

Tax-Related Income Statistics

0 Administrative Information about the Statistical Product	Latest update October 23 2014
0.1 Name Tax-Related Income Statistics	Table of contents 0 Administrative Information about the Statistical Product
0.2 Subject Area Incomes, consumption and prices	1 Contents 2 Time 3 Accuracy
0.3 Responsible Authority, Office, Person, etc. Welfare Peter Elmer Lauritsen, tel: 45 3917 3223, e-mail: plt@dst.dk Judith Zukunft, tel: 45 3917 3415, e-mail: jzu@dst.dk	4 Comparability 5 Accessibility Contact info Welfare Peter Elmer Lauritsen ☎ 45 3917 3223 ✉ plt@dst.dk Judith Zukunft ☎ 45 3917 3415 ✉ jzu@dst.dk
0.4 Purpose and History The purpose of the Tax-Related Income Statistics - "skatteorienteret indkomststatistik"- is to provide a statistical picture of the population's income and allowance. The first publication of the Tax-Related Income Statistics was for the income year 1983 and the last publication is for the income year 2001. It is succeeded by the publication The Income Statistics. The information on income was before 1983 published in the so-called Tax Return Survey. It was based on a sample of income tax returns. The Tax-Related Income statistics are based on the Income Statistics Register, which has been constructed since 1970. Comparing data on income over time was not possible until 1976, when the design of the Income Statistics Register was changed. Updating of this declaration stops, as there is no further change.	Shortcut to this page www.dst.dk/declarations/1076
0.5 Users and Application Users: Municipalities, ministries, organizations, research Institutions and the news media.	
Application: To show the development in and composition of income for different sections of the population.	
0.6 Sources Registers operated by the Central Customs and Tax Administration, the Central Taxpayers' Register (CSR), the Salary Information Register (COR), the Central Pension Register (CPS), and the Pension Tax Register (PAF). In addition, the following registers maintained by Statistics Denmark are used: Central Business Register Register for Labour Market Policy Measures (AMFORA) Register of Unemployment Benefit Payments (DUR) Register of Population Statistics Employment Classification Module (AKM) Statistic Denmark's Register of Child Allowance Statistics Register of Pension Statistics Register of Housing Allowance Statistics	
<i>The Central Taxpayers' Register (CSR): Data Produced by the Central Customs and Tax Administration at the beginning of November.</i> The section on final tax assessment of the Central Taxpayers' Register contains data on income, income tax allowance, and wealth, reported by municipalities to the Central Customs and Tax Administration on the basis of the income tax return forms. Furthermore, the register contains a range of data reported by employers,	

banks, and municipalities to the tax authorities according to the Danish Tax Control Act. The register also contains information used in valuing social benefits. Finally, the register contains various background information for administrative use: e.g. concerning pensions, joint taxation, and various estimated amounts in connection with income tax assessment.

The Salary Information Register (COR): Data Produced by the Central Customs and Tax Administration at the end of August.

The Salary Information Register is based on the information that has to be sent to the tax authority by employers and others who pay out wages and salaries, remunerations, pensions etc. For each employee the pay declaration slip contains information regarding all employment including size and kind of income, size of ATP contributions (labour market supplementary pension contributions) and the amount withheld to A-tax (provisional tax). The Salary Information Register, in this way, makes it possible to split up the A-income into various income types, e.g. wages and salaries, unemployment benefits and social pensions. The Salary Information register also contains information about some kinds of B-income (other income than A-income dividend from shares and tax free social pensions), e.g. unemployment benefits for self-employed.

The Central Pension Register (CPS): Data Produced by the Central Customs and Tax Administration in August.

The register contains information about contributions to pension funds which has to be sent to the tax authority by insurance companies, pension funds, financial institution and other administrators of pension capital.

The Pension Tax Register (PAF): Data Produced by the Central Customs and Tax Administration in August.

The register is based on information about dutiable pension withdrawals, which have to be sent to the tax authority by insurance companies, pension funds, financial institutions and other administrators of pension capital.

Statistics Denmark's Central Business Register

The register contains information about legal enterprise units and possibly their departments. The Register also contains information about the responsible owners of the registered enterprises. A number of identification items are contained in the register, for instance possible responsible owners, civil registration number, information about geographic location, type of ownership, sector, and size.

