

English summary version of

Agreement on

**BUSINESS AND ENTREPRENEURIAL  
INITIATIVES**

of November 12<sup>th</sup> 2017

## Business and entrepreneurial initiatives

Danish businesses are the foundation of the Danish welfare society. A large part of the value creation that makes Danish wealth and welfare possible is generated by the Danish business community. It is therefore important that Denmark continues to have a strong business community in the next 5, 10 and 15 years by continuously improving the framework conditions for businesses in Denmark.

The foundation for new business successes is entrepreneurs with the vision, skills and courage to start a new business. Often, it may be difficult for new and smaller companies to raise capital, particularly because they do not have the same kind of access to international investors as more established and larger businesses. Smaller businesses are dependent on the existence of a well-functioning market for risk capital in Denmark. The Danish market for risk capital must therefore be improved, e.g. through strengthening the equity culture, so that individuals can become more directly involved with the business community.

We must ensure lower costs for individuals and businesses. The administrative hassle for businesses must be reduced through reforming various taxes. It must be cheaper for Danes to buy goods in Denmark than to go abroad. At the same time, the green transition must be encouraged through continued relaxation of electricity taxes to benefit renewable energy.

Denmark must be a frontrunner in digitalisation and new business models. The conditions for businesses must be on a par with our international competitors'. This is particularly important for a small, open economy such as the Danish economy. We also have to exploit new opportunities, e.g. in the sharing economy.

Furthermore, it is important that we create growth and development throughout all of Denmark. Conditions for tourism must be enhanced, not least for coastal and nature tourism. This includes improving the legal framework for campgrounds with a view to promoting tourism.

With increased economic globalisation, it is vital that Danish businesses have the best conditions for international competitiveness. Danish businesses must be good at developing and capitalising on new, innovative solutions and the research and development (R&D) activities of Danish businesses are particularly important in this context. Furthermore, we need conditions that are favourable with regard to ensuring continued investment, e.g. in the Danish Maritime Sector and the Danish life science industry; areas in which Denmark has strongholds as well as large exports.

The Danish Government (Denmark's Liberal Party, Liberal Alliance and the Conservative People's Party), the Danish People's Party and the Danish Social-Liberal Party have agreed to implement a number of initiatives within five areas in order to strengthen the basis for future growth:

- Stronger entrepreneurial culture and equity culture
- Cross-border trade package and simplification of administration of excise duties
- Digitalisation, new business models and green transformation
- Tourism and rural areas package
- Competitive conditions and globalisation

There are more than 35 initiatives, with a total financial framework of around DKK 0.7 billion in 2018, increasing to around DKK 2.2 billion in 2025.

## **Initiatives in the agreement on business and entrepreneurial initiatives**

### ***I. Stronger entrepreneurial culture and equity culture***

- I 1 Equity savings account
- I 2 Tax deduction for investors (tax deduction for investments in SMEs)
- I 3 Better conditions for allotting employee shares
- I 4 Greater freedom of contract, and clarity about the rules in employee ownership programmes
- I 5 Better tax conditions for savings in investment undertakings
- I 6 Attracting capital to Danish investment undertakings
- I 7 Relaxed rules for placements by privately managed pension schemes
- I 8 Increased transparency for equity investments by pension companies

### ***II. Cross-border trade package and simplification of administration of excise duties***

#### *Cross-border trade package*

- II 1 Abolition of the tax on nuts
- II 2 Cancellation of planned indexation of taxes
- II 3 Abolition of the tax on beverages subject to a container deposit (beer and soft drinks)
- II 4 Abolition of the supplementary levy on alcopops
- II 5 Stronger control of excise duties

#### *Simplifying the administration of excise duties*

- II 6 Abolition of the tax on tea, etc.
- II 7 Introduction of lower thresholds for registration
- II 8 Tax relaxation for small producers of alcoholic beverages (moderation) and lower requirements for collateral
- II 9 Abolition of the tax on waterproof clothing, protective clothing, etc.
- II 10 Other tax revision proposals

