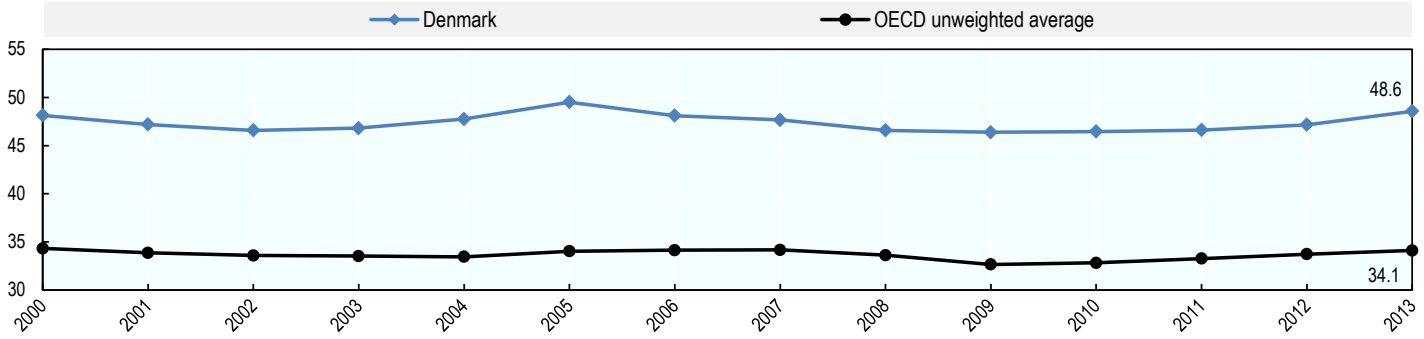
Revenue Statistics 2014 - Denmark

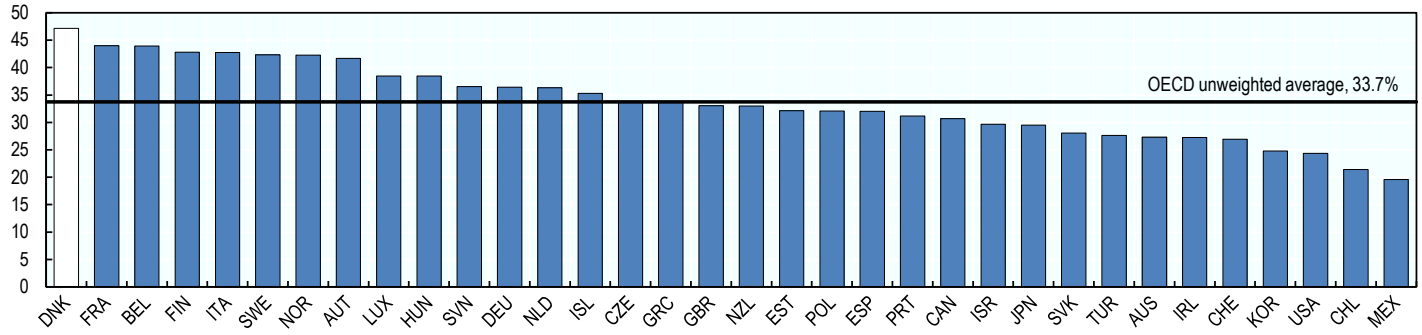
Tax burden over time

The OECD's annual *Revenue Statistics* report found that the tax burden in Denmark increased by 1.4 percentage points from 47.2% to 48.6, the fourth largest increase amongst member countries in 2013. The corresponding figure for the OECD average was an increase of 0.4 percentage points from 33.7% to 34.1%. Since the year 2000, the tax burden in Denmark has increased from 48.1% to 48.6%. Over the same period, the OECD average in 2013 was slightly less than in 2000 (34.1% compared with 34.3%).



Tax burden compared to the OECD

Denmark ranked 1st out of 34 member countries in terms of the tax to GDP ratio in 2012 (the latest year for which tax revenue data is available for all OECD countries). In that year Denmark had a tax to GDP ratio of 47.2% compared with the OECD average of 33.7%.



Tax structure

The structure of tax receipts in Denmark compared with the OECD average is characterised by:

- Higher revenues from taxes on income, profits and capital gains.
- A lower proportion of revenues from taxes on property, goods and services and social security contributions.