Statistics Denmark's Register for Labour Market Policy Measures (AMFORA)

For each individual person the AMFORA includes information about the duration of the periods in which the person participated in the labour market policy measure.

RRegister on Payment of Unemployment Benefits

The register contains information about persons who are insured against unemployment and receive unemployment benefits (exclusive of holiday allowance benefits). The register includes information about weekly paid unemployment benefits (exclusive of holiday allowance benefits).

Register of Population Statistics

The Register of Population Statistics contains basic demographic information about the Danish population. The basis for the register is the Central Population Register.

Employment Classification Module (AKM)

The Employment Classification Module (AKM) contains information on economic and employment conditions of the population liable to tax. The register has been established on the basis of employment information given by enterprises and the public authorities, and by means of a computerized process in which each person is assigned with an economic as well as an employment code based on

information from a wide range of registers, including for example, the Salary Information Register and the Central Taxpayers' Register.

Statistic Denmark's Register of Child Allowance Statistics

Statistic Denmark's Register of Pension Statistics

Statistic Denmark's Register of Housing Allowance Statistics

The registers on pension, child allowance, and housing allowance are based on information from the Joint Municipal Social Register, and corresponding registers from the municipal administration of Copenhagen.

0.7 Legal Authority to Collect Data

Section 6 of the Act on Statistics Denmark (most recently amended by Act no. 599 of 22 June, 2000).

0.8 Response burden

The response burden is zero as all data is collected via Central Customs and Tax Administrations registers.

0.9 EU Regulation

None.

[▲ Go to top of page](#)

1 Contents

1.1 Description of Contents

The statistics contain information about average gross income (income liable to general taxation calculated by Statistics Denmark), taxable income, taxes and the like. The average gross income is split up by various income types and socio-economic groups.

Taxpayers are split up by age, socio-economic group, size of gross income, size of taxable income and county. The statistics contain for each municipality the number of taxpayers, average gross income, taxable income and taxes and the like.

The statistics on tax-free contribution to pension funds contain the number of persons and average contribution split up by age and socio-economic group.

1.2 Statistical Concepts

Population: Persons who are 15 years at the end of the year and who are fully liable to pay tax in the year concerned - which mainly comprise persons with a permanent address in Denmark.

Variables:

Socio-economic group: The information about socio-economic group (Employment Classification Module) classifies the individual person by the most important occupation and also by length of unemployment and education throughout the year.

Gross income includes all income (before labour market contributions and special pension are deducted), which is liable to general taxation, including income as assisting spouse. Deficit on self-employment and deductions for assisting spouse are included in gross income as negative income.

The types of income, which are excluded from income liable to general taxation and thus not included in gross income, comprise capital gains, inheritance and certain gifts, various supplements to public pensions, benefits under the Act on Active Social Policy, general rent subsidies, rent subsidies to pensioners and young persons' allowances.

Taxable income: Taxable income is arrived at by subtracting income deductions, labour market contributions, and special pension from gross income.

Self-employment income contained in gross income: Profits of enterprises saved in accordance with the Act on Self-Employment Act are not included in gross income. Withdraws from previous saved profits in enterprises are included in gross income. Self-employment income is corrected for transfer between spouses.

Foreign income includes wages and salaries, net interest and the like, pension and net surplus from self-employment.

Tax and the like include state tax, county tax, municipal tax, church tax, wealth tax, foreign paid taxes, labour market contributions and special pension.

Income deductions consist of the amounts which the taxpayer may deduct from the gross income before taxation, except personal income tax allowance which is subtracted from the gross calculated tax. Interest payments, including self-employment enterprise, are 'not deducted by the calculation of gross income, but are regarded as a deduction in Tax-Related Income Statistics. It implies that interest payments are not deducted from net surplus of self-employment enterprise. This is one of the reasons why it is impossible to compare the earnings of self-employed and employees entirely on the basis of gross income. Earned income relief consists of travelling expenses, unemployment insurance, union dues, contributions to early retirement scheme, and other wage earner expenses.

[▲ Go to top of page](#)

2 Time

2.1 Reference Period

The statistics contain income from the income year 2000.