### ***III. Digitalisation, new business models and green transformation***

- III 1 Strategy for Denmark's Digital Growth
- III 2 Broadband coverage throughout Denmark
- III 3 Circular economy strategy
- III 4 Relaxation of the tax on electric heating
- III 5 Pool to promote advanced biofuels
- III 6 Chemicals initiatives framework

### ***IV. Tourism and rural areas package***

- IV 1 Sharing economy initiatives
- IV 2 Relaxation of the electricity tax for campgrounds
- IV 3 Relaxation of the tax on utility water
- IV 4 Support for VisitDenmark for coastal tourism and nature tourism
- IV 5 Tax relaxations for food businesses
- IV 6 Tax on space heating for hotels

### ***V. Competitive conditions and globalisation***

- V 1 Higher tax allowances for research and development (R&D)
- V 2 Extension of the researcher tax scheme from five to seven years
- V 3 Growth plan for life science
- V 4 Expansion of the DIS tax scheme for sailors to include offshore special vessels
- V 5 Abolition the registration fee for the registration of merchant ships
- V 6 A maritime engineer scheme
- V 7 Lowering of capital requirements for limited companies
- V 8 Analysis of the model for ACE (Allowance for Corporate Equity)

## I. Stronger entrepreneurial culture and equity culture

### I.1. Equity savings account

An equity savings account will be introduced, through which individuals can place savings in listed shares and equity-based investment certificates. The equity savings account will have a lower tax rate on returns on deposits than under the current equity income taxation. This will make it attractive for Danes to invest part of their savings in shares through an equity savings account.

### I.2. Tax deduction for investors (tax deduction for investments in SMEs)

A tax deduction will be introduced for individuals who invest in certain unlisted small and medium-sized businesses (entrepreneurial businesses). Since the tax deduction reduces the tax on the investments made in the businesses mentioned, investing in these businesses will be more attractive and this, in turn, will make it easier for the businesses to attract capital.

The investment tax deduction provides individuals (independent investors) who invest directly in the businesses covered with the opportunity to annually deduct half of their investments up to DKK 400,000 in the period 2019 to 2022. From 2023 and onwards, investors can deduct half of their investments up to DKK 800,000. The tax deduction will have a tax value of 30 percent.

There will also be a deduction for individuals who invest in unlisted small and medium-sized businesses through a particular type of entrepreneurship fund. The deduction will amount to half of investments up to DKK 125,000 from 2019 to 2022, and from 2023 onwards the deduction will amount to half of investments up to DKK 250,000.

In connection with work to draft the legislation, protective rules will have to be prepared to ensure that the scheme is applied as intended.

### I.3. Better conditions for allotting employee shares

The parties have agreed to improve the opportunities for businesses to remunerate their employees through shares. This will expand the opportunities for growth businesses to use employee share schemes to motivate, remunerate and share the ownership of the business with their employees.

The limit on the percentage of employees' pay that can be paid through employee shares subject to equity income taxation will therefore be increased from 10 percent to 20 percent of salaries for all businesses from January 1<sup>st</sup> 2018, provided that 80 percent of the employees in the business are offered remuneration through shares under the scheme. Businesses still have the opportunity to allot employee shares to selected employees for up to 10 percent of their pay in accordance with current regulations. The increase will lead to an estimated decrease in tax revenues after flow-back and altered behaviour of around DKK 20 million annually from 2018. The scheme will be evaluated two years after entry into force, at the latest.

Furthermore, a special scheme for new, small businesses will be set up, allowing these businesses to offer up to 50 percent of employees' salaries through employee shares subject to equity income taxation. Businesses under this scheme will be exempt from meeting the

requirement that 80 percent of the business' employees must be offered pay through shares under the scheme.

The introduction of extended access to allot tax-exempt employee shares for selected businesses will require protective measures to ensure that the scheme is applied as intended.

