

**Documentation of statistics for
Corporate Taxation 2021**

1 Introduction

The purpose of the statistics Corporate taxation is to shed light on trends in companies' taxable income and tax payments. The statistics cover the period from 1996 and is published yearly in March. The statistics were first published in 1922 and the method used for calculating the corporate tax has not changed since the first publication.

2 Statistical presentation

The statistics are an annual account of the taxable income and tax for all companies. The statistics provide information about how many companies that actually pay corporate tax in Denmark. The statistics are shown by type of company and type of industry. The tax is divided by industry and type.

2.1 Data description

The statistics provide data on incomes and assessed taxes in companies etc. The statistics, that provide information to shed light on business cycles, is included in total overview of taxes.

The statistics comprise the computation of the Danish corporation tax for companies and foundations. The computation is simple since the corporate tax is proportional income tax without a lower limit. The computation takes into account all tax credits, tax reliefs and tax supplements for each company and is based on the taxable income, which is computed differently depending on type of company. The tax is also divided by industry and type. The division is based on the industry of the parent or management company and not of the kind of activity, which Statistics Denmark normally uses.

The statistics are based on current joint taxation rules. These rules mean that for all subsidiaries and affiliated companies all information of a fiscal nature are reported by their parent or management company. The tax for subsidiaries and affiliated companies is therefore zero in the statistics.

2.2 Classification system

The industries in the statistics follow the Danish industry nomenclature DBO7. A full description of the industries can be found in [Danish Industrial Classification 2007](#). Furthermore, it is possible to divide the statistics by company type.

2.3 Sector coverage

All sectors are covered.

2.4 Statistical concepts and definitions

Industries: A description of the company's activity. To determine the industries Statistics Denmark use Danish Industrial Classification, which is a 6-digit nomenclature based on the NACE. NACE constitutes the first 4 digits of the Danish Industrial Classification.

Type of ownership: Describes the type of company (limited company, private limited company etc.)

Corporation tax: The tax is calculated by the taxable income and then adjusted for dividends from subsidiaries, foreign interest and double taxation.

Corporation tax rate: Describes the per cent a company have to pay as tax from the taxable income

Taxable income: The income that a subject to the tax.

2.5 Statistical unit

Companies and foundations.

2.6 Statistical population

All companies and foundations - except sole proprietorship and some companies and foundations who are legally exempted from paying corporation tax.

2.7 Reference area

Denmark.

2.8 Time coverage

The statistics cover the period 1996 and onwards.

2.9 Base period

Not relevant for these statistics.

2.10 Unit of measure

Million DKK.

2.11 Reference period

Calendar year.

2.12 Frequency of dissemination

Annual.

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 statistics fall 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 purposes.

2.15 Comment

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

3 Statistical processing

Data is received annually from the Danish Tax Agency. The companies' information is combined and checked for consistency between a tax declaration part, an assessed part, a joint taxation part, and a deficit part. The validation takes place by comparing the level of the total corporate taxes in relation to the previous year, where both business tendencies and possible tax rate changes are taken into account.

3.1 Source data

Data are compiled from the register of Digital Corporate Tax Reporting (DIAS) of The Danish Tax Agency. DIAS consists of four sub-elements (a tax declaration part, an assessed part, a joint taxation part, and a deficit part) and registers all corporations and their tax base. DIAS updates the data on a continuing basis with the recording of new companies, dissolved companies, and changes to already finalised assessments. Some tax cases are not concluded until several years after the end of the income year. The Danish tax authorities will thus continually receive corrections to data.

A yearly delivery from the statistical Business Register is used for the division of income and assessed taxes based on industry and type/owner code.

3.2 Frequency of data collection

Data is collected annually. Both DIAS and the statistical Business Register are updated frequently.

3.3 Data collection

Statistics Denmark receives data from the company tax system DIAS once a year in early December for the last five years. DIAS contains information regarding the annual income-tax return for the taxable income for all companies and foundations and thereby computation of the total corporation tax can be conducted.

3.4 Data validation

Statistics Denmark validates the new level of corporation taxes by comparing it to the level of the previous year every time a new year is compiled. The comparison takes both business tendencies and possible tax rate changes into account. The data is also checked against the open tax lists ("åbne skattelister") from the Danish Tax Agency that are published in February. Data from the previous year are also validated since new data from DIAS is incorporated. The validation is performed in a similar manner – here the new level is compared with the levels of the previous publication, where again both business tendencies and possible tax rate changes are taken into account.

