

# Budget Outlook 3, December 2014

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During the recent years the government has taken a number of initiatives to boost demand, especially by maintaining a historically high level of public investments. Furthermore, two growth initiatives (*Agreements of Growth Plan DK* and *Growth Agreement 2014*) contribute to strengthening the competitiveness of Danish companies and thus stimulate job creation in Denmark.

In the current short term projection for the Danish economy (*cf. Economic Survey, December 2014*) GDP is expected to grow 1.5 per cent in 2015 and 2.0 per cent in 2016.

The central government budget for 2015 along with *the Pension Package (October 2014)* maintains a balanced economic policy while improving public service.

## General government finances

The Danish recommendation under the excessive deficit procedure was abrogated at the ECOFIN meeting in June 2014. The abrogation of the recommendation reflects that the Commission assesses the public deficit in 2013 to be sustainably below 3 per cent of GDP.

The estimates for the general government finances in 2014-2016 are based on the current short term projection for the Danish economy, *cf. Economic Survey, December 2014*. Fiscal policy in 2015 is planned within the framework of the Budget Law and thus the expenditure ceilings covering the period 2014-2018.

In 2014 a general government of 1¾ per cent of GDP in 2014 (DKK 34.2bn) is estimated, *cf. table 1*. It is the first surplus since 2008. The general government deficit is projected to 2.5 per cent of GDP in 2015 (DKK -49.7bn) and 2.7 per cent of GDP in 2016 (DKK -52.7bn), thus within the limit of 3 per cent of GDP according to the Stability and Growth Pact.

The estimate for 2014 is based on central and local government budgets for 2014 and an updated status for central government spending in 2014.

For 2015, the estimate of the general government balance reflects the central government budget for 2015 and the Government's agreements with local governments for 2015.

The estimate for the general government finances in 2016 is based on the short term projection of the Danish economy, the parts of the 2015 Budget that also effects 2016 and technical assumptions based on *Updated Medium-term Projection (2020), August 2014*.

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**Table 1****General government budget balance, 2010-2016**

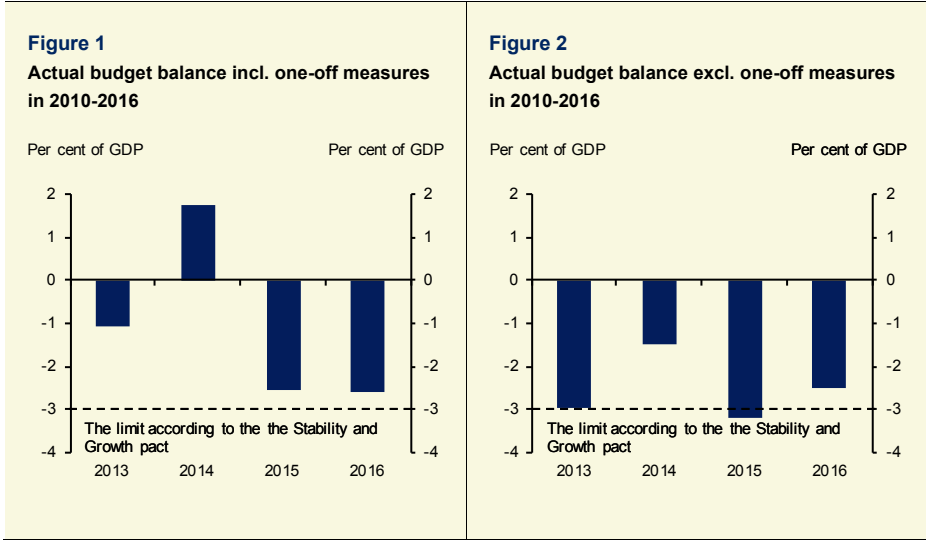
	2010	2011	2012	2013	2014	2015	2016
General government budget balance, DKK bn current prices	-49.1	-38.0	-68.4	-20.0	-34.2	-49.7	-52.7
General government budget balance (per cent of GDP)	-2.7	-2.1	-3.7	-1.1	-1.8	-2.5	-2.6
General government budget balance excl. one-off measures (per cent of GDP)	-	-	-2.2	-3.0	-1.5	-3.2	-2.5
Structural budget balance (per cent of GDP)	-1.3	-0.4	-0.8	-0.1	-0.5	-0.6	-0.5

Statistics Denmark has published revised figures for the Danish national accounts, government finances and the balance of payments. On September 15th the national accounts and government finances have implemented the new European guidelines in the European System of National and Regional Accounts, ESA 2010. As a consequence of the revision the review of the public finances is changed in comparison with the previous assessment in August. However, the revision has a limited effect on the government budget balance.

