General overview of VAT and tax deductions 2026

June 2026

Expenses deductible for VAT purposes

Entertainment, stays, meals, etc. (strictly relating to business activities)	0%	Deduction percentage Special deduction	100%
Hotel stays, motels, etc. – employees and clients			X
Food and drink consumed externally (including breakfast at Hotel if breakfast is specifically outlined on the invoice)		25%	
Food and drink served on own premises at meetings and courses to employees and clients			X
Free coffee and fruit for employees served on own premises	X		
Food, etc., from e.g. catering services to employees (consumed internally)			X
Food, etc., consumed internally when part of overtime work without prior notice			X
Entertainment	X		
Setting up tables, stage, etc., for events			X
Renting of premises (if VAT on rent) for external events			X
Gifts and flowers (no matter the identity of the recipient and the occasion)	X		
Flowers for decoration			X
Advertising costs			
Serving of light refreshments at a reception, open house (unspecified group)			X
Promotional gifts with logo under DKK 100 ex. VAT (unspecified group)			X
Promotional gifts exceeding DKK 100 ex. VAT	X		
Cost of trade fairs, incl. food and drink unless it has character of full meals			X
Sample products, demonstration of products			X
Sponsorship with advertising value (VAT registered recipient)			X
Working clothes			
Working clothes and uniforms owned by the company			X
Sports clothing with logo on loan to employees			X
Plain clothes with logo (no private use)			X
IT and telephones			
Wired telephones/IDSN-lines in the employee's home		50%	
Mobile telephones (no private use)			X
Mobile telephones also used privately		Estimate of commercial use	
Broadband (including ADSL-lines) paid by the employer		Estimate of commercial use	
Laptop for both work and private use		Estimate of commercial use	
Laptop (no private use)			X
Employee benefits solely used privately (Apple products, flat screens, etc.)	X		

Bridge tolls and cars (parking fee = operating cost)	0%	Deduction percentage Special deduction	100%
White-plated cars, purchase and operation	X		
White-plated cars, leasing for more than 6 months – minimum 10 % commercial use		To be informed by lessor	
Operation of white-plated leasing cars	X		
Purchase of yellow-plated vans, under 3 tons, no private use			X
Purchase of yellow-plated vans, under 3 tons, also private use	X		
Operation of yellow-plated vans, under 3 tons			X
Yellow-plated vans, under 3 tons, leasing - no private use			X
Yellow-plated vans, under 3 tons, leasing - also private use		1/3	
Operation & purchase, yellow-plated vans, over 3 tons, no private use			X
Operation & purchase, yellow-plated vans, over 3 tons, also private use		Estimate of commercial use	
Bridge toll Oresund (all car types) – only commercial use			X
Bridge toll The Great belt, personal cars	X		
Bridge toll The Great Belt, vans (yellow plates)			X
Parking spaces for white-plated company cars only or employees.	X		
Parking spaces used for mixed purposes (i.e., partly used for employees and/or white-plated company cars and partly used for yellow-plated company cars and/or customers.		Estimate of commercial use	
Parking spaces used for customers and/or yellow-plated company cars only.			X
Establishment- and maintenance expenses in relation to charging stations used for white-plated company cars or employees.	X		
Establishment- and maintenance expenses in relation to charging stations used for mixed purposes (i.e., partly used for employees and/or white-plated company cars and partly used for yellow-plated company cars and/or customers).		Estimate of commercial use	
Establishment- and maintenance expenses in relation to charging stations used for customers and/or yellow-plated company cars only.			X
Course (only if VAT on invoice) and moving costs			
Course attendance fee invoiced as one total service			X
Separately invoiced food and drink in connection with courses		25%	
Separately invoiced overnight stay in connection with courses			X
Educational books and other course material			X
Employee moving costs within the group/same company			X

