

**Documentation of statistics for  
Local Government Personal Income Taxation and Church Tax  
2023**

## 1 Introduction

The purpose of Local government personal income taxation and church tax is information on the development in these taxes as they are decided by the local governments by the 15th of October the year before the relevant income year. The Statistics was first time published in 1927, but in its current form the statistics covers and is comparable from 2007.

## 2 Statistical presentation

The statistics show the development in local government personal income tax rates and church tax rates as determined by the local authorities in each municipality.

### 2.1 Data description

The statistics is a yearly overview of the local government personal income taxes and it can be grouped by municipalities and regions. In the regional overview, one must be aware of the fact that regions are not able to levy taxes, which contrast prior counties. This implies that for each region, weighted average local income tax rates and church tax rates are calculated for the municipalities in the region, as well as a weighted average for the country. The weighting is calculated as the total income tax relative to the net taxable income of either region or the entire country, where the net taxable income is the combined budgeted income minus the personal tax relief. The weighting is based upon each municipality's share of the main tax base.

### 2.2 Classification system

These statistics are group by type of tax. Geographically these statistics are grouped by [regions and municipalities](#).

### 2.3 Sector coverage

Not relevant for these statistics.

### 2.4 Statistical concepts and definitions

Budgeted municipal income tax: The income tax based on the net taxable income.

Church tax rate: The percentage of the taxable income that the church tax is calculated based on, provided that the tax payer is a member of the Evangelical Lutheran Church in Denmark.

Municipal tax rate: The percentage of the taxable income that the individual municipality levies the municipality tax on.

### 2.5 Statistical unit

The statistic is published on individual municipalities.

## **2.6 Statistical population**

All municipalities in Denmark.

## **2.7 Reference area**

The statistic covers all municipalities in Denmark.

## **2.8 Time coverage**

The statistic covers the period from 1927.

## **2.9 Base period**

Not relevant for these statistics.

## **2.10 Unit of measure**

Percent and DKK millions.

## **2.11 Reference period**

The income year (calendar year).

## **2.12 Frequency of dissemination**

Annually.

## **2.13 Legal acts and other agreements**

The legal authority to collect data is provided by section 8 of the Act on Statistics Denmark.

The statistic falls under Council Regulation 2223/1996 on national and regional accounts, Council Regulation 2516/2000 on common principles of the European system of national and regional accounts in the Community (ESA 95) as concerns taxes and social contributions, Commission Regulation 995/2001.

## **2.14 Cost and burden**

There is no direct response burden since the data are collected for other uses.

## **2.15 Comment**

Further information can be found at the [Subject page](#) for these statistics, or by contacting Statistics Denmark directly.

### **3 Statistical processing**

The statistics is based on reports from the local authorities to the Ministry of the Interior. The published budget figures also form the basis for the amount of advance payments transferred from the central government to the municipalities. The collected material is validated against last year's data as well as information regarding which municipalities have changed their tax rates. There are no further corrections of data.

#### **3.1 Source data**

Information about local government personal income taxation and church tax is collected on municipality level. Information regarding the budgeted income taxes of the municipalities is collected as well.

The statistics is based on reports from the local authorities to the Ministry of the Interior. The published budget figures also form the basis for the amount of advance payments transferred from the central government to the municipalities.

#### **3.2 Frequency of data collection**

Data is collected annually.

#### **3.3 Data collection**

Data is collected via spreadsheets.

#### **3.4 Data validation**

The Ministry of the Interior validates the data before sending the data to Statistics Denmark. The validation is conducted by securing that all municipalities in Denmark are included in the data as well as the ensuring that the data is consistent with the budgetary agreements for municipalities.

At Statistics Denmark, the collected material is validated against last year's data as well as information regarding which municipalities have changed their tax rates.

#### **3.5 Data compilation**

Data for regions is calculated based on municipality data as follows: For each region/county weighted average local income tax rates and church tax rates are calculated for the municipalities in the region/county, as well as a weighted average for the country. The weighting is calculated as the total income tax relative to the net taxable income of the area in question, where the net taxable income is the combined budgeted income minus the personal tax relief. The weighting is based upon each municipality's share of the main tax base.