In 2014 and 2015 temporary revenue related to the reallocation of capital pension schemes improves the budget balance. The reallocation was launched in the tax reform of 2012 and prolonged to 2014 by the *Agreements of Growth Plan DK*.

Furthermore, the *Pension Package* from October 2014 prolongs the reallocation of capital pension schemes to 2015 and permits people above 60 years to receive their funds in LD (Lønmodtagernes Dyrtdsfond) reimbursed with a tax rebate.

Excluding these temporary revenues the public deficit is estimated at 1½ per cent of GDP in 2014, 3¼ per cent in 2015 and 2½ in 2016, cf. *figure 1*.



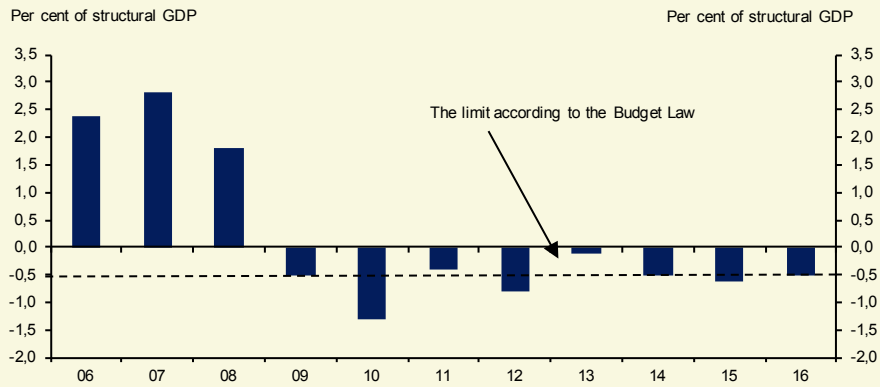
The structural budget balance is the general government budget balance adjusted for cyclical impacts and other temporary factors.

In 2015, the deficit of the structural budget balance is estimated to 0.6 percent of GDP, cf. *figure 3*. The estimated deficit is increased by 0.1 percentage point compared to *Budget Outlook 2, August 2014*. This primarily reflects higher expenditures due to an expected higher number of asylum seekers.

Fiscal policy in 2015 is planned within the framework of the Budget Law, including the limit for structural deficits of ½ per cent of GDP. However, the limit is aimed at the estimated structural deficit based on the budget proposal for a given fiscal year. The estimated structural deficit in the 2015 budget proposal and in the 2015 budget was within the limit. The adjustment of the estimate for 2015 is primarily caused by technical factors and updated estimates of public revenue and expenditures.

The structural deficit in 2016 is estimated to be 0.5 per cent of GDP and is by implication at the limit of structural deficits in the Budget Law. Consequently, there is no room for expanding fiscal policy any further.

**Figure 3**  
**Structural balance, 2006-2016**



### Estimates of the general government budget in 2014-2015 compared to the estimates in Budget Outlook 2, August 2014

Compared to *Budget Outlook 2, August 2014* the expected general government budget deficit has decreased by approximately DKK 56¼ bn in 2014 and decreased by DKK 10¼ bn in 2015, cf. table 2. This is mainly due to higher expected revenue.

The lower expected public deficit in 2014 and 2015 reflects higher expected revenue from the pension yield tax of approximately DKK 25bn in 2014 and 4¾bn in 2015. The upward adjustment in 2014 primarily reflects lower expected interest rates in late 2014 than anticipated in *Budget Outlook 2, August 2014*. In 2015 the upward revision is due to lower expected increases in the interest rates in 2015 and higher expected gross pension assets by the end of 2014.

