

Financing adult learning database

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

Short description	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.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	"announcement on the law on income tax ordinance to

	<p>states" (Bekendtgørelse af lov om påligningen af indkomstskat til staten, "Ligningsloven §31") https://www.retsinformation.dk/eli/ita/2019/806#P9</p>
Objective(s) and target(s)	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.
Operation/management	Tax deduction as part of the personal income declaration preceding the final tax due
Eligible group(s)	All employed
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	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.
Source of financing and collection mechanism	Lost tax revenue by the state/the municipalities
Financing formula and allocation mechanisms	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 is 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.
Eligible costs	Courses and study material (e.g. books) directly linked to the current job
Volumes of funding	Not available
Beneficiaries/take up	Not available
Organisation responsible for monitoring/evaluation	Tax authorities (State and regional level)
Most relevant webpage - in English	Not available
Most relevant webpage - local language	https://skat.dk/skat.aspx?oid=1920475
Recent changes	<p>No recent amendment</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
Sources	https://skat.dk/skat.aspx?oid=2061771

<https://www.retsinformation.dk/eli/ita/2019/806#P31>

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