Data is entered from the collected spreadsheets for municipalities and are used without further calculations in the publications.

### **3.6 Adjustment**

There is no correction of data.

## **4 Relevance**

The statistics are part of the general economic debate. The statistics is in demand from ministries, politicians, public and private institutions, researchers, enterprises and news media. The statistics often gets a lot of attention in the media and amongst other professional users.

### **4.1 User Needs**

The users are local authorities, government departments, organizations, private firms and private persons. The statistics provide information on local government personal income tax-rates and church tax-rates as well as estimated tax base and income tax in municipalities and counties.

### **4.2 User Satisfaction**

Statistics Denmark has several forums where key users of the statistics have the opportunity to participate, eg. [The User Committee for Economic Statistics](#) has the following general tasks:

- Discuss and evaluate the results obtained and the planned development in the economic statistics
- Discuss users' use of economic statistics and their need for new statistics Discuss quality, documentation and dissemination of economic statistics

### **4.3 Data completeness rate**

All data are published.

## **5 Accuracy and reliability**

The statistics have no sources of statistical uncertainty of importance. This is because local government income taxes is determined by a financial agreement between Local Government Denmark (KL) and the government. Afterwards, both KL and the Ministry of the Interior check and verify the numbers. It is not allowed to make changes the foundation for the local government income taxes once it have been approved, which is also why there are no revisions of the statistics.

### **5.1 Overall accuracy**

Danish law tells that the budgets for municipalities must be in balance. The revenue matching the expenditures for a given year ensures the balance for the municipalities. The revenue is determined by local government income taxes, where a municipality either can use local government income taxes guaranteed by the government or the so-called self-budgeting – i.e. the municipality guesses on the local government income taxes on their own. The total local government income taxes for all municipalities is then set against the financial agreement that KL has negotiated with the government. Afterwards, both KL and the Ministry of the Interior check and verify the numbers. Once the municipalities have gotten local government income taxes ‘approved’, it is not allowed to change the taxes.

Statistics Denmark receives the verified and controlled data directly from the Ministry of the Interior. The data are not revised.

### **5.2 Sampling error**

Not relevant for these statistics.

### **5.3 Non-sampling error**

Data is checked and validated by both KL and the Ministry of the Interior. The validation is conducted by for example comparing local government income taxes for each municipality with the financial agreement between KL and the government. Thus, non-sampling error is not problematic for this statistics.

### **5.4 Quality management**

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

### **5.5 Quality assurance**

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

### **5.6 Quality assessment**

The quality of the statistic is estimated to be good. Statistics Denmark receives the data from Ministry of the Interior, which is based on the financial agreement between KL and the government. The statistics only publish finalized numbers, which are not revised. The statistics is published annually and is a part of the economic debate.

## **5.7 Data revision - policy**

Statistics Denmark revises published figures in accordance with the [Revision Policy for Statistics Denmark](#). The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

## **5.8 Data revision practice**

Only final figures are published.

## **6 Timeliness and punctuality**

Data are published in the end of November in the year before the income year. The statistics only contain final figures. The statistics are usually published on the scheduled date without delays.

### **6.1 Timeliness and time lag - final results**

The statistics is published ultimo November in the year before the income year. The statistics only contain final figures.

### **6.2 Punctuality**

The statistics are usually published on the scheduled date without delays.

## **7 Comparability**

The statistics was published for the first time in 1927. However, changes to both the municipality as well as country structure makes the comparison across time difficult. The current structure makes it possible to compare from 2007 and onwards. The taxation systems differ widely across countries, which makes the geographical comparison difficult based on national sources because of concept and calculation differences.

### **7.1 Comparability - geographical**

The taxation systems differ widely across countries, which makes the comparison difficult based on national sources because of concept and calculation differences. The main purpose of national statistics is normally not to accommodate international comparison, but to accommodate each country own information setup and traditions.