#### **I.4. Greater freedom of contract, and clarity about the rules in employee ownership programmes**

The regulations for establishing contracts regarding employee shares, including options and warrants, will be changed to establish greater freedom of contract as well as greater clarity about the regulations:

- The initiative includes the introduction of freedom to enter into so-called vesting agreements in employee ownership programmes, including the possibility of agreeing that, if an employee is dismissed, his or her right to employee shares that have not yet been earned at the severance date, will lapse.
- The initiative also includes freedom to enter into agreements for buying back shares at market price when an employment terminates.

#### **I.5. Better tax conditions for savings in investment undertakings**

Amongst other things, this applies when Danes invest in share-based ETFs (exchange-traded funds) in connection with which investors can cost-effectively spread their risk across many shares.

More uniform taxation of investment undertakings will be introduced, in that returns for all investors in share-based investment firms will be taxed as equity income.

#### **I.6 Attracting capital to Danish investment undertakings**

The parties have agreed that the opportunities for Danish capital managers to offer their products on the international market should be enhanced.

Foreign investors will only have to pay the underlying dividend withholding tax of 15 percent when investing in Danish shares through an investment undertaking. A model will be developed for this purpose. The initiative will not take effect until 2019.

#### **I.7 Relaxed rules for placements by privately managed pension schemes**

The parties have agreed that the regulations on placements by privately managed pension schemes will be relaxed, so that, in the future, it will be possible to invest a greater share of privately managed pension savings in unlisted shares.

The savings of a majority of Danes are placed in pension schemes. Some of these savings are placed in privately managed schemes in banks that are subject to regulations on the placement of savings, including how much of savings can be placed in unlisted shares.

Relaxing these rules will provide greater freedom of choice for individuals to place savings in unlisted shares. This will create potential for unlisted businesses to have increased access to risk capital.

### **I.8 Increased transparency for equity investments by pension companies**

Endeavours will be made to establish an agreement with pension companies and ATP (Arbejdsmarkedets Tillægspension) on increased transparency about their equity investments, to the effect that they present detailed annual statements of their investments in shares, broken down by Danish and foreign shares, size and sectors.

## **II. Cross-border trade package and simplification of administration of excise duties**

The parties have agreed to reduce the tax burden considerably, ensuring cheaper goods for individuals, easing the burden on businesses, and minimising the extent of cross-border trade. A total of around DKK 315 million will be set aside in 2018, increasing to around DKK 575 million in 2025, to relax the tax burden.

### ***Cross-border trade package***

Danes often travel abroad to shop. This is not a new trend. Cross-border shopping increases peoples' consumption possibilities and buying power. Some of this cross-border shopping behaviour can be attributed to Danish excise duties being higher than in neighbouring countries; in some instances even higher than the resulting socio-economic benefits. Therefore, the parties have agreed to reduce the tax on some of the goods most susceptible to cross-border trade.

The cross-border trade package will reverse cross-border trade (increased turnovers in Denmark) of around DKK 220 million.

#### **II.1. Abolition of the tax on nuts**

[See Danish version for details].

#### **II.2. Cancellation of planned indexation of taxes**

[See Danish version for details].

#### **II.3. Abolition of the tax on beverages subject to a container deposit (beer and soft drinks)**

[See Danish version for details].

#### **II.4. Abolition of the supplementary levy on alcopops**

[See Danish version for details].

#### **II.5. Stronger control of excise duties**

[See Danish version for details].

### *Simplification of administration of excise duties*

In 2016, the Danish government set up a reform committee which, among other things, was tasked to describe the administrative burden of businesses from having to collect a large number of taxes. The reform committee published its report in October 2017.

Based on the committee's report, the parties have agreed to carry out a reform of the taxes, including completely abolishing a large number of taxes

As a consequence of the reform, businesses will enjoy a permanent, annual reduction in their burden of almost DKK 20 million.

