

Changed reporting of hiring out of labor tax

As from 1 of January 2023 Danish companies must report hiring out of labor tax through elncome. The rules regarding hiring out of labor remains the same

Today, when a Danish company is using foreign employees which are subject to Danish taxation according to the Danish hiring out of labor rules, the Danish company reports information about the employees' income and tax (8% AM contribution and 30% A tax) to the Danish Tax Authorities by submitting form 01.010 DK/EN through TastSelv Erhverv.

This process changes from 1 of January 2023. After this date, the Danish company must report the information through elncome.

The reporting will contain mostly the same information as previously

- Information about foreign address etc. on the rented person.
- **NEW: Income type 02 Special taxation and type of income 132 Work rental - hire of foreign labor.**
- Salary period and disposition date:
 - Reporting to elncome must be done at the same time as payment of the invoice to the letting company, however no later than cf. the company's deadlines for reporting A-tax etc.
 - Salary period must be stated cf. the period that the salary covers.
 - The disposition date is indicated as the payment date on the invoice amount. If the invoice covers several pay periods, a report must be made per pay period with the same disposition date on all reports.
- Amount in fields 13, 15 and 16.
 - When reporting, e.g., validation of whether fields 13, 15 and 16 have been completed in the same report and that no information has been reported for other fields. For example, the report must not contain information about paid hours.

To report Danish hiring out of labor tax the Danish company must therefore be registered with the obligation to report monthly A-tax and AM-contribution to the income register (elndkomst). This also applies for companies who does not pay regular wages, but only uses employees subject to hiring out of labor tax.

Which method to use is determined by the disposition date. If the disposition date is before 1 January 2023, Form 01.010 is still used, and reporting is done through TastSelv Erhverv. If the disposition date is after 1 January 2023, the reporting must be made to elncome (which is open for this type of reporting now).

At the end of the year, the Danish employer has previously received an overview of hiring out of labor tax. From what we can see, this "annual statement" will only be sent to the foreign employees in the future (effective for income year 2023 and onwards).

The Tax Agency has issued a newsletter about this, which can be read here (in Danish): [Nyhedsbrev - Skat.dk](#)

We have also seen that the tax authorities are sending out information directly to those companies which have previously reported hiring out of labor tax.

Conclusion

If you have any questions on the above, please do not hesitate to contact your day-to-day [accountant](#) or our internal [tax department](#) for further information.

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