Expenses deductible for tax purposes			
Payroll costs and other staff costs	**0%**	**Deduction percentage Special deduction**	**100%**
Payroll costs and several other employee benefits			X[1]
Costs of which the employees have no legal right, e.g., expenses for staff parties, staff picnics, Christmas staff parties, etc. as well as expenses for staff associations or for corporate sports			X
Bonus expenses			X
Expenses for occasion gifts, e.g. presents of money, etc. for the employees			X[2]
Payroll costs for spouse, cohabit and children			X[3]
Expenses for professional training and other training			X
Holiday allowance and payroll costs during holidays, etc.			X
Travelling expenses and bed nights (excl. meals)			
Staff			X
Business relations		25%	
Meals			
Meals consumed at restaurants etc. (externally)			
Staff, including meetings and parties			X
Business relations		25%	
Meals consumed in-house (internally)			
Staff, including meetings and parties			X
Staff, including internal meetings and training			X
Business relations, coffee and tea			X
Business relations, meals		25%	
Annual general meeting			
Visits to restaurants			X
At the premises of the enterprise			X
Receptions, jubilees, etc.			
Restaurant visits etc. (externally)			
Staff			X
Business relations		25%	
Mixed participation			
Staff mainly		25%	X[4]
Business relations mainly		25%	X[4]
Open house - unspecific group:			
Limited service (no meals)		25%[4]	
Larger scale of repast		25%	
At the premises (internally)			
Staff			X
Business relations		25%	X[4]
Mixed participation:			
Staff mainly		25%	X[4]
Business relations mainly		25%	
Open house - unspecific group:			
Limited service (no meals)		25%[5]	
Larger scale of repast		25%	

[1] Business-related salary expenses are deductible at 100%, subject to a maximum of DKK 8.704.600 per employee.

[2] Considered expenses deductible for tax purposes as the expense is considered an accessory to the salary. The same applies to customary bonuses and performance - related bonuses.

[3] Assuming that the salary is proportionate to the work performed for the business enterprise by the employee in question. If the child is employed by an enterprise which the parents of the child own together with others or by an enterprise, where the parents are the principal shareholders and the salary is paid by the partnership or by the enterprise, the payroll expenses will be deductible. Payroll costs for children who have not turned 15 at the beginning of the income year and who work in the parents' personally owned business enterprise are not deductible for tax purposes.

[4] 100 % deductibility of the part which is estimated for commercial use in relations to the staff.

[5] 100 % deductibility provided that it is advertising costs according to a specific evaluation.

Gifts	0%	Deduction percentage Special deduction	100%
Staff			X
Business relations		25%	
Advertisements			
Promotional items			
Including company name or logo, below DKK 100 a piece, excl. VAT (unspecific group)			X
Including company name or logo, below DKK 100 a piece, excl. VAT (gifts)		25%	
Service of sandwiches, cookies, chips, coffee, beer, etc. for advertising purposes at fairs, exhibitions, etc.			X
Sponsor contributions with advertising as consideration			X[6]
Specimens and discounts as well as demonstration of products, etc.			X
Working clothes			
Working clothes and uniform owned by the enterprise			X
Plain clothes with logo			X
IT and telephone			
Mobile phones not used privately			X
Mobile phones also used privately			X
PC not used privately			X
PC also used privately			X
Vehicles and toll charges			
Bridge toll The Great Belt, private car used for business purposes			X
Bridge toll The Great Belt, vans on commercial license plates – only commercial use			X
Bridge toll The Great Belt, all vehicles - only commercial use			X
Personal cars and vans, purchase and operation			X[7]
Haulage, e.g., expenses for petrol, maintenance, parking, vehicle excise duty and insurance.			X
Other expenses			
Membership fees			X
Expenses for insurance, etc.			X
Lease expenses			X
Legal expenses, auditors' fee, etc.	X		X[8]
Expenses for penalties, fines and confiscation, etc.	X[9]		
Expenses for compensation in self-employed businesses, etc.			X[10]
Expenses for trials and research, etc.		Max. 114%[11]	

The list of expenses deductible for tax and VAT purposes is not exhaustive, but only for your guidance, and when preparing the statement of expenses deductible for tax and VAT purposes, a specific evaluation should be made.

[6] If sponsor contributions give access to other services than advertising, e.g. travelling or entertainment, an allocation must be made and full deductibility is only granted for advertising. The treatment of other services depends on what they are used for.

[7] Depreciated according to general guidelines.

[8] Relates only to common circumstances relating to the operation of an enterprise, e.g. debt collection from the enterprise's debtors and audit fee in relation to the audit of financial statements, compilation of annual tax statement, certain advisory services, etc.

[9] Generally, not deductible. If the business owner pays fines for his/her employees, which were imposed while the employees were on duty, the fines are deductible as payroll costs and thereby as operating expenses (the employee must be taxed thereon as A-income)

[10] Provided that the expenses relate directly to the operation of the enterprise.

[11] Right to deduction includes the development work which relates to the business enterprise. This means use of scientific or technical knowledge to produce new or significantly improved materials, mechanisms and products, processes, systems or services.

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