

Danish Tax Facts

Individuals	2008	2009
Labour market contribution on earned income	8%	8%
Local tax		
Local tax is payable to the local area where the person was living on 5 September in the year preceding the calendar year in question		
Government tax on taxable income (first-tier tax)	5.48%	5.04%
Threshold for 6% tax (second-tier tax) on earned income + unearned income	279,800	347,200
Threshold for 15% tax (third-tier tax) on earned income + unearned income	335,800	347,200
Health contribution	8%	8%
Average local income tax rate	24.8%	24.8%
Tax ceiling		
Ceiling (excl. church tax)	59%	59%
Personal allowances		
Persons, over the age of 18	41,000	42,900
Singles, under the age of 18	30,600	32,200
Expatriate Tax Regime		
Tax rate	25%/33%	25%/33%
The monthly cash salary including company-paid car must be at least (net of labour market contribution)	61,700	63,800
Net wealth tax	0	0



Non-residents	2008	2009
Government tax on taxable income (first-tier tax)	5.48%	5.04%
Threshold for 6% tax (second-tier tax) on earned income + unearned income	279,800	347,200
Threshold for 15% tax (third-tier tax) on earned income + unearned income	335,800	374,200
Local tax	24%	24%
Health contribution	8%	8%
Hiring out of labour	30%	30%
Hydrocarbon tax	30%	30%
Personal allowance (certain income)	41,000	42,900
Tax on the value of real property		
Rate	1%/3%	1%/3%
Threshold for higher rate	3,040,000	3,040,000
Reduction for persons aged 65 or more	0.4%	0.4%
Maximum DKK 6,000 (residential property) and DKK 2,000 (summer residence)		
Special scales		
Income transfer to assisting spouse	208,500	215,500
Child grant, age 0 - 2	15,156	16,428
Child grant, age 3 - 6	12,792	13,004
Child grant, age 7 - 17	10,064	10,232
Relief for "cross border" workers	41,000	42,900
Employee's expenses exceeding	5,400	5,500
Certain fringe benefits are not taxed if the amount totals	< 5,400	< 5,500
Minimum interest rate		
1 January to 30 June	4%	3%
1 July to 31 December	4%	Not yet known
Pension schemes		
Limit for contributions to endowment pension schemes	44,500	46,000
Separate rules apply to one-off premiums and other special arrangements		
Private use of company-paid car		
The company car benefits are assessed at a percentage of the acquisition price of the car, irrespective of the private mileage. The benefits are assessed at 25% of the acquisition price up to DKK 300,000, but not less than DKK 160,000. If the acquisition price exceeds DKK 300,000, the benefits are assessed at 20% of the excess amount.		

Allowance for transport expenses between home and place of work	2008	2009
0 - 24 km	0	0
25 - 100 km	1.83	1.90
more than 100 km	0.92	0.95

Tax-free mileage allowance for business driving	2008	2009
Mileage allowance per km less than 20,000	3.47	3.56
Mileage allowance per km exceeding 20,000	1.83	1.90

Estates of deceased persons	2008	2009
Tax-exemption limits		
Gross assets on the winding-up of an estate	< 2,509,900	< 2,595,100
Net amount distributable to heirs*	< 2,509,900	< 2,595,100
Monthly relieves in taxes payable by the estate	5,000	5,200
Tax rate	50%	50%

Inheritance tax	2008	2009
Inheritance tax to the spouse / registered partner is exempt from tax		
Inheritance tax of 15% is levied on the total value of the estate exceeding	255,400	264,100
No additional tax if the beneficiaries belong to Group A**		
Other beneficiaries will have to pay an additional tax on the remaining inheritance amounting to 25% (total tax 36.25%)		
* If death has occurred before 1 July 2008, the rate is < 1,882,400 for 2008	4%	
** Group A: Children, grandchildren, parents and other related persons		

Tax calculation 2009	DKK
Salary, including pension scheme	450,000
Labour market contribution, 8%	-36,000
	414,000
Pension scheme (capital pension contributions)	-24,000
Earned income	390,000
Net capital income	50,000
Allowances	-8,000
Work allowance	-13,600
Taxable income	418,400
Single person	
Local tax, 25% (average rate) of taxable income	104,600
Health contribution, 8% of taxable income	33,472
First-tier tax (5.04%) of earned income + net unearned income	22,176
Second-tier tax (6%) of earned income + net unearned income - DKK 347,200	5,568
Third-tier tax (15%) of earned income + net unearned income and capital pension contributions - DKK 347,200	17,520
Tax ceiling (59%)	-51
Total	183,285
Personal allowance, 38.04% of DKK 42,900	-16,319
Tax to be paid	166,966
Labour market contribution	36,000
Total	202,966
Married person, assuming spouse has no income	
Local tax, 25% (average rate) of taxable income	104,600
Health contribution, 8% of taxable income	33,472
First-tier tax (5.04%) of earned income + net unearned income	22,176
Second-tier tax (6%) of earned income + net unearned income - 2 x DKK 347,200	0
Third-tier tax (15%) of earned income + net unearned income and capital pension contributions - DKK 347,200	17,520
Tax ceiling (59%)	-51
Total	177,717
Personal allowance, 2 x 38.04% of DKK 42,900	-32,638
Tax to be paid	145,078
Labour market contribution	36,000
Total	181,078



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