#### **II.6. Abolition of the tax on tea, etc.**

[See Danish version for details].

#### **II.7. Introduction of lower thresholds for registration**

[See Danish version for details].

#### **II.8. Tax relaxation for small producers of alcoholic beverages (moderation) and lower requirements for collateral**

[See Danish version for details].

#### **II.9. Abolition of the tax on waterproof clothing, protective clothing, etc.**

[See Danish version for details].

#### **II.10. Other tax revision proposals**

The report from the reform committee also contains a wide range of reform proposals that are not deemed to have a significant impact on tax revenues, but for which have been requested by the business community. These will be implemented through a reform package prepared jointly by the parties in the autumn of 2018.

### **III. Digitalisation, new business models and green transformation**

#### **III.1. Strategy for Denmark's Digital Growth**

[See the government's strategy for Denmark's digital growth from January 2018].

#### **III.2. Good broadband coverage throughout Denmark**

Therefore, the parties have agreed on the need to continue in the coming years to support the deployment of broadband in Denmark. The government will launch a tele policy proposal with initiatives to support market-based and technology-neutral deployment and good broadband coverage throughout Denmark.

### **III.3. Circular economy strategy**

The government will present a strategy for the circular economy. The strategy will help ensure that Danish businesses have good framework conditions for applying circular production methods. The strategy will provide support for greening and will ensure a scenario in which job creation and competitiveness go hand in hand with concern for the environment and climate. This will be achieved, e.g. by following up on the recommendations from the Advisory Board for Circular Economy.

### **III.4. Relaxation of the tax on electric heating**

The parties have agreed to ease the tax on electric heating, so as to ensure individuals cheaper heating and to promote the green transition.

The tax on electric heating is about twice as high as the tax on fossil fuels for space heating. It makes sense from a socio-economic perspective to reduce the tax on electric heating, because this will reduce the tax gap to fossil fuels and biomass. The energy tax on electric heating was DKK 0.405 per kWh in 2017.

Therefore, the tax on electric heating will be cut by DKK 0.10 per kWh from 1 January 2019. This corresponds approximately to a 25% reduction and marks the first step towards a more appropriate design of the tax system. The relaxation will lead to lower costs of electric heating for both households and the corporate sector. The reduction will lead to an estimated decrease in tax revenues of around DKK 125 million in 2025.

The parties have agreed to cut the tax on electric heating by an additional DKK 0.05 per kWh in 2019 and DKK 0.10 per kWh in 2020, financed by the earmarked reserve for the Green Climate Pool. Furthermore, the parties agreed to discuss this with the parties behind the *Agreement on the abolition of PSO taxes*. The parties have also agreed to seek to introduce a permanent reduction in the tax on electric heating of DKK 0.25 per kWh relative to 2017 from and including 2021 in connection with upcoming energy negotiations. Implementation of such a reduction will require a legislative amendment.

### **III.5. Pool to promote the production of advanced biofuels**

A pool of DKK 20 million will be set aside annually over a seven-year period to promote the production of advanced biofuels. A proposal for further implementation of the pool will be presented to the parties in the first half of 2018.

### **III.6. Chemicals initiatives framework**

An additional DKK 5 million will be set aside annually over the period 2018 to 2021 for ongoing negotiations on a set of chemicals initiatives.

## **IV. Tourism and rural areas package**

An annual average of around DKK 200 million will be set aside from 2018 and onwards for the tourism and rural areas package, including support to the sharing economy.

### **IV.1. Framework for sharing economy initiatives**

The parties have agreed to set aside DKK 125 million annually over the period 2018 to 2021, and DKK 120 million annually from 2022 onwards to boost the sharing economy. As follow-up

to its sharing economy strategy, the government will invite the political parties to political negotiations on initiatives under this strategy.