2.2 Date of Publication

The statistics are published one year after the end of the income year to which the statistics relate.

The Tax-Related Income Statistics are mainly based on data from the Central Customs and Tax Administration's Central Taxpayers' Register. Therefore, it is necessary to wait until the assessment processing has reached a level, which implies that the data in the Taxpayers' Register can be used for statistical purposes.

2.3 Punctuality

This statistic is normally published without delay regarding the announced date.

2.4 Frequency

Yearly

[▲ Go to top of page](#)

3 Accuracy

3.1 Overall accuracy

The income data from the Central Customs and Tax Administration's register is assumed to equal the real income. To this must be added that for example undeclared work, and defective and faulty reports to the tax authorities will imply that the income figures in the Provisional Income Statistics cannot completely equal real incomes.

The income data are generally of high quality inasmuch as they come from administrative registers. Use of administrative registers for statistical purpose may cause problems concerning the statistics. Information and data of direct importance to the administrative authority are more reliable than information and data without that kind of importance. For example, the breakdown of the A-income into various types of income is based on a code in the salary information slip, which is of little or no interest to the administrative authority. This leads to codes of poor quality for some types of income. This has particularly been a problem for the delimitation of benefits from unemployment funds, which are therefore estimated

in a separate model. The same reason causes estimation in a separate model of the public servant's pensions and other labour market pensions.

The Central Customs and Tax Administration's registers are continuously updated and are never or not until a very late date assumed to be final. The data used in these statistics and assumed to be final, may contain information that at a later date is changed.

The importance of these register problems is non-existent or not essential to the statistics. However, statistics for a small number of persons must be interpreted cautiously.

The estimation of the total benefits from unemployment funds is based on COR (the Salary Information Register) and the distribution of these benefits into various types of unemployment benefits is based on other statistical registers. The result of an estimation model is by nature connected with considerable uncertainty. It also has an effect in connection with public servant's pensions and other labour market pensions.

3.2 Sources of inaccuracy

See section 3.1.

3.3 Measures on accuracy

It is not possible to calculate meaningful figures for the accuracy of these statistics.

[▲ Go to top of page](#)

4 Comparability

4.1 Comparability over Time

Changing several social benefits from net sum into gross sum (taxable) in connection with the tax reform of 1st January 1994 has caused smaller problems concerning data comparability over time. The tax reform particularly appears in the level of social pensions to single persons, where the total amount paid out was raised and personal income tax allowance was reduced. At the same time, a range of tax-free incomes became taxable, for example supplements to social pensions and cash benefits.

The tax reform also imposes social security pension payments on employees and self-employed.

4.2 Comparability with other Statistics

Tax-Related Income Statistics are based on the same registers as most of Statistic Denmark's' income statistics. The statistics are therefore directly comparable. However, differences in the population have to be taken into account.

Some of the current transfers in the Provisional Income Statistic are also compiled on the basis of payments from the Joint Municipal Social Registers. Complete consistency between the two statistical methods cannot be achieved, even though there should be a high degree of consistency.

4.3 Coherence between provisional and final statistics

This statistic is not published in a provisional version. Some of the Statistics are published in the Provisional Income Statistics half a year earlier. The difference between the provisional and final statistics is normally between 0.0 and 0.3 pct.

[▲ Go to top of page](#)

5 Accessibility

5.1 Forms of dissemination

The statistics are published in

Nyt fra Danmarks Statistik (News from Statistics Denmark),

Income, Consumption and Prices, Statistiske Efterretninger (Statistical News)

www.statistikbanken.dk: Skattepligtige personer (Taxable persons)

www.statistikbanken.dk: Skattepligtige Bruttoindkomster (Taxable Gross Income)

www.statistikbanken.dk: Indkomster/fradrag fra selvangivelsen
(Income/deductions from tax return)

5.2 Basic material: Storage and usability

The primary statistical data are found in the Income Statistics Register containing data for every single taxpayer. The register contains income data at a considerably more detailed level, which can be provided by customised service projects.

5.3 Documentation

The variables are documented in Times.

5.4 Other Information

No further information is available.

[▲ Go to top of page](#)