



**Copenhagen
Business School**
HANDELSHØJSKOLEN



ADVISORY[®]

INDEPENDENT TAX CONSULTING



GENERAL ON DANISH INCOME TAX

Chinese Delegation September 5 2012

OVERVIEW DIRECT TAXES

TAXPAYERS



INCOME

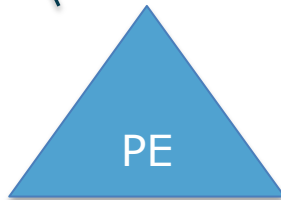
ASSESSMENT



RESIDENT TAXPAYERS



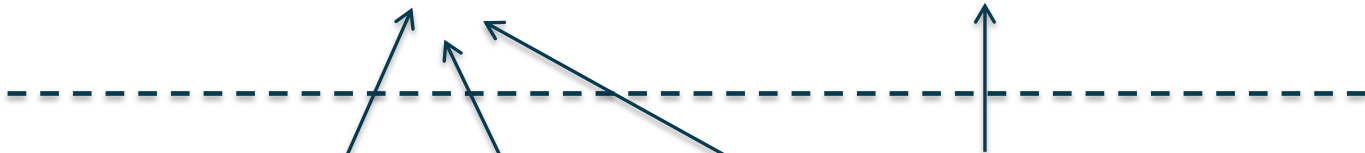
Immovable
property



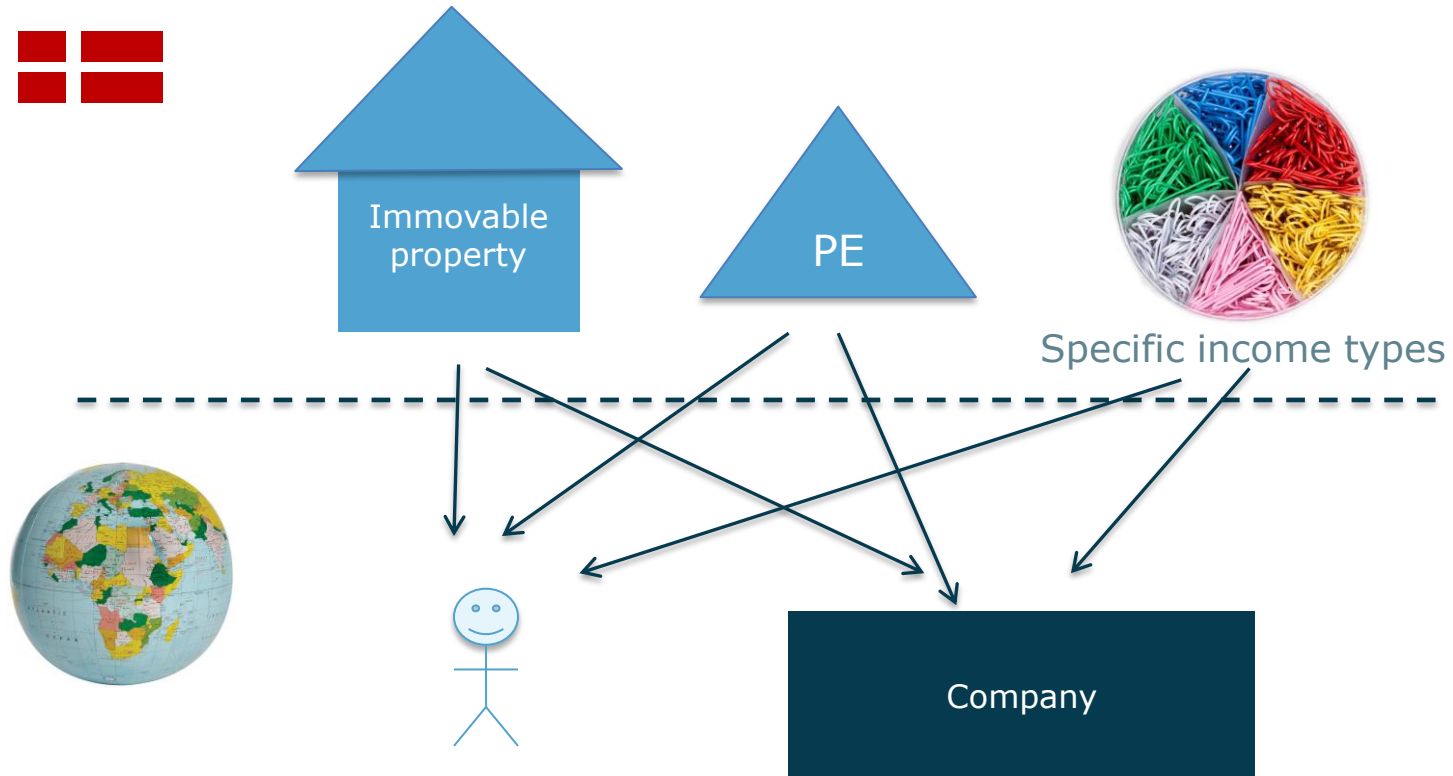
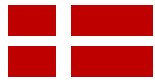
PE