#### **IV.2. Relaxation of the electricity tax for campgrounds**

The tax on electricity consumed by privately owned caravans on campgrounds and leisure craft in harbours will be relaxed. The rules will be amended so that, if the price of electricity is included as an integrated part of the price of the total service for campground guests with their own caravan, the electricity consumed by privately owned caravans may be considered to have been consumed by the campground.

This tax relaxation will mean that the campground will have to pay a process tax of DKK 0.004 per kWh as well as a space heating tax of around DKK 0.40 per kWh for the electricity that its guests consume on the campground, instead of the high, ordinary price of electricity of around DKK 0.90 per kWh. A general rule will have to be set up for the average share made up by space heating.

The rules concerning electricity for private leisure craft in harbours will be relaxed correspondingly.

#### **IV.3. Relaxation of the tax on utility water for campgrounds**

The state tax on utility water consumed by privately owned caravans on campgrounds and by leisure craft in harbours will be relaxed correspondingly.

The rules will be amended so that, if the price of water is included as an integrated part of the price of the total service to guests with their own caravan or leisure craft, the water may be considered to have been consumed by the campground, etc.

#### **IV.4. Support for VisitDenmark – coastal tourism and nature tourism**

Jointly with the tourism sector, VisitDenmark will carry out marketing initiatives for coastal tourism and nature tourism, in particular, in neighbouring markets such as Germany, Sweden, Norway and the Netherlands. Efforts will focus on shoulder seasons in order to expand the Danish tourism season.

A total of DKK 15 million will be set aside in 2018 and subsequent years for VisitDenmark to boost international marketing of Denmark as a tourist destination, especially in neighbouring markets.

#### **IV.5. Tax relaxations for food businesses**

The parties want to promote the opportunities of small food manufacturers for sales through external parties, e.g. supermarkets, restaurants, etc.

Food inspection fees are a financial burden for food businesses. A reserve of DKK 36 million will be set aside annually to relieve wholesale businesses of fees in connection with regular inspections according to frequency (with some exceptions).

#### **IV.6. Tax on space heating for hotels**

The Danish hotel sector is in global competition to attract tourists from all around the world. Competitive framework conditions for hotels are therefore crucial for whether Denmark can take advantage of future growth in global tourism. The parties therefore want to relax the tax on space heating for hotels.

For this purpose, a dialogue will be launched with the European Commission on the possibilities for a targeted reduction in the space heating tax rate for hotels.

The parties to the agreement will discuss the possibilities for a targeted reduction in the space heating tax rate for hotels or alternatives with the same effect, when the outcome of the dialogue with the European Commission is available, including in connection with the 2019 Finance Act.

### **V. Competitive conditions and globalisation**

Denmark boasts many global business success stories. This is because Danish businesses have been extremely good at developing and capitalizing on new, innovative solutions. With increased economic globalisation, it is vital that Danish businesses continue to have the best settings for international competitiveness. This applies, in particular, to life science and maritime industries; industries within which Denmark has international strongholds. The research and development (R&D) activities of Danish businesses are therefore important for Danish growth; also in terms of being able to attract specialists who can help advance Danish business development.

#### **V.1. Higher tax allowances for research and development (R&D)**

The parties have agreed to increase the incentives of businesses to invest in R&D. Investments in R&D are likely to have a positive rub-off effect on the productivity of other businesses. R&D activities are internationally mobile, and recent decades have seen growing focus on the significance of framework conditions for corporate R&D investments. A number of EU countries offer businesses an additional deduction for their R&D spending.

Therefore, the deduction for R&D expenditure for private businesses will be raised from the current 100 percent to 101.5 percent in 2019; 103 percent in 2020; 105 percent in 2021 to 2022; 108 percent in 2023 to 2025; and 110 percent from 2026.

#### **V.2. Extension of the researcher tax scheme from five to seven years**

The parties have agreed to improve the possibilities for Danish businesses and Danish research institutions to attract and retain highly qualified research and development staff from abroad.