Furthermore, the upward adjustment in expected revenue in 2014 and 2015 reflects higher revenue from reallocation of capital pension schemes in 2014 and the extension of the scheme to 2015, cf. *the Pension Package, October 2014*. The Pension Package is expected to increase the public revenue by approximately 15bn in 2015.

**Table 2**

**Changes to the general government budget balance from *Budget Outlook 2, 2014* to *Budget Outlook 3, 2014***

<b>Bn DKK</b>	<b>2014</b>	<b>2015</b>
<b>Total revision of general government budget balance</b>	<b>56.3</b>	<b>10.2</b>
- Pension Package and reallocation of capital pension schemes	28.0	14.9
- Pension yield tax	25.2	4.8
- Corporate taxes excl. North Sea oil and gas exploration activities	1.5	1.3
- North Sea oil and gas exploration activities	-1.9	-3.9
- Public consumption	3.2	-1.0
- Public investment	-1.8	-3.5
- EU contribution and reallocation of development aid	1.1	1.9
- Other expenditures and revenue	1.0	-4.3

Note: Negative numbers imply deteriorations of the budget balance while positive numbers imply improvements of the budget balance. The changes since August of each sub-item are adjusted for estimated impact of the revision of the national accounts (ESA2010). The changes under "Other expenditures and revenue" are an residual, including all other factors - including, among other cyclical and the revision of the national accounts.

Lower expected revenue from North Sea oil and gas exploration activities causes a downward adjustment by approximately DKK 2 bn in 2014 and DKK 4 bn in 2015. This is mainly due to lower expected oil prices (amounted in DKK) compared to the estimate in August 2014. The estimate of the oil price is among other things based on the International Energy Agency's (IEA) most recent estimate from November 2014.

The public expenditures in 2014 are adjusted downwards due to a reduction in expected public consumption of DKK 3¼ bn which is primarily due to an updated status for central government and local governments spending in 2014. In 2015 public consumption is expected to be DKK 1 bn higher compared to the central government budget proposal for 2015. This mainly reflects the agreement of the central government budget for 2015, including higher expenditures regarding asylum seekers. Additionally, the estimate of public investments is adjusted upwards by approximately DKK 1¼bn in 2014 and DKK 3½bn in 2015 compared to the assessment in August 2014. This is partly due to an upward revision of the level of public investments in 2013.

## Expenditure, Tax and Revenue Burden

Total public revenues are expected to be reduced from around 55 per cent of GDP in 2013 to approximately 51¼ per cent of GDP in 2016, *cf. table 3*. The decline is mainly due a decrease in the tax burden.

The tax burden is expected to decrease from 47¾ per cent of GDP in 2013 to about 46 per cent of GDP in 2016. The decline primarily reflects a decrease in income taxes as the reallocation of capital pension schemes only applies to 2013-15 and the Pension Package regards 2015.

**Table 3**  
**Expenditure, tax and revenue burden, 2011-2016**

	2011	2012	2013	2014	2015	2016
<b>Per cent of GDP</b>						
Expenditure burden	55.6	57.6	55.9	55.8	55.5	54.4
Tax burden	45.6	46.6	47.8	51.3	46.9	45.9
Revenue burden	53.6	53.9	54.8	57.6	53.0	51.8

The expenditure burden is 56 per cent of GDP in 2013 and it is expected to be gradually reduced to approximately 55¾ per cent of GDP in 2014, 55½ per cent of GDP in 2015 and 54½ per cent of GDP in 2016, *cf. table 3*.

Annex 1 and 2 contain more details on public finances.

## Expenditure ceilings for central and local government

Fiscal policy in 2014 and 2015 is planned within the framework of the Budget law and the expenditure ceilings. The current estimates of the expenditures of the central government budget and local government budgets remain below the expenditure ceilings in 2014.

Based on an updated status for central government spending in 2014 operating expenditures are estimated to be DKK 4bn lower than the relevant subceiling. In addition, central government spending on income transfers in 2014 is expected to remain approximately DKK 4bn below the subceiling for income transfers.

