

The general rule is that it is possible to deduct VAT on expenses related to the company's VAT-able activities in full.¹ However, on certain expenses VAT is only partly deductible or not deductible at all. This scheme illustrates the right to deduction of VAT for expenses that companies normally have.

Moreover, generally it is only possible to deduct VAT on expenses where VAT has been correctly levied. A possible pro-rata must be taken in to consideration



	0%	25%	33,3%	50%	100%
Expenses in relation to accommodation and meals etc.					
Accommodation					x
Meals in connection with accommodation, e.g. breakfast		x			
Meals in connection with meetings, courses and similar held in the company's premises					x
Food for the company's owners and employees	x				
Free coffee and tea etc. for employees	x				
Restaurant for business purposes (both food and drinks)*		x			
Cars and bridge tolls					
Toll, Øresund bridge					x
Toll, Great Belt bridge (Storebælt), passenger cars	x				
Toll, Great Belt bridge (Storebælt), vans/trucks (vehicles with yellow license plates)**					x
Passenger cars, purchase and operation expenses	x				
Passenger cars, leasing fee (for leasing more than 6 months and 10 % for commercial purposes)	Deductible in accordance with the specific VAT amount stated by the leasing company on the invoice				
Parking fee, passenger cars (leased or owned by the company)	x				
Vans less than 3 tons, purchase, no private usage					x
Vans less than 3 tons, purchase, also used for private purposes	x				
Vans less than 3 tons, operation expenses					x
Vans less than 3 tons, leasing			x		
Trucks more than 3 tons, no private usage (purchase, operating expenses and leasing)					x
Trucks more than 3 tons, also used for private purposes (purchase, operating expenses and leasing)	Determined by an estimate between business purposes and private purposes				

¹ A possible pro-rata must be taken in to consideration

	0%	25%	33,3%	50%	100%
Telephone and internet (purchase and usage)					
Mobile phones only used for business purposes					X
Mobile phones also used for private purposes	Determined by an estimate between business purposes and private purposes				
Telephones, landline only used for business purposes					X
Telephones, landline also used for private purposes					X
Internet broadband	Determined by an estimate between business purposes and private purposes				
Ipad only used for business purposes					X
Ipad also used for private purposes	Determined by an estimate between business purposes and private purposes				
Representation					
Advertising expenses					X
Football tickets or similar, for selected customers	X				
Flowers for decoration					X
Gifts, wine, flowers etc. to business relations	X				
Promotional items with the logo/company name(<100DKK)					X
Promotional items with/without logo/company name(>100 DKK)	X				
Sample/demo of products to customers regardless of value					X
Sample/demo products to employees regardless of value					X***
Sponsorship expenses, billboards and other advertising					X
Sponsorship expenses, meals		X			
Sponsorship expenses, in house meals					X

*Includes i.a. Christmas parties, project days for employees, internal meetings, meetings with business partners.

** The company must have VAT-able activities for more than DKK 50,000 on a yearly basis.

*** When the employee gets the sample/demo product for free, the company has to pay VAT to the Danish tax authorities corresponding. The VAT calculated must be based on the market value of the product.

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