OVERVIEW DIRECT TAXES

TAXPAYERS

INCOME

ASSESSMENT
RESIDENT TAXPAYERS

- Immovable property
- PE
- Company
NON- RESIDENT TAXPAYERS

- Immovable property
- PE
- Specific income types
- Company
The taxable income is divided into 3 income categories:

- Personal income
- Capital income
- Share income

Personal income + Positive net capital income = Taxable income
INDIVIDUALS – TAX RATE

Taxable income:

• Social security contribution (AM-bidrag) – 8 %

• Municipal tax – avg. 25 %
• Church tax – avg. 0.7 %
• Health contribution – 7 %
• Progressive state tax
  • < DKK 389,900 - 4.64 %
  • > DKK 389,900 - 15 %
  • Max. effective tax rate 51.5 %
INDIVIDUALS – TAX ASSESSMENT

- Social Security contribution
  - Deduction DKK 389,900
  - Personal deduction DKK 42,900
  - Other deductions and negative net capital income of more than DKK 50,000
- Top-bracket tax: 15.0%
- Lower state tax: 4.64%
- Health contribution: 7.0%
- Municipal and church tax: 25.7%
- Max. effective tax rate: 51.5%
INDIVIDUALS – TAX RATE

Share income

- DKK 0-48,300 - 27 % (effective 45.25 %)
- > DKK 48,300 - 42 % (effective 56.5 %)

Company

- Corporate income tax 25 %
COMPANIES

For companies all taxable income is qualified as corporate income.

- Corporate income tax – 25 %
For group companies certain modifications are made:

- Dividends on subsidiary or group shares
- Group contributions
- Group taxation
COMPANIES – GROUP TAXATION

Dividends on subsidiary or group shares & group contributions – 0 %
COMPANIES – GROUP TAXATION

Mandatory national tax consolidation & voluntary international tax consolidation

Parent

Subsidiary
Subsidiary
Subsidiary
Subsidiary
Subsidiary
Subsidiary
Subsidiary
PE
PE
COMPANIES – GROUP TAXATION

For group companies certain restrictions are made:

- Transfer Pricing
- Thin capitalization
- CFC-legislation
INDIRECT TAXES (VAT)

• Property tax - progressive
  – < DKK 3,040,000 – 1 %
  – > DKK 3,040,000 – 3 %
  – On the value of your property

• VAT – 25 %
  – On all sales goods and services

• Increased taxes on specific goods:
  – Tobacco
  – Vine and liquor
  – Gasoline
  – Electricity
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