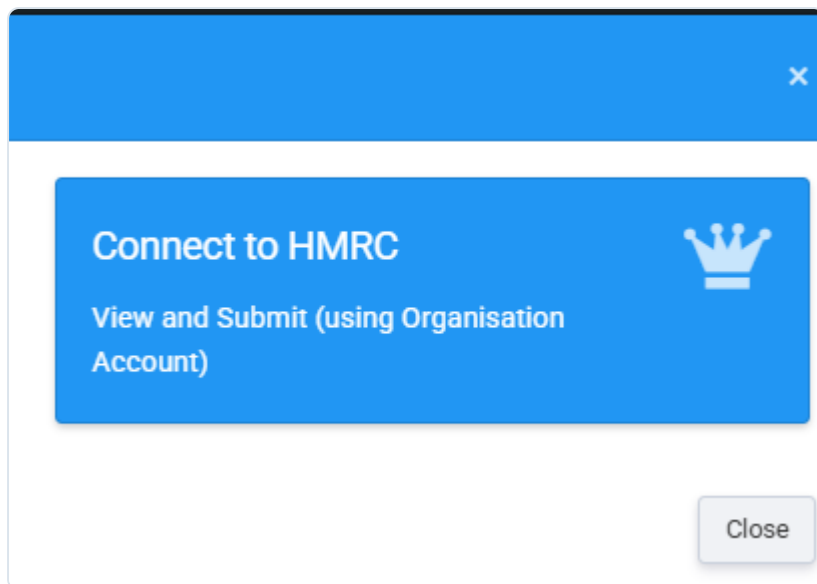
From the sidebar, go to **VAT** → **VAT Returns**. On the blue bar at the top of the screen, click **Reconnect to HMRC**.

The screenshot shows the Tax Optimiser interface. On the left is a sidebar with navigation options: Dashboard, Organisation, TAX SERVICES (Accounts and Corp Tax, MTD ITSA, VAT), and SYSTEM (Settings, Logout). The main area is titled 'VAT Returns' and features a top blue bar with a 'Reconnect to HMRC' button, a 'Refresh data' button, and an 'Actions' dropdown. Below this bar is a table of VAT returns. The table has columns for Period, Start Date, End Date, Due Date, Not Due, Return Status, Submission Status, and Actions. The table shows several rows of data, including VAT returns for periods 2026-05, 2026-02, 2025-11, 2025-05, 2025-02, 2024-11, 2024-08, 2024-05, 2024-02, and 2023-11. The 'Reconnect to HMRC' button is highlighted with a red box in the top blue bar.

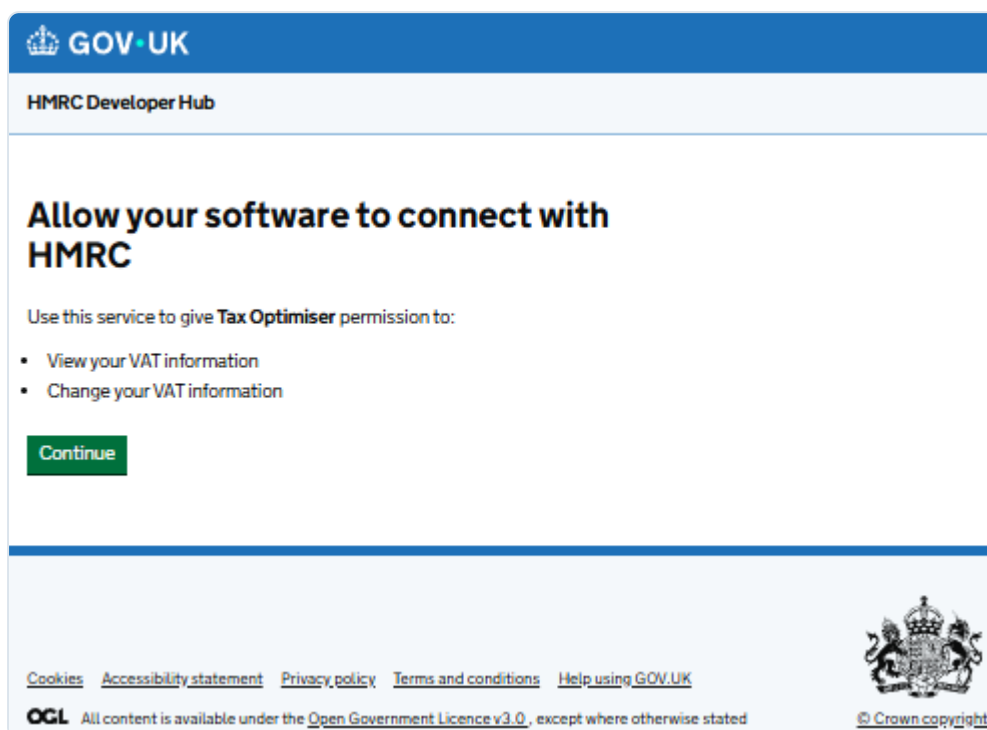
Period	Start Date	End Date	Due Date	Not Due	Return Status	Submission Status	Actions
2026-05	01/03/2026	31/05/2026	07/07/2026	5000.00	Open	Confirmation of data required	[icon]
2026-02	01/12/2025	28/02/2026	07/04/2026	12442.57	Fulfilled	Completed	[icon]
2025-11	01/09/2025	30/11/2025	07/01/2026	15000.00	Fulfilled	Completed	[icon]
2025-05	01/03/2025	31/05/2025	07/07/2025	3000.00	Open	Confirmation of data required	[icon]
2025-02	01/12/2024	28/02/2025	07/04/2025	1500.00	Open	Confirmation of data required	[icon]
2024-11	01/09/2024	30/11/2024	07/01/2025	2000.00	Fulfilled	Completed	[icon]
2024-08	01/06/2024	31/08/2024	07/10/2024	20000.00	Open	Confirmation of data required	[icon]
2024-05	01/03/2024	31/05/2024	07/07/2024	20000.00	Open	Confirmation of data required	[icon]
2024-02	01/12/2023	29/02/2024	07/04/2024	6299.73	Fulfilled	Completed	[icon]
2023-11	01/09/2023	30/11/2023	07/01/2024	11349.03	Fulfilled	Completed	[icon]