**Table 4**  
Expenditure ceilings, 2014

Bn DKK (2014-prices)	Central government subceilings		Local government	Regional government subceilings	
	Operation expenditures	Income transfers	Operation expenditures	Health expenditures	Development expenditures
Expenditure ceiling	185.8	252.4	230.1	102.6	2.9
Budget 2014	185.8	250.4	230.1	102.7	2.9
Updated status for central government spending in 2014	181.8	248.4	-	-	-

In the 2015 budget the central government operating expenditures are approximately DKK ¼bn lower than the relevant sub-ceiling in 2015. This is primarily due to the fact that reserves in the budget proposal for 2015 have been used to finance initiatives which are not covered by a subceiling.

In the 2014 Budget, expenditures covered by the central government subceiling for income transfers amount to DKK 254.1bn., which is approximately DKK 3½bn below the subceiling. The lower expenditures on income transfers compared to the subceiling reflects among other things lower expenditures related to sickness benefit and disability pension and the buffer for unexpected expenditures.

**Table 5**  
Expenditure ceilings, 2015

Bn DKK (2015-prices)	Central government subceilings		Local government	Regional government subceilings	
	Operation expenditures	Income transfers	Operation expenditures	Health expenditures	Development expenditures
Ceiling	190.1	257.6	234.7	104.7	3.0
2015 Budget and preliminary local government budgets	189.8	254.1	234.5	104.9	3.0

The central government subceiling for operation expenditures are adjusted in connection with final budgeting of the central government budget for 2015. These adjustments include corrections regarding the agreement of central government budget for 2015. The other subceilings are unaltered compared to the assessment in August.

## Fiscal Stance

During the economic crisis fiscal policy has been designed to support economic growth and employment within the general fiscal framework. Fiscal policy has been expansive during the crisis compared to the sustainable levels in the medium term projection towards 2020 with high levels of public consumption and public investments supporting the economy.

To measure the impact of fiscal policy changes on economic activity the *fiscal effect* (an indicator of the fiscal policy stance) is used. The one-year fiscal effect contributes positively by 0.2 pct. in both 2014 and 2015, cf. table 6. This is primarily due to growth in public consumption but also lower taxes and duties as a result of *Growth Plan DK*.

As GDP growth in 2015 and 2016 is expected to recover, the fiscal stance is estimated to contribute negatively to the GDP level (compared to the expansionary level in 2011). The one-year fiscal effect contributes by 0.2 pct. of GDP in 2015 and -0.2 pct. of GDP in 2016, primarily due to a reduction in public investments. This reflects an economic policy adjusted to expected continued growth in GDP through 2015.

**Table 6**

**Effects on activity of fiscal policy and other economic policy measures from 2013 onwards**

Per cent of GDP	2013	2014	2015	2016
<b>GDP level</b>				
Fiscal policy and other economic policy measures	0.2	0.0	-0.1	-0.3
- hereof fiscal effects, incl. multiannual effects	-0.4	-0.5	-0.3	-0.5
- hereof other fiscal policy <sup>1)</sup>	0.3	0.0	-0.1	-0.1
- hereof other investments <sup>2)</sup>	0.3	0.4	0.3	0.3
<b>Growth contribution</b>				
Fiscal policy and other economic policy measures	-0.2	-0.2	-0.1	-0.2
- hereof one-year fiscal effect	-0.6	0.2	0.2	-0.2

Note: Rounding may cause the total to deviate from single contributions to activity in the table.

- 1) *Other fiscal policy* consists of an extra effect beyond what is captured by the direct budget impact included in the calculation of the fiscal effect. The extra effect is included in order to take account of the investment window, the Housing & Jobs scheme and the corporate tax rate reduction in *Growth Plan DK*.
- 2) *Other investments* include investments resulting from the energy agreement, the housing agreement, investments in social housing, climate-related investments in the wastewater sector (cf. agreement on local governments' economy for 2013) and advanced activities in Fehmarnbelt agreed upon in *Growth Plan DK*.

Source: Own calculations.

Fiscal policy is underpinned by an expansionary monetary policy, including low interest rates. A responsible economic policy is a prerequisite for maintaining confidence in the economic



policy and the credibility of the Danish economy. Confidence in the economic policy supports low interest rates to the benefit of households, the private sector, and the public sector.