	Denmark		OECD unweighted average (%)
	Millions DKK	%	
Taxes on income, profits and capital gains	**543,981**	**62**	**34**
Social security contributions	**16,494**	**2**	**26**
Payroll taxes	**5,522**	**1**	**1**
Taxes on property	**33,443**	**4**	**6**
Taxes on goods and services	**276,328**	**31**	**33**
Of which VAT is	*181,000*	*21*	*20*
Other	**3,068**	**0**	**1**
TOTAL	**878,836**	**100**	**100**

[Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding]
Source: OECD Revenue Statistics 2014 http://www.oecd.org/tax/tax-policy/revenue-statistics.htm

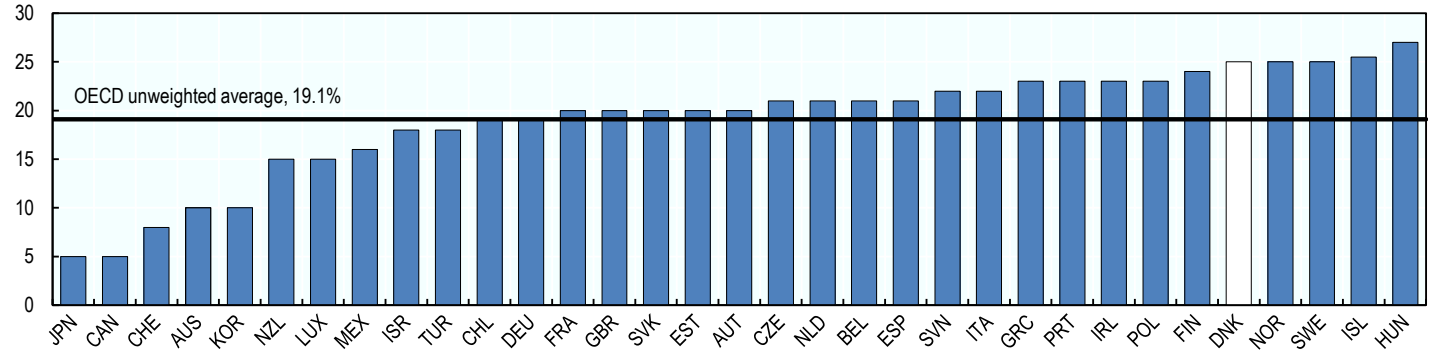
Consumption Tax Trends 2014 - Denmark

VAT share of total tax revenues

The OECD's biennial *Consumption Tax Trends* report found that VAT revenues in Denmark accounted for 20.6% of total tax revenue in 2012, above the OECD average of 19.5%.

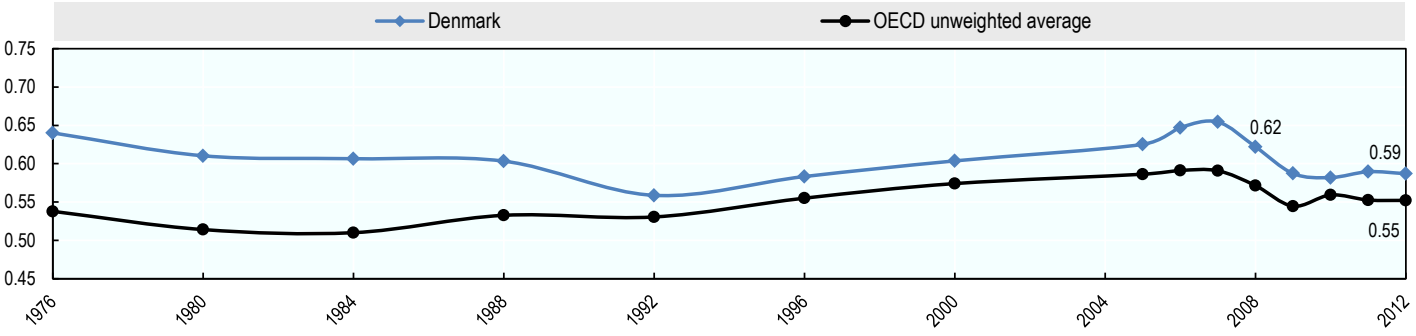
VAT rates

The Danish standard VAT rate is 25%, which is above the OECD average. The average VAT/GST rate in the OECD was 19.1% on 1 January 2014, up from 17.6% on 1 January 2009. A reduced VAT rate of 0% applies to a few goods and services. In contrast to the 20 OECD countries that have raised their standard VAT/GST rate at least once in the last five years, Denmark has not changed its standard VAT rate since 1992.



VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Denmark was 0.59 in 2012, above the OECD average of 0.55. The VRR is a measure of the revenue raising performance of a VAT system. A ratio of 1 would reflect a VAT system that applies a single VAT rate to a comprehensive base of all expenditure on goods and services consumed in an economy - with perfect enforcement of the tax. This ratio decreased in Denmark between 2008 and 2010, coinciding with the advent of the global economic crisis. It has stabilised at 0.59 since 2011, below its pre-crisis level of 0.65.



[VAT: value added tax. GST: goods and services tax]
Source: OECD Consumption Tax Trends 2014 *http://www.oecd.org/tax/consumption/consumption-tax-trends-19990979.htm*

Contacts

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