3.5 Data compilation

DIAS' information is used to compute the total corporate tax including all tax credits, tax reliefs and tax supplements for all companies who are liable to taxation. DIAS consists of four elements (a tax declaration part, an assessed part, a joint taxation part, and a deficit part). These are combined, and data are checked for consistency between the four elements. Error or defects are corrected in collaboration with the Danish Tax Agency.

Data from DIAS are combined with information on the industry and owner code from the Business Register based on the industry of the parent or management company and not of the kind of activity, which Statistics Denmark normally uses.

3.6 Adjustment

No adjustment of data in addition to what are described under Data Validation and Data Compilation.

4 Relevance

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

4.1 User Needs

Central users of the statistics are local authorities, government departments, organisations, private firms and private persons. The statistics bring information on incomes and assessed taxes in companies etc.

4.2 User Satisfaction

Statistics Denmark has several forums where key users of the statistics have the opportunity to participate, e.g. [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 is published.

5 Accuracy and reliability

The statistics cover all taxable companies. The data are subject to error detection and results control before publication. Errors are corrected in collaboration with the Danish Tax Agency. In general, companies have great incentive to report on time, as they otherwise have to pay a tax supplement. The tax can unpredictably either increase or decline, which is impossible to correct for. The unpredictable changes occur among other things because of errors in either taxable income or a long review time and process. The corrections are allocated to the relevant year.

5.1 Overall accuracy

The overall accuracy is considered to be very good as the data is compiled from administrative registers. Data is checked and validated by both the Danish Tax Agency and Statistics Denmark. If an error is found, it is corrected in collaboration with the Danish Tax Agency.

The process of finalising each company's assessed tax is comprehensive, where some companies take longer to finalise than others. Data might not include all companies because some choose not to report to the tax authorities or if not all subsidiaries or affiliated companies are included. Companies, in general, have great incentive to report on time, as they otherwise have to pay a tax supplement. Missing subsidiaries or affiliated companies only affects the number of liable companies shown in the statistics, but does not affect the tax revenue because of joint taxation. However, the tax can unpredictably either increase or decline, which is impossible to correct for. The unpredictable changes occur among other things because of errors in either taxable income or a long review time and process. The revision is allocated to the relevant year.

5.2 Sampling error

Not relevant for these statistics.

5.3 Non-sampling error

The process of finalising each companies' assessed tax is complex, where some companies take longer to finalise than others. Thus, data might include non-response errors. These errors might occur if companies choose not to report to the tax authorities or if not all subsidiaries or affiliated companies are included in the data. Companies, in general, have great incentive to report on time, as they otherwise have to pay a tax supplement.. Missing subsidiaries or affiliated companies only affects the number of liable companies shown in the statistics, but does not affect the tax revenue because of joint taxation.

The uncertainty regarding measurement error because of the current joint taxation rules. These rules means that all subsidiaries or affiliated companies information of a fiscal nature are reported by their parent or management company. Statistics Denmark receive data for all companies and foundations from the Danish Tax Agency. The received data is then used to compute each parent or management company actual tax payment. Consequently, measurement errors are minimal. The tax can unpredictably either increase or decline, which is impossible to correct for. The unpredictable changes occurs among other things because of errors in either taxable income or a long review time and process. The corrections are allocated to the relevant year, however due to Statistics Denmark's revision practice corrections are not carried further back than three years. The years beyond that are considered final.

The statistics cover almost every corporation which are liable for taxation in Denmark, which this is why coverage error minimal. The reason behind the minimal coverage error is that data changes can be allocated back to the year that data change actually belongs to. This means that if a notice is not finalized until 2021, even though it pertains corporation taxes in 2019, the change will be allocated back to corporation taxes in 2019 and not affect corporation taxes in 2021. Due to Statistics Denmark's revision practice corrections are not carried further back than three years. The years beyond that are considered final

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 information comes from administrative records and is generally considered to be of a very good quality because of the comprehensive data foundation available for the production of corporation taxes. Data is collected from the Danish Tax Agency's administrative registers, which is updated on a continuous basis as more corporations and foundations have been assessed and any changes to already finalised assessments are incorporated into the data.

Statistics Denmark uses the data to compute each corporations' taxable income such that a possible tax payment can be determined. The computation is based on a tax declaration part, an assessed part, a joint taxation part, and a deficit part and takes all tax credits, tax reliefs and tax supplements into account. If an error is found, then it is corrected in collaboration with the Danish Tax Agency. Subsequently, data is validated by comparing the new level of corporation taxes by comparing it to the level of the previous year. The comparison takes both business tendencies and possible tax rate changes into account.