The fiscal policy and additional economic policy measures from 2012 onwards are anticipated to increase the GDP-level with 0.2 pct. of GDP in 2013. In 2014 the impact on the GDP level is expected to be neutral and in 2015 it decreases GDP by 0.1 pct. and 0.3 pct. in 2016. As the recovery gains momentum it is important to curtail the expansionary fiscal policy so the level of expenditure are in accordance with long term fiscal sustainability.

### Central government finances

The central government deficit in 2014 on the current, investment, and lending account – the CIL-account<sup>1</sup> – is estimated to be DKK 2.1bn corresponding to 0.1 per cent of GDP. According to the budget in 2015 a deficit on the CIL-account of DKK 13.6bn or 0.7 per cent of GDP is estimated, cf. table 7.

**Table 7**  
Central government finances, 2014 and 2015

	2014			2015		
	Budget Outlook 2, August	Budget Outlook 3, December	Difference	Budget proposal	Budget	Difference
<b>Bn DKK, current prices</b>						
Revenue	654.9	686.0	31.1	661.9	692.5	30.6
Expenditures	689.1	688.1	-1.1	706.9	706.2	-0.7
<b>CIL-account</b>	<b>-34.2</b>	<b>-2.1</b>	<b>32.1</b>	<b>-45.0</b>	<b>-13.6</b>	<b>31.4</b>
CIL-account (per cent of GDP)	-1.8	-0.1	1.7	-2.3	-0.7	1.6

Mainly due to higher revenue from personal income taxes, corporate taxes and VAT, the deficit of the CIL-account in 2014 is expected to be lower than estimated in *Budget Outlook 2, August 2014*. The deficit of the CIL-account is lower in 2015 compared to *Budget Outlook 2, August 2014* because of increased expected revenues.

<sup>1</sup> The CIL-account differs from the national account based on the central government balance with respect to the accruals concept (e.g. taxes), the treatment of financial transactions etc. In addition, some institutions that are part of the central government accounts are not considered part of the central government sector in the national accounts, and some institutions that are not part of the central government accounts are considered part of the central government sector.

## Central government financing requirement and debt

Central government debt measured as a percentage of GDP is estimated to decrease slightly from 25.8 per cent of GDP in 2013 to 25.7 per cent of GDP in 2015, *cf. table 8*. Measured in nominal terms, central government debt is estimated to increase from about DKK 487bn in 2013 to DKK 504bn in 2015 corresponding to an increase of DKK 17bn over the two years.

The annual change in central government debt (net of capital gains and borrowing) corresponds to the net balance, i.e. the effect on liquidity from the central government budget.

The total financing requirement of the central government is equivalent to the sum of the net financing requirement and repayments of short and long term debt. The financing requirement can be met through borrowing or by drawing on the central government's account in the Central Bank (*Danmarks Nationalbank*).

**Table 8**  
Central government debt, 2013-2015

	2013	2014	2015	Diff. 2013-2015
<b>End of year nominal value, DKK bn (current prices)</b>				
Domestic debt	667.8	699.6	687.1	19.3
Foreign debt	75.9	57.5	43.4	-32.5
The central government's account in Danmarks Nationalbank	-156.7	-194.7	-150.6	6.2
Fund holding of bonds <sup>1)</sup>	-100.1	-87.3	-76.2	23.9
<b>Central government debt, DKK bn</b>	<b>486.9</b>	<b>475.0</b>	<b>503.8</b>	<b>16.9</b>
<b>Central government debt, per cent of GDP</b>	<b>25.8</b>	<b>24.9</b>	<b>25.7</b>	<b>-0.1</b>

1) The holdings of bonds by the funds, as well as their deposits in Danmarks Nationalbank, are included.

The domestic financing requirement of the central government in 2014 is estimated at DKK 76bn, and thus decreased by DKK 33bn compared to *Budget Outlook 2, August 2014, cf. table 9*. The lower domestic financing requirement primarily reflects the expected smaller deficit on the CIL-account in 2014. In the central government's budget for 2015, the financing requirement is expected to increase to DKK 135bn in accordance with to the expected public deficit.