The gross tax scheme for researchers and key employees (researcher tax scheme) will be extended so that the scheme may be used for up to seven years by researchers and key employees who as per January 1<sup>st</sup> 2018 had not exploited the scheme in its current five-year period. The extension will be financed by increasing the gross tax rate from 26 percent to 27 percent.

Extending the scheme from five to seven years and raising the gross tax rate from 26 percent to 27 percent will provide an estimated revenue-neutral result when the initiative is fully implemented.

### **V.3. Growth plan for life science**

The government will therefore present a growth plan for the life science industry at the beginning of 2018. The plan will build on recommendations from the growth team for life science. The plan will include strengthening business policy efforts in relation to the life science industry. In continuation of this, the parties note that the government intends to set up a unit for this purpose under the Ministry of Industry, Business and Financial Affairs.

A pool of DKK 30 million will be set aside annually for initiatives in the growth plan for life science. The pool will be implemented as agreed with the parties.

### **V.4. Expansion of the DIS tax scheme for sailors to include offshore special vessels**

The net pay scheme under the legislation on taxation of seafarers (the Danish International Register of Shipping scheme) will be expanded to cover seafarers working on board certain specialist vessels, i.e. guardships, supply ships, pipelaying and cable ships, wind turbine and construction vessels, ice breaking vessels and accommodation service vessels.

Expansion of the Danish International Register of Shipping scheme to include seafarers on offshore vessels is among the recommendations from the Maritime Strategy Team.

The expansion of the scheme will have to be approved under EU state aid rules. The change will therefore not take effect until 1 January 2019.

### **V.5. Abolition of the registration fee for the registration of merchant ships**

If Denmark is to continue to attract new businesses and investments, the way in which the registration fee is paid in connection with registration of merchant ships in the domestic register will have to be amended so that it is more comparable with the other maritime nations, and so that Denmark can continue evolving as an attractive global maritime nation and flag state up to and after 2025.

Therefore, the registration fee for registration of merchant ships in the Danish International Register of Shipping will be abolished as soon as possible in 2018.

This will reduce the transaction costs for shipping companies contemplating sailing under Danish flag and will help attract new registrations and foreign shipping companies, and thereby maritime activities, to Denmark.

Furthermore, the tax on certain vessels (merchant ships registered in the Danish International Register of Shipping) in the maritime transport sector will be relaxed, and removal of the registration tax will therefore have to be approved as state aid.

An adjustment of the registration fee on merchant ships is one of the recommendations from the Maritime Strategy Team.

#### **V.6 A maritime engineer scheme**

Employees with marine engineering skills (service engineers), who install and maintain technical installations and equipment on board ships are crucial. Marine service engineers are subject to special working conditions, including that they often operate on board ships and provide their services while their ship is in service.

As follow-up to the recommendations from the growth team for Blue Denmark, dialogue has been instigated with the European Commission about the possibilities for a maritime service engineer scheme, or a similar scheme, in the context of the Danish International Register of Shipping scheme, the aim of which will be to strengthen the global competitiveness of maritime businesses. A maritime service engineer scheme or a similar scheme will have to be approved pursuant to EU state aid rules.

A reserve of DKK 100 million will be set aside annually to introduce a service engineer scheme. The reserve will be financed by a further reduction in business promotion efforts in addition to the intended DKK 150 million. If, as a result of discussions with the European Commission, the schemes cannot be implemented, the reduction in business promotion efforts will be maintained at DKK 150 million.

#### **V.7. Lowering of capital requirements for limited companies**

The capital requirement for limited companies will be reduced from DKK 500,000 to DKK 400,000. This will facilitate the possibility to establish limited liability companies and to convert companies, including entrepreneurial companies, into limited companies when they evolve to a stage where converting to a limited liability company is advantageous.

EU company law entails a minimum requirement for limited companies to have a registered capital of at least EUR 25,000 (DKK 186,000). The requirement in Denmark, in the Danish Companies Act, is for limited companies to have a share capital of DKK 500,000.