The statistics are published in March year two after the tax year. The finalised corporation taxes are published in March year three after the income year. The publication follows the revision rhythm of national accounts.

The statistics are part of the general economic debate. The statistics often gets a lot of attention in the media and among other professional users.

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

The statistics are published in March year two after the income year. After this, data is revised for the final publication in March year three after the income year.

The numbers are incorporated in the following publication of national accounts, which means that the statistics follow the revision rhythm of national accounts.

Data from any given income year are revised, when next year's data are published. Some tax cases are not concluded until several years after the end of the income year. The Danish tax authorities will thus continually receive corrections to data and as a result the data will never be final from the point of view of the tax authorities. Due to Statistics Denmark's revision practice corrections are not carried out further back than three years. The years beyond that are considered final.

6 Timeliness and punctuality

The statistics are published in March year two after the income year. The finalised corporate taxes are published in March year three after the income year. The statistics are usually published without delay in respect to the scheduled time.

6.1 Timeliness and time lag - final results

The statistics are published in March year two after the tax year. The finalised corporation taxes are published in March year three after the income year. The publication follows the revision rhythm of national accounts.

6.2 Punctuality

The statistics are usually published according to the announced time of the publication in the release calendar.

7 Comparability

The statistics were published for the first time in 1922 and the method for computing the tax has not changed – only the tax rate has changed. The taxation systems vary widely across countries, both in terms of conceptual and computational differences which makes the comparison difficult. The statistics are used when computing the overall surplus (Net lending / net borrowing) in government finance statistics.

7.1 Comparability - geographical

The taxation systems vary widely across countries, both in terms of conceptual and computational differences which makes the comparison difficult. Corporate taxation is a part of the income taxes when numbers are compared geographically. The taxation in Denmark differs widely from all other European countries. In Denmark, contribution to social security schemes constitutes 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 schemes constitute a particular high share of the total taxation and income taxes only constitute a minor percentage. Among the OECD countries, only New Zealand and Australia have a tax structure that is to some extent similar to the Danish one.

7.2 Comparability over time

The statistics were published for the first time in 1922. Comparability over time is possible since the method for computing total corporation tax has not changed – only the tax rate has changed. Data from 1996 is presented in Statbank.

7.3 Coherence - cross domain

The Danish Tax Agency publish every year the open tax list in February, which show what each company pays in corporation tax. The Ministry of Taxation publish every year an article on corporation tax. The statistics are incorporated in both quarterly and annually government finance statistics. Before the first publication, government finance statistics use a combination of an estimate from the Danish Ministry of Finance and own calculations for the expected corporation tax. After the statistics are published for the first time, then the actual corporation tax is used and incorporated at the next publication of government finance statistics.

7.4 Coherence - internal

Not relevant for these statistics.

8 Accessibility and clarity

The statistics are published annually in a Danish press release. In addition to this, the statistics and an explanatory text is included in the publication [Skatter og Afgifter \(Taxes and duties, in Danish only\)](#). In the StatBank the figures are published under [Corporation taxation](#)

8.1 Release calendar

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

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.

8.2 Release calendar access

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

8.4 News release

The newest data are published in the Danish press release.

8.5 Publications

Publications only in Danish.

8.6 On-line database

The statistics are published in the StatBank under the subjects in the following tables:

- [SELSK1](#): Corporations etc. by type, assessed income and time
- [SELSK2](#): Taxpaying corporations, etc. by type, income and tax and time
- [SELSK3](#): Corporation tax levied - DBO7 by industry, income and tax and time

8.7 Micro-data access

There is no access to micro-data. The basic data is stored in Statistics Denmark with information about the individual companies, their income, deductions and tax amounts and their corporation organization and industry.

8.8 Other

It is possible to order withdrawal of the material on the general terms of service.

8.9 Confidentiality - policy

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

8.10 Confidentiality - data treatment

The statistics are published at a level that does not require further treatment to ensure confidentiality.

8.11 Documentation on methodology

Documentation of the statistics is also published in the yearly publication [Skatter og Afgifter \(Taxes and duties, in Danish only\)](#).

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 Government Finances. The person responsible is Ida Balle Rohde, tel. +45 39 17 30 15, e-mail: ilr@dst.dk

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