**Table 9****Domestic financing requirement 2014 and 2015**

DKK bn	2014		2015	
	Budget Outlook 2, August	Budget Outlook 3, December	Budget proposal	Budget
Net domestic net financing requirement	24	-12	58	34
Repayment of long term debt <sup>1)</sup>	53	56	74	72
Repayment of treasury bills <sup>2)</sup>	32	32	30	30
<b>Domestic financing requirement</b>	<b>109</b>	<b>76</b>	<b>162</b>	<b>135</b>

- 1) Repayment of long term debt includes the net purchase of bonds by funds, net payments from currency swaps and acquisitions beyond the year.
- 2) Repayment of treasury bills corresponds to outstanding in the program at the beginning of the year.

The foreign financing requirement is estimated to be DKK 27bn in 2014. The estimate is unchanged since *Budget Outlook 2, August 2014, cf. table 10*. In 2015 the foreign financing requirement is DKK 24bn, primarily reflecting a lower repayment of the government's long term debt.

**Table 10****Foreign financing requirement 2014 and 2015**

DKK bn	2014		2015	
	Budget Outlook 2, August	Budget Outlook 3, December	Budget proposal	Budget
Net foreign net financing requirement	-3	-3	-1	-1
Repayment of long term debt <sup>1)</sup>	27	27	23	23
Repayment of treasury bills <sup>2)</sup>	2	3	2	3
<b>Foreign financing requirement</b>	<b>27</b>	<b>27</b>	<b>24</b>	<b>24</b>

- 1) Repayment of long term debt includes the net purchase of bonds by funds, net payments from currency swaps and acquisitions beyond the year.
- 2) Repayment of treasury bills corresponds to outstanding in the program at the beginning of the year.

## Annex 1

**Table A.1**

**Public finances. 2010-2016**

	2010	2011	2012	2013	2014	2015	2016
<b>DKK bn</b>							
<b>Current prices</b>							
Public consumption	495.6	490.6	502.0	504.0	512.4	526.5	536.6
Income transfers	318.5	324.6	334.5	342.3	348.7	356.6	363.9
Investment	59.8	63.6	70.1	69.3	71.9	73.1	72.4
Interest expenditure	34.4	36.4	34.3	32.8	28.2	28.9	26.6
Subsidies	36.7	39.0	40.9	41.1	42.2	40.9	40.1
Other expenditures <sup>1)</sup>	60.4	65.7	92.8	64.1	63.1	63.1	65.2
<b>Total expenditure</b>	<b>1,005.5</b>	<b>1,019.8</b>	<b>1,074.6</b>	<b>1,053.6</b>	<b>1,066.6</b>	<b>1,089.1</b>	<b>1,104.8</b>
Personal income taxes <sup>2)</sup>	357.8	366.8	377.3	424.0	456.3	423.4	423.4
Labour market contributions	80.9	80.4	81.5	82.4	85.0	87.3	90.3
Pension yield taxation	36.5	38.0	43.6	20.0	57.3	21.1	22.1
Corporate taxes	41.1	40.3	49.1	50.4	51.9	50.1	50.0
VAT	171.6	176.4	181.6	181.8	186.1	189.8	196.1
Other duties	125.0	127.7	130.8	137.3	137.9	141.4	145.1
Other taxes <sup>3)</sup>	5.9	6.2	6.1	6.1	6.0	5.8	5.8
Interest revenues	23.6	25.1	24.5	24.3	16.7	17.0	14.2
Other revenues <sup>4)</sup>	117.3	124.1	114.6	110.4	106.6	106.7	108.5
Tariffs etc. to the EU	-3,3	-3,2	-3,0	-3,0	-3,1	-3,2	-3,4
<b>Total revenue</b>	<b>956.4</b>	<b>981.8</b>	<b>1,006.1</b>	<b>1,033.6</b>	<b>1,100.7</b>	<b>1,039.5</b>	<b>1,052.1</b>

**Table A.1 (continued)**  
**Public finances. 2010-2016**

	2010	2011	2012	2013	2014	2015	2016
<b>DKK bn, current prices</b>							
<b>General government budget balance</b>	<b>-49.1</b>	<b>-38.0</b>	<b>-68.4</b>	<b>-20.0</b>	<b>34.2</b>	<b>-49.7</b>	<b>-52.7</b>
Net interest Expenditure	10.8	11.3	9.8	8.5	11.5	11.9	12.3
General government primary balance <sup>5)</sup>	-38.3	-26.7	-58.6	-11.5	45.7	-37.8	-40.4

Note: The specification of total public expenditures and revenues deviates from Statistics Denmark's specification. Total public expenditures reflect public consumption, which includes revenues from sales and calculated depreciation expenditure, and total revenues include calculated depreciation. The specification of public expenditure from Statistics Denmark does not include public sales, which are included in total revenues, and calculated depreciation is not included in public expenditures and revenues in the specification from Statistics Denmark.