Company



NON- RESIDENT TAXPAYERS



INDIVIDUALS – TAX BASE

The taxable income is divided into 3 income categories:

- Personal income
- Capital income
- Share income

Personal income
+ Positive net capital income
= Taxable income



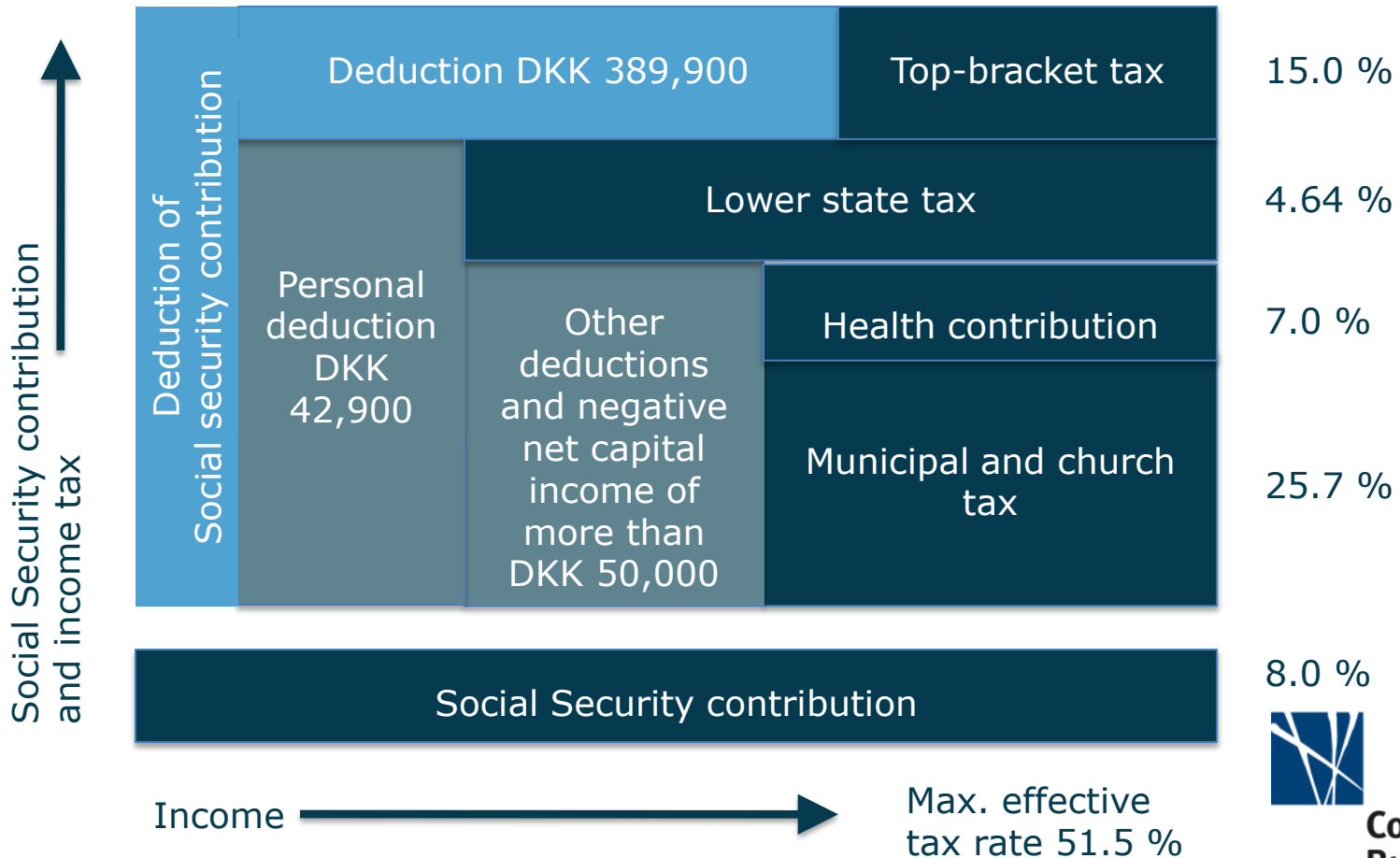
INDIVIDUALS – TAX RATE

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



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 %



Company



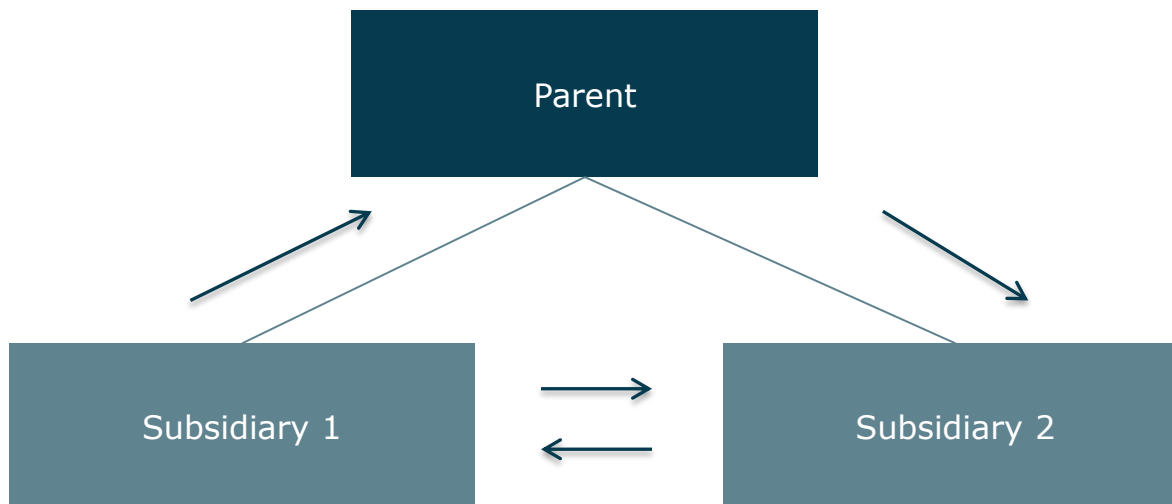
COMPANIES – GROUP TAXATION