This initiative is not assessed to have any implications for the state budget.

#### **V.8. Analysis of the model for ACE**

The government will explore the option of introducing a model for an ACE (Allowance for Corporate Equity) deduction.

An ACE deduction is a targeted initiative to increase investments by businesses. The deduction will also ensure equal treatment of loan and equity financing, as loan financing for business investments is favoured by the current tax structure.

The initiatives to prepare the analysis will have no implications for the state budget.

The parties have agreed to discuss a model for an ACE deduction when the analysis has been completed, but there is no agreement on whether to introduce the proposed ACE deduction.

## VI. Financing

The Danish Government (Denmark's Liberal Party, Liberal Alliance and the Conservative People's Party), the Danish People's Party and the Danish Social-Liberal Party have agreed that financing of business and entrepreneurial initiatives is to be realised through a simplification of the financial management of employment efforts, improving DSB's budget, partial allocation of a budgetary framework for the introduction of succession to foundations, negative budget adjustment concerning government business promotion, changing the interest rate for individual tax collection and raising the recovery rate, as well as allocation of a green pool. In addition there will be funds set aside for fiscal space, etc. within the framework of medium-term economic planning up to 2025.

### **Simplification of the financial management of employment efforts**

[See Danish version for details].

### **Efficiency improvement of DSB**

[See Danish version for details].

### **Financing contribution from succession to corporate funds**

[See Danish version for details].

### **Efficiency improvement of government-financed business promotion**

[See Danish version for details].

### **Changing the interest rate for individual tax collection**

[See Danish version for details].

### **Funds from Green pool**

[See Danish version for details].

### **Administrative additional costs**

The revenue effects in table 1 include administrative costs incurred by the Ministry of Taxation for implementation of the individual initiatives. These total DKK 120 million for all business and entrepreneurial initiatives in the period 2018 to 2025.

## VII. The process moving forward

The agreement on business and entrepreneurial initiatives is a voting agreement. The government will prepare the relevant bills. The parties to the agreement commit to voting in favour of the bills and the funding authorities realising the voting agreement.

**Table 1**  
**Summary of total relaxations**

DKK million (2018 level)	2018	2019	2020	2021	2022	2023	2024	2025	Permanently
<b>Initiatives in total</b>	<b>-665</b>	<b>-1,585</b>	<b>-1,985</b>	<b>-1,930</b>	<b>-1,940</b>	<b>-2,195</b>	<b>-2,200</b>	<b>-2,195</b>	<b>-2,160</b>
<b>I. Stronger entrepreneurial culture and equity culture</b>									
- Equity savings account	-	-131	-181	-231	-271	-271	-271	-271	-271
- Tax deduction for investors (tax deduction for investments in SMEs)	-	-108	-102	-102	-102	-202	-202	-202	-197
- Better conditions for employee remuneration through shares in smaller businesses	-22	-57	-57	-57	-57	-57	-57	-57	-57
- Better tax conditions for savings in investment undertakings	-	-31	-31	-31	-31	-31	-30	-30	-30
- Attracting capital to Danish investment undertakings	-	-33	-30	-30	-30	-30	-30	-30	-30
<b>II. Cross-border trade package and simplification of administration of excise duties</b>									
- Abolition of the tax on nuts	-90	-90	-175	-175	-175	-175	-175	-175	-175
- Cancellation of planned indexation of taxes	-200	-195	-195	-195	-190	-190	-190	-190	-190
- Abolition of the tax on beverages subject to a container deposit (beer and soft drinks)	-	-90	-185	-180	-175	-170	-165	-160	-160
- Abolition of the supplementary levy on alcopops	-10	-10	-10	-10	-10	-10	-10	-10	-10
- Abolition of the tax on tea, etc.	-5	-5	-5	-5	-5	-5	-5	-5	-5
- Introduction of lower thresholds for registration	-	-5	-5	-5	-5	-5	-5	-5	-5
- Tax relaxation for small producers of alcoholic beverages	-8	-7	-7	-7	-7	-6	-6	-6	-6
- Abolition of the tax on waterproof clothing, protective clothing, etc.	-	-25	-25	-25	-25	-25	-25	-25	-25
<b>III. Digitalisation, new business models and green transformation</b>									
- Strategy for Denmark's Digital Growth	-75	-125	-125	-125	-125	-125	-125	-125	-75
- Circular economy strategy	-20	-20	-10	-10	-	-	-	-	-
- Relaxation of the tax on electric heating <sup>2)</sup>	-	-200	-305	-115	-110	-120	-125	-125	-85
- Advanced biofuels	-	-20	-20	-20	-20	-20	-20	-20	-
- Chemicals initiatives framework	-5	-5	-5	-5	-	-	-	-	-
<b>IV. Tourism and rural areas package</b>									
- Sharing economy initiatives <sup>1)</sup>	-125	-125	-125	-125	-120	-120	-120	-120	-120
- Relaxation of the electricity tax for campgrounds	-20	-20	-20	-20	-20	-20	-20	-20	-20
- Relaxation of the tax on utility water	-5	-5	-5	-5	-5	-5	-5	-5	-5
- Support for VisitDenmark for coastal tourism and nature tourism	-15	-15	-15	-15	-15	-15	-15	-15	-15