- 1) Other expenditures include capital transfers, transfers to the Faroe Islands and Greenland and the Danish EU-contributions.
- 2) Personal income taxes include withholding taxes, tax on imputed income from owner occupied dwellings, specific taxes from households, tax on estates of deceased persons and other personal taxes.
- 3) Other taxes include social security contributions (labour market supplementary pension scheme contributions, unemployment insurance contributions and early retirement contributions).
- 4) Other revenues include profits from public enterprises, current and capital transfers from other domestic sectors and EU, and imputed (calculated) revenues such as contributions to civil servants' earned pension.
- 5) The general government primary balance states the balance of the general government finances before net interest expenditures.

## Annex 2

**Table A.2**  
Expenditure tax and revenue burden, 2010-2016

	2010	2011	2012	2013	2014	2015	2016
<b>Per cent of GDP</b>							
Public consumption	27.6	26.8	26.9	26.7	26.8	26.8	26.4
Income transfers	17.7	17.7	17.9	18.1	18.2	18.2	17.9
Investment	3.3	3.5	3.8	3.7	3.8	3.7	3.6
Interest expenditure	1.9	2.0	1.8	1.7	1.5	1.5	1.3
Other expenditure	5.4	5.7	7.2	5.6	5.5	5.3	5.2
<b>Expenditure burden<sup>1)</sup></b>	<b>55.9</b>	<b>55.6</b>	<b>57.6</b>	<b>55.9</b>	<b>55.8</b>	<b>55.5</b>	<b>54.4</b>
Personal income taxes <sup>2)</sup>	19.9	20.0	20.2	22.5	23.9	21.6	20.8
Labour market Contributions	4.4	4.4	4.4	4.4	4.4	4.5	4.4
Pension yield taxation	2.0	2.1	2.3	1.1	3.0	1.1	1.1
Corporate taxes	2.3	2.2	2.6	2.7	2.7	2.6	2.5
VAT	9.5	9.6	9.7	9.6	9.7	9.7	9.7
Other duties	6.9	7.0	7.0	7.3	7.2	7.2	7.1
Other taxes <sup>3)</sup>	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<b>Tax burden</b>	<b>45.5</b>	<b>45.6</b>	<b>46.6</b>	<b>47.8</b>	<b>51.3</b>	<b>46.9</b>	<b>45.9</b>
Interest revenue	1.3	1.4	1.3	1.3	0.9	0.9	0.7
Other non-tax revenue	6.5	6.6	6.0	5.7	5.4	5.3	5.2
Tariffs etc. to the EU <sup>4)</sup>	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
<b>Revenue burden<sup>1)</sup></b>	<b>53.2</b>	<b>53.6</b>	<b>53.9</b>	<b>54.8</b>	<b>57.6</b>	<b>53.0</b>	<b>51.8</b>

- 1) The specification of total public expenditures and revenues deviates from the specification from Statistics Denmark. Total public expenditures reflect public consumption which includes revenues from sales and imputed depreciation expenditure and total revenues include calculated depreciation. The specification of public expenditure from Statistics Denmark does not include public sales which are included in total revenues and imputed depreciation is not included in public expenditures and revenues in the specification from Statistics Denmark. Thus the expenditure and revenue burden differ from the ascertained burdens based on the specifications according to Statistics Denmark.
- 2) Personal income taxes include withholding taxes. Tax on imputed income from owner occupied dwellings, specific taxes from households, tax on estates of deceased persons and other personal taxes.
- 3) Social contributions (unemployment insurance contributions, retirement contributions, etc.).
- 4) According to the national accounting principles these income taxes are not included in the tax burden.