The taxation in Denmark differs widely from all other European countries. In Denmark, contribution to social security schemes only constitute an exceptionally small share of total taxation, whereas income taxes account for more than 60 percent. This is in contrast to most other European countries where the contribution to social security scheme constitute a particular high share of the total taxation and income taxes only constitute a minor percentage. Among the OECD countries, it is only New Zealand and Australia have a tax structure that is to some extent similar to the Danish one.

## 7.2 Comparability over time

Local government personal income taxes have since 1927 always been calculated for each municipality and until 2016 the tax was also calculated for each country. The taxes are comparable across time, but changes to the municipality structure must be acknowledged.

The statistics was published for the first time in 1927 and until 1969 was the statistics where based upon each rural municipality. Since then, two municipality reforms have changed the structure of municipalities, countries, and regions. The first municipality reform occurred in 1970 contributed to the structure change such that ca. 1300 rural municipalities was combined to 277 municipalities and 14 countries. Since 1975 and up to 2002 there had been no changes in the classification of municipalities and counties. In 2003, the county of Bornholm and its municipalities were united to a regional municipality like Frederiksberg and Copenhagen. Bornholm, Frederiksberg, and Copenhagen handled county affairs as well as municipality affairs. In 2006, the municipalities of Marstal and Ærøskøbing were united to the municipality of Ærø.

In 2007, a new municipality reform came into force. Many municipalities were combined, and some municipalities were divided between several new municipalities. This meant that there are now 98 municipalities compared to the prior 270. The countries were closed down and 5 regions took over instead. The regions are, unlike the prior counties, not able to levy taxes. This means that the citizen will pay a part of the personal income tax to the municipality whereas before the reform the citizen pay income tax to both country and municipality.

## 7.3 Coherence - cross domain

The Ministry of Taxation as well as Local Government Denmark publish similar figures.

The statistics is used for calculating local government income tax for government finances statistics in the publication in Marts and June. In the following publications of government finances, the local government income taxes are based on assessed data from the Danish Tax Agency. The statistics is implemented in government finances in the following way. An estimate is calculated for local government income tax based on a weight average for all municipalities. The estimate is afterwards incorporated as a part of personal income tax. In the quarterly government finances, the estimate incorporated by allocating a share of the estimate to each quarter. The allocation shares for each quarter are updated every year.

## 7.4 Coherence - internal

Not relevant for these statistics.

## 8 Accessibility and clarity

These statistics are published annually in a Danish press release. In the [StatBank](#) the figures are published under Personal income taxes. For further information, go to the subject page for [taxes and duties](#).

### 8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.



## 8.2 Release calendar access

The Release Calendar can be accessed on our English website: [Release Calendar](#).

## 8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

## 8.4 News release

The accounts are only published in Statbank.

## 8.5 Publications

[Taxes and Duties \(Skatter og afgifter\)](#). The publication is only in Danish.

## 8.6 On-line database

The statistics are published in the StatBank under the subject [Personal income taxes](#) in the following table:

[PSKAT](#): Local government personal taxation by region, tax rate and time

## 8.7 Micro-data access

Access to data is available on the same level of detail as Statistics Denmark collects, either in the StatBank or as a paid service job.

## 8.8 Other

Access to data is available on the same level of detail as Statistics Denmark collects, either in the StatBank or as a paid service job.

## 8.9 Confidentiality - policy

[Data Confidentiality Policy](#) for Statistics Denmark is applied.

## 8.10 Confidentiality - data treatment

No confidentiality measures are needed in the data processing of the statistics, as they are published on an aggregated level.

## 8.11 Documentation on methodology

Documentation on the statistics is published in the yearly publication [Taxes and Duties](#). The publication is only in Danish.

## **8.12 Quality documentation**

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

## **9 Contact**

The administrative placement of this statistics is in the division of National Accounts. The person responsible is Ida Balle Rohde, tel. +45 39 17 30 15, e-mail: [ilr@dst.dk](mailto:ilr@dst.dk)

### **9.1 Contact organisation**

Statistics Denmark

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Government Finances, Economic Statistics.

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