


## Financing adult learning database

<b>Name of the instrument - Local language</b>	Fradrag for udgifter til kurser, studier og faglitteratur
<b>Name of the instrument - English translation</b>	Tax incentives for individuals in further education and training
<b>Scheme ID</b>	345
<b>Country</b>	 Denmark
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Tax incentive for individuals
<b>Sub-type of instrument</b>	Treatment of work/profession related training costs
<b>Type of entry</b>	Single instrument

<b>Short description</b>	<p>Employees can deduct the costs of training directly linked to their present job from the tax base of their personal income tax (state and regional level) in addition to the general allowance in place. Only training expenses (including e.g. required literature) that are directly linked to the current job (e.g. mandatory due to professional regulation) and exceed a set threshold (DKK 6 300, approx. EUR 843) are eligible. Personal income tax consists of various components and elements of regressive tariffs, however, marginal tax rates are typically high (exceeding 50%). Moreover, employees need not pay personal income tax for further education paid by their employers, whose value is not considered as a form of fringe benefit.</p>
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<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Further instrument
<b>Legal basis</b>	"announcement on the law on income tax ordinance to

	states" (Bekendtgørelse af lov om påligningen af indkomstskat til staten, "Ligningsloven §31") <a href="https://www.retsinformation.dk/eli/lt/2019/806#P9">https://www.retsinformation.dk/eli/lt/2019/806#P9</a>
<b>Objective(s) and target(s)</b>	Training costs linked to a current job are considered as not avoidable job related expenses reducing the achieved personal income. In this regard, they are differentiated from any other educational expenses which only prepares for future employment in a general sense and are therefore not considered as necessary expenses linked to the current activity.
<b>Operation/management</b>	Tax deduction as part of the personal income declaration reducing the final tax due
<b>Eligible group(s)</b>	All employed
<b>Group(s) with preferential treatment</b>	No preferential treatment
<b>Education and training eligible</b>	Only training expenses (including e.g. required literature) directly linked to the current job (e.g. mandatory due to professional regulation) and exceeding a set threshold.
<b>Source of financing and collection mechanism</b>	Lost tax revenue by the state/the municipalities
<b>Financing formula and allocation mechanisms</b>	Cost borne by the individual reduce the tax base for the individual income taxes. In case, an employer pays an employee's expenses for basic, continuing and further education, this not considered as a fringe benefit and therefore it is tax-free for the employee. The tax exemption presupposes that the education or course, has a business purpose for the employee, and thus that the course does not exclusively have a purely private purpose for the employee.
<b>Eligible costs</b>	Courses and study material (e.g. books) directly linked to the current job
<b>Volumes of funding</b>	Not available
<b>Beneficiaries/take up</b>	Not available
<b>Organisation responsible for monitoring/evaluation</b>	Tax authorities (State and regional level)
<b>Most relevant webpage - in English</b>	Not available
<b>Most relevant webpage - local language</b>	<a href="https://skat.dk/skat.aspx?oid=1920475">https://skat.dk/skat.aspx?oid=1920475</a>
<b>Recent changes</b>	No recent amendment  Recent changes in response to COVID-19  No changes
<b>Sources</b>	<a href="https://skat.dk/skat.aspx?oid=2061771">https://skat.dk/skat.aspx?oid=2061771</a>

	<a href="https://www.retsinformation.dk/eli/lta/2019/806#P31">https://www.retsinformation.dk/eli/lta/2019/806#P31</a>
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