Showing 1 to 10 of 29 entries

Choose **Connect to HMRC** — this connects using your organisation's own account, letting Tax Optimiser view and submit your VAT returns.



You'll be taken to HMRC's website. The first page simply explains what you're agreeing to — press **Continue**.



The next page tells you what to have ready: the Government Gateway user ID and password you use for your *business's* VAT. Click **Sign in to the HMRC online service**.

What you will need

You will need the correct HMRC user ID and password. For example, if you want to authorise VAT software, use your VAT HMRC user ID and password.

If you are a tax agent, [check you are using the right account \(opens in new tab\)](#).

You might need to confirm who you are by answering some security questions on, for example, your passport, P60 or other documents.

[Sign in to the HMRC online service](#)

[Cookies](#) [Accessibility statement](#) [Privacy policy](#) [Terms and conditions](#) [Help using GOV.UK](#)

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Enter your **Government Gateway user ID** (up to 12 characters) and **password**, then press **Sign in**. HMRC may also ask you a security question or send a code to your phone.

Keeping your information secure

Do not share your Government Gateway user ID and password with anyone else.

Sign in using Government Gateway

Government Gateway user ID

This could be up to 12 characters.

Password

 [Show](#)

[Sign in](#)

No sign in details

[I do not have a Government Gateway User ID](#)

Problems signing in

[I have forgotten my password](#)

[I have forgotten my Government Gateway user ID](#)

[I have forgotten my Government Gateway user ID and password](#)

Finally, press **Give permission**. That's it — you're reconnected for another 18 months, and your VAT periods will refresh on the VAT Returns screen.

GOV.UK

HMRC Developer Hub

Mark O'Grady

Allow your software to connect with HMRC

I give Tax Optimiser permission to:

- View your VAT information
- Change your VAT information

Give permissionDo not give permission

Your permission lasts 18 months. After that, you will need to give permission again. You can [remove permission at any time](#).

Tax Optimiser will conform to their [privacy policy \(opens in new tab\)](#) and their [terms and conditions \(opens in new tab\)](#).

Seen this message? You're connected to the wrong account



There was a problem

There have been the following errors: It appears that the company is connected to an incorrect Government Gateway account. You might be using the wrong company account or self-assessment account. To resolve this issue:

- 1.) Visit the [HMRC Business Dashboard](#) and verify that you are using the correct Government Gateway account.
- 2.) Once you confirm it is the correct account, reconnect by clicking the "Reconnect to HMRC" button located on the top blue bar of the VAT return list screen. Follow the instructions provided (press continue on the first HMRC page).

If you have any further questions, please do not hesitate to contact our support team at support@taxoptimiser.co.uk.

OK

Don't worry – nothing is broken. This message means the Government Gateway sign-in you used doesn't hold this company's VAT registration. It usually happens because you have more than one set of HMRC sign-in details – for example a *personal* one for your own self-assessment and a *business* one for the company's VAT – and the wrong one was used when connecting. The fix is simply to check which account is the right one, then reconnect with those details.

Check your account on the Government's website

Go to www.gov.uk/log-in-register-hmrc-online-services and press the green **Sign in** button.