- Tax relaxations for food businesses	-36	-36	-36	-36	-36	-36	-36	-36	-36
<b>V. Competitive conditions and globalisation</b>									
- Higher tax allowances for research and development (R&D)	-	-71	-144	-222	-222	-362	-362	-362	-450
- Extension of the researcher tax scheme from five to seven years	9	-5	-5	-5	0	0	0	0	0
- Growth plan for life science	-30	-30	-30	-30	-30	-30	-30	-30	-30
- Expansion of the DIS tax scheme for sailors to include offshore special vessels	-	-10	-25	-35	-45	-55	-60	-60	-55
- Abolition of the registration fee for the registration of merchant ships	-10	-10	-10	-10	-10	-10	-10	-10	-10
- A maritime engineer scheme	0	-100	-100	-100	-100	-100	-100	-100	-100

Note 1) All administrative costs linked to sharing-economy initiatives have been included.2) With the agreement, the relaxation of taxes will be DKK 0.15 per Kwh in 2019; DKK 0.20 per kWh in 2020; and from and including 2021, without additional financing, it will be DKK 0.10 per kWh. The implications for tax revenues have been calculated after flow-back and altered behaviour. The implications for revenues will be further clarified in connection with the submission of the legislative proposals.

Source: Own calculations.

**Table 2**  
**Summary of total financing**

DKK billion (2018 level)	2018	2019	2020	2021	2022	2023	2024	2025	Permanently
<b>Relaxations in total</b>	<b>-0.7</b>	<b>-1.6</b>	<b>-2.0</b>	<b>-1.9</b>	<b>-1.9</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-2.2</b>	<b>-2.2</b>
<b>Financing, total</b>	<b>0.7</b>	<b>1.6</b>	<b>2.0</b>	<b>1.9</b>	<b>1.9</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>
- Simplification of the financial management of employment efforts	0.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
- Efficiency improvement of DSB	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
- Succession for corporate funds	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Negative budget adjustments concerning government-financed business promotion	0.0	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
- Further negative budget adjustments concerning government-financed business promotion to finance service engineer scheme	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
- Changing the interest rate for individual tax collection	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
- Funds from Green pool earmarked for PSO agreement	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0
- Funds to be moved from the 2018 Finance Act to business and entrepreneurial initiatives (improved conditions employee remuneration through shares).	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
- Funds set aside for fiscal space	0.3	0.0	0.2	0.2	0.2	0.5	0.5	0.5	0.5
<b>Balance</b>	<b>0.0</b>								

Source: The tax consequences have been calculated after flow-back and changed behaviour.