

Øresund commuters and complex tax return

Learn more about our new simplified and automated process towards the Danish Tax Authority

Although we are still at the beginning of the new year, we are already preparing for the coming tax return season. Last year, the tax return preparation posed a challenge for the employees who are commuters in the Øresund region, and the same did tax regulations for all employees that have worked from home in Sweden to such an extent that they had to calculate a split between Denmark and Sweden on their employment income.

Introducing simplified and automated process towards the Danish Tax Authority
Based on last years' challenges, learnings and our dialogue with the Danish Tax Authority, we have looked into how to simplify the exercise of processing the tax return and the split of income for both the employer, the employee and the Danish Tax Authority. This has resulted in a new and improved approach, where we will prepare and forward one report to the Danish Tax Authority that includes all allocation of employment income every month per employee for the income year 2021. This report will form a basis for the income allocation between Denmark and Sweden if we evaluate and calculate the periods where the Øresund regulation on taxation is not fulfilled.

Main benefits for the employer and employees

- The employers' reported salary in "E-indkomst" does not need to be changed by the employer with retroactive effect (to reflect the income allocation between Denmark and Sweden), and
- The employee does not need to inform the tax authority in Denmark on the split of employment income between Denmark and Sweden on his/hers Danish tax return.

How to get started?

To take advantage of this new and improved process, it is a condition that KPMG Acor Tax evaluates and calculates whether the Øresund regulation on taxation is fulfilled or not and for which period. Furthermore, it is also a condition that we calculate the split of employment income between Denmark and Sweden,

including submitting the documentation in the format aligned with the Danish Tax Authority. We are currently fine-tuning the process, so please reach out to us to discuss if the solution suits your needs, learn more about the price estimate, etc.

If you further would like to offer your employees a meeting (Town Hall meeting) regarding the Øresund regulations on taxation and how it works in practice, we will be pleased to assist with this as well.

The new Swedish legislation

Lastly, a kind reminder on the new Swedish legislation incorporated on 1 January 2021 implying that Danish employers with employees that are residents in Sweden will need to register as the employer in Sweden and report and withhold preliminary taxes on salary paid out for work performed in Sweden. The reporting and withholding of preliminary taxes need to be done for the days that the employee is performing their work in Sweden, for example, work from home. If you have not taken a position on this, we suggest that you consider this as well, and let us know if you would like our assistance herewith.

If you have any questions, please contact us.

We look forward to hearing from you.

Kind Regards,



Fredrik Lundgren
Partner
KPMG Acor Tax
Mobility & People Services



Christina Brink
Director
KPMG Acor Tax
Mobility & People Services

www.kpmgacor.dk



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.



© 2022 KPMG Acor Tax P/S, a Danish limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. CVR no. 34082200.

[Privacy Policy](#) | [Contact Us](#)

