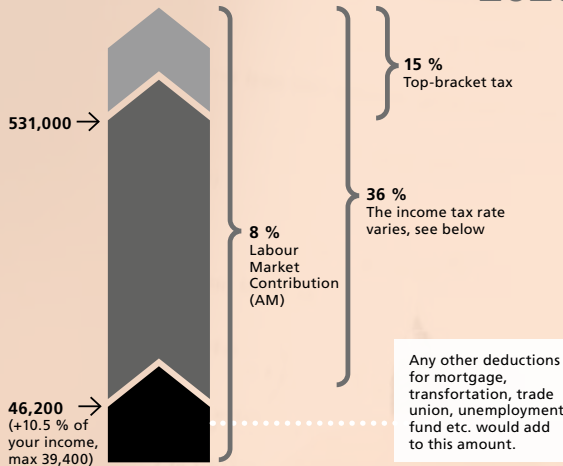




# Taxation for researchers



2020



## *The Danish tax system*

The main principle behind the Danish income tax system is progression. This means that the more you earn, the higher the income tax percentage you have. In addition to a basic personal income tax allowance that all tax payers are entitled to, you may also be eligible for various deductibles such as transportation, for interest charges, travelling expenses, contributions to preapproved charity funds and union membership dues. For very high salaries, an extra tax will apply. Your individual tax rate can therefore vary from approx. 33 % to approx. 56 %.

As a general rule, everyone who resides and works in Denmark, are fully tax liable of their income, including income from sources outside Denmark. However, Denmark has double taxation agreements with a number of countries, and information pertaining to this can be found on the the Danish Tax Agency's website: [www.skat.dk](http://www.skat.dk)

## A special tax scheme for international researchers

In order to make Denmark more attractive for highly skilled people, most researchers recruited directly from abroad will be eligible for a special Danish tax program called "researcher taxation". This flat-rate tax program is easier to manage and the tax rate is slightly lower, compared to regular taxation.

In order to qualify for the so-called researcher taxation scheme you must meet the eligibility requirements:

- You must hold a PhD degree
- You must be employed as a postdoc, assistant professor, associate professor or professor
- You must not have been tax liable to Denmark during the past 10 years
- You must not have been in Denmark for more than one month, prior to the commencement of your employment (including gaps between positions).

The tax rate for the researcher taxation program is 27 % after the 8 % labour

market contribution has been deducted from the gross salary. This comes down to **an effective tax rate of 32,84 %**. This being a flat rate scheme, the rate will remain the same no matter the size of your salary. You cannot use your personal deduction or other deductions.

The researcher taxation scheme applies only to your salary paid by the University. All other income will be taxed according to the relevant ordinary tax rules.

The researcher taxation scheme can be utilized for a total of 84 months (7 years). The time period may be broken down into shorter periods, provided you are not tax liable to Denmark in the periods between employments in Denmark (you must leave the country).

The duration of your employment may range from one month to a position without an end date, and your employment can be either full-time or part-time.

Read more about the special tax scheme on the official website of the Danish tax authorities [www.skat.dk](http://www.skat.dk)

## Exceptions to the rule about tax liability to Denmark

As mentioned, a basic condition for using the researcher taxation scheme is that you have not been tax liable to Denmark during the past ten years. However, there are some exceptions to the main rule;

- If you were taxed under the researcher taxation scheme during your previous Danish tax liability
- Limited tax liability on Danish income as a guest lecturer etc. at a university or research institute (total duration of no more than 12 months within the last ten years).
- Full tax liability on foreign income as e.g. a guest researcher at a university or research institute (total duration of no more than 12 months within the last ten years and income exclusively from foreign funds).
- Tax liable within the latest 10 years of Danish sources, but only of Danish real estate or dividend on shares.

## *Application for researcher taxation*

The University of Copenhagen will apply on your behalf to be enrolled in the researcher taxation program. In order to apply we require you to complete and submit a specific form. Most employees will receive a link to the form with their final offer of employment, by email.

International Staff Mobility will check to make sure you meet the eligibility requirements before the application is sent to the tax authorities. It is up to the Danish tax authorities to approve your enrollment.

The tax authorities will, after approval, send a letter of confirmation to the University to confirm your registration and eligibility.

Researchers who are on the researcher taxation program, do not have to file income tax returns, in regards to their income obtained from the University. If you have other sources of income you may have to file a return with the Danish tax authorities, regarding that specific income as stated as stated in the section on Ordinary tax, other income and tax card.

## Ordinary tax, other income and tax card

For income not taxed on the researcher taxation scheme, you must apply for a tax card by filing an application for a preliminary tax assessment. This online registration is an estimate of your expected income, deductions and tax rate. The University will retrieve your relevant tax data automatically from the Danish Tax Agency.

The tax rates in Denmark range between approximately 33 % and 56 %. It is worth considering choosing the regular tax rates, over the researcher tax program, if you have high tax deductions for things such as a mortgage, your spouse's unused personal income tax allowance etc.

If you forget to register for a tax card/ preliminary tax assessment, you will pay a preliminary tax of 8% labour market tax plus 55% in other taxes. If you pay too much tax during the year, you will receive a tax refund.

Read more about the Danish tax system on [www.skat.dk](http://www.skat.dk).

## Annual tax statement

Every spring (in March), the tax authorities will issue your annual tax statement (Årsoppgørelse) for the previous calendar year. You can see it online on your personal tax page on [skat.dk](http://skat.dk)

This statement will show your taxable income along with any other income, interest and dividends reported to The Danish Tax Agency by your employer, bank etc. You must inform The Danish Tax Agency of any income not stated on your tax statement before the tax declaration deadline, which is usually 1 May for Danish income and 31 June for non-Danish income.

You are obligated to ensure that the information in the annual tax statement is correct and complete. You can report changes to the information pre-printed on the tax statement at [www.skat.dk](http://www.skat.dk). Choose “English” at the top and then “log on” in the top right hand corner, or you can contact The Danish Tax Agency directly. You can find all information related to your tax in your electronic tax file (in Danish: Skattemappe) at [www.tastselv.skat.dk](http://www.tastselv.skat.dk).

### *If you have further questions*

PLEASE VISIT OUR WEBSITE [WWW.ISM.KU.DK](http://WWW.ISM.KU.DK),  
OR SEND US AN E-MAIL AT  
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