For group companies certain modifications are made:

- Dividends on subsidiary or group shares
- Group contributions
- Group taxation

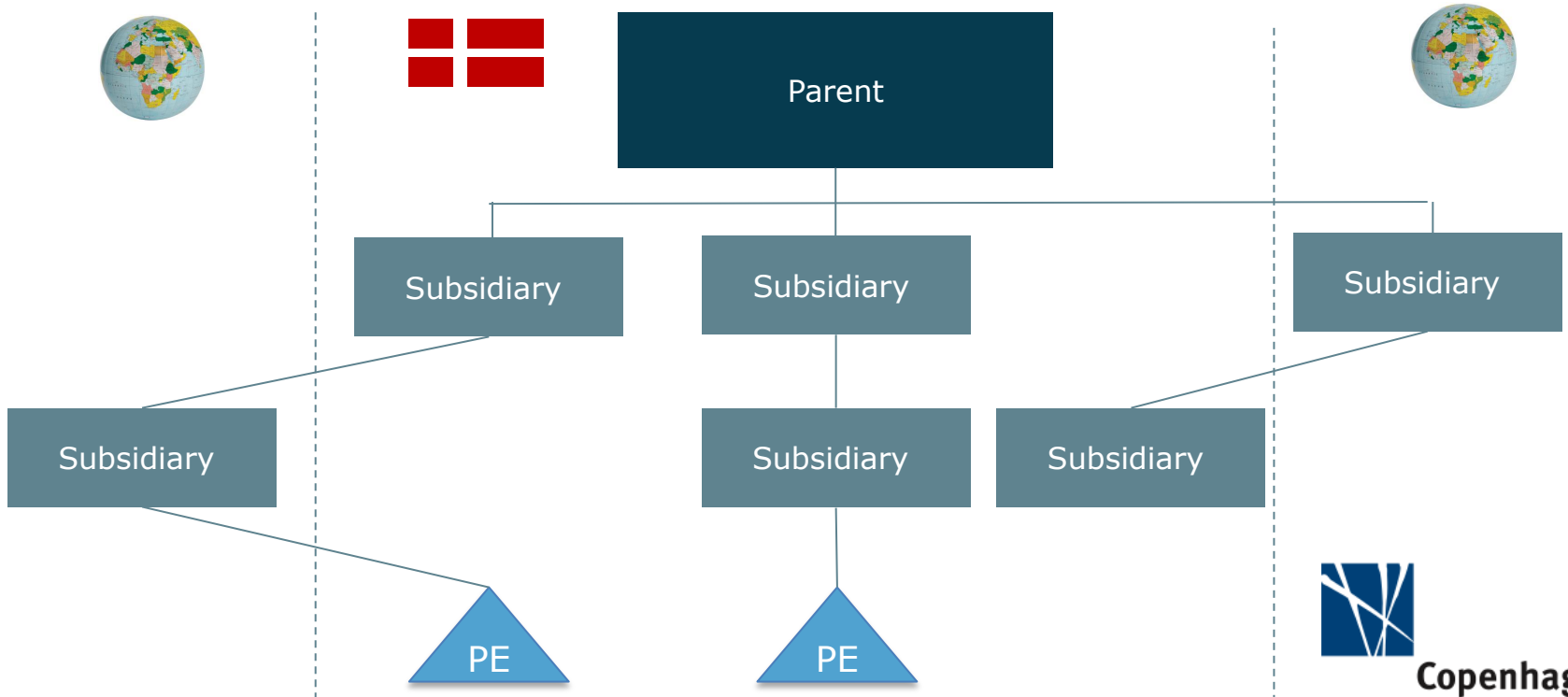
COMPANIES – GROUP TAXATION

Dividends on subsidiary or group shares & group contributions – 0 %



COMPANIES – GROUP TAXATION

Mandatory national tax consolidation & voluntary international tax consolidation



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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