HMRC online services: sign in or set up an account

Contents

- Sign in or set up an account
- [Get help with signing in to HMRC online services](#)

Sign in or set up an account

Sign in to your HM Revenue and Customs (HMRC) online account for things like a personal or business tax account, Self Assessment, Corporation Tax, PAYE for employers, VAT and the Construction Industry Scheme.

If you do not already have sign in details, you'll be able to create them.

This guide is also available [in Welsh \(Cymraeg\)](#).

Sign in >

Which sign in details to use

There are 2 ways to sign in to HMRC online services:

- Government Gateway – sign in with a user ID (up to 12 characters) and password
- GOV.UK One Login – sign in with an email address and password

If you already use HMRC online services

Continue to use the sign in details you have. This could be:

Related content

[HMRC service availability and issues](#)

Collection

[Paying HMRC: detailed information](#)

Choose **Government Gateway** and press **Continue**.

Beta This is a new service. Help us improve it and [give your feedback \(opens in new tab\)](#).

[< Back](#)

Sign in to HMRC



Government Gateway

Use your Government Gateway user ID which can be up to 12 characters



GOV.UK One Login

Use your GOV.UK One Login email address if you have used this to sign in to HMRC before

or



Create new sign in details

We will tell you if you need to create a GOV.UK One Login or a Government Gateway user ID

Continue

[Is this page not working properly? \(opens in new tab\)](#)

Sign in with the same user ID and password you used when connecting in Tax Optimiser.

Keeping your information secure

Do not share your Government Gateway user ID and password with anyone else.

Sign in using Government Gateway

Government Gateway user ID

This could be up to 12 characters.

Password

 [Show](#)

[Sign in](#)

No sign in details

[I do not have a Government Gateway User ID](#)

Problems signing in

[I have forgotten my password](#)

[I have forgotten my Government Gateway user ID](#)

[I have forgotten my Government Gateway user ID and password](#)

Forgotten your details? Use the links under *Problems signing in* on this page — HMRC can recover your user ID, your password, or both. A handy shortcut: your Government Gateway user ID was emailed to you when the account was first created, so try searching your email inbox for “*Government Gateway*”.

Once signed in, you'll land on your **Business tax account**. Scroll down and look for a **VAT** section showing your VAT registration number — if it's there, these are the right details to use.

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Business tax account

Sign out

[Home](#) [Manage account](#) [Messages 2](#) [Help and contact](#)

English | [Cymraeg](#)

Business tax account

View and access your business taxes in one place

Add a tax to your account to [get online access to a tax, duty or scheme](#).

Payments will take up to 7 working days to show, depending on how you pay.
After you complete your return your tax calculation will take up to 2 days.

These processing times do not apply to PAYE for employers. [View processing times for PAYE for employers](#).

Corporation Tax

Corporation Tax Unique Taxpayer Reference 156156123

Your returns

You may have returns to complete.

Complete your Corporation Tax return using commercial software. View the list of [HMRC-recognised software suppliers](#).

[More details about your Corporation Tax](#)

Your payments

You owe £0.

[View your Corporation Tax statement](#)

[Make a Corporation Tax payment](#)

PAYE for employers

Employer PAYE reference 111/150000
Accounts Office reference 1452755454

Forms P11D and P11D(b) can only be submitted and amended online.
[Send P11Ds online](#) to report employee expenses and benefits by 6 July.

[Find out if you can claim for Employment Allowance](#).

Your upcoming payments

You have no upcoming bills or charges to pay. You can still [make a payment on account](#) for an upcoming tax month.

[Manage your Direct Debit](#)

[Annual statements and payment record](#)

[View tax codes or notices and set up alerts](#)

Your overdue payments

You have no overdue payments.

VAT

VAT registration number 121454514

Your returns

You have 2 returns to submit

[View return deadlines](#)

[View submitted returns](#)

[Manage your VAT account](#)

Your payments

[Check what you owe and make a payment](#)

[View payment history](#)

[Track repayments and manage your bank account](#)

Can't see VAT on the dashboard? Then this sign-in doesn't have access to your business's VAT. You may have signed in to a personal account (the one you use for self-assessment) or to a different business's account — try your other sign-in details. (Accountants' *agent* accounts look different again; if your accountant manages your VAT, ask them to connect using their agent login.)

Reconnect with the right details

Once you've confirmed which account shows your VAT, head back to Tax Optimiser: **VAT** → **VAT Returns**, click **Reconnect to HMRC** on the top blue bar, and follow the steps from the top of this article using the confirmed sign-in details.

Still stuck? Email us at support@taxoptimiser.co.uk — we're happy to help.

Related: *Connect to HMRC and find your VAT periods.*