

Worth knowing about:

Tax on account for companies 2025

For 2025, companies can pay tax on account on 20/3, 20/11 and no later than 1/2 2026.

There are two types of on-account tax. Firstly, the compulsory ordinary tax on account, which is calculated by the Danish Tax Agency. On the other hand, the voluntary tax on account, which the company decides on. If the company is part of a joint taxation, the total tax on account is paid by the management company.

Ordinary tax on account

The ordinary tax on account in 2025 is an amount corresponding to half of the average of the company's actual tax for the income years 2021, 2022 and 2023. Of this, half is paid in March and the other half in November.

If the company receives excess tax for the income year 2024, this will automatically be deposited in the tax account to be set-off against the November instalment in 2025. The same applies to Danish withholding tax on dividends received by the company in the income year 2024.

If the company expects a low income in 2025, the company can request the Danish Tax Agency to reduce the ordinary tax on account. This must be done by digital reporting in TastSelv Erhverv, and it must be done before the payment deadline for the ordinary tax on account of 20/3 and 20/11, respectively.

Voluntary tax on account

If the ordinary tax on account is not deemed sufficient to cover the actual tax for the income year 2025, the company can supplement the ordinary tax on account with voluntary payments. This can be advantageous as the company avoids paying a non-deductible residual tax surcharge, which for 2025 is expected to be at least 8.3% (= 2024).

The company is free to choose to pay voluntary tax on account in both March and November or only in one of these months. In addition, a so-called 3rd voluntary payment can be made no later than 1/2 2026. However, it should be noted that a voluntary payment in March is credited with a surcharge, whereas a surcharge must be paid on both a voluntary payment in November and a payment at 1/2 2026. For 2024, the surcharge for March/November payments was 1.1%, whereas the surcharge for the 3rd voluntary payment was 1.6%. The surcharges for 2025 are expected to be at least equal to the rates for 2024.

In order for the Danish Tax Agency to recognize that a payment to the company's tax account is to be used to cover tax on account, it is important that the company has previously reported the upcoming voluntary tax on account to the Danish Tax Agency via TastSelv Erhverv. Otherwise, the voluntary payment will be refunded.

It is also important that the company's tax account does not have a negative balance beforehand, as the payment is only used to cover the oldest debt according to the FIFO principle.

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The conclusion is that for the vast majority of companies, it will be most optimal to make a voluntary payment on 1/2 2026.

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Interest rate considerations

The question of whether it is worthwhile to make voluntary payments depends primarily on the relationship between the company's loan/deposit interest rate and the interest to be paid to the Danish Tax Agency in the form of a residual tax surcharge or, alternatively, the interest credit received in the event of excess tax. Any residual tax for the income year 2025 must thus be paid on 20 November 2026 together with a residual tax surcharge, which is published at the end of the year and is expected to be min. 8,3 % (= 2024). Any excess tax for the income year 2025 will be paid no later than 22 November 2026 together with a tax-free interest credit (4.4% for 2024) or offset against any on account tax payable etc. before payment.

However, the interest rate considerations must also take into account that voluntary payments on 20 March result in a surcharge of presumably 1.1% (2024: 1.1%), while a surcharge must be paid on a voluntary payment on 20 November 2025 (2024: 1.1%). On the other hand, there is nothing to prevent the entire voluntary payment from being paid in November 2025 or 1/2 2026 at the latest.

If the company's borrowing rate is less than 4.0% p.a., the best option is to pay the voluntary tax on account on 20 March 2025 or 1/2 2026 if the borrowing rate does not exceed 10.5% p.a.

If the company's pre-tax borrowing rate exceeds 10.5% p.a., it is most advantageous not to pay voluntary tax on account at all and instead pay the residual tax on 20 November 2026.

For a company that pays tax on account to cover expected tax arrears by drawing on an overdraft facility or similar, the above can be summarized in the figure at the bottom of the page.

The conclusion is that for the vast majority of companies, it will be most optimal to make a voluntary payment on 1/2 2026. At that time, it can also be assessed on a more certain basis whether there is a need for a voluntary payment to cover the expected tax arrears for 2025.

Shifted income year

Companies with a staggered income year also pay both ordinary and voluntary tax on account on 20/3 and 20/11. The payments are simply credited in the final tax statement for the income year that replaces the calendar year.

For a backdated income year - e.g. 1/7 2024 - 30/6 2025 - the payments in 2025 are thus included in the calculation of the tax for the income year 2025. The last instalment (20/11 2025) is thus paid after the end of the financial year. This makes it possible to adjust the payment to the final tax for the year.

For a company with a forward-dated income year - e.g. 1/4 2025 - 31/3 2026 - the payments in 2025 are included in the calculation of the tax for the income year 2025. The first instalment is thus paid before the start of this year.

Do you have any questions?
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2025 - assuming the above percentages:

Payment of voluntary tax on account?	Pre-tax loan interest rate less than 4.0 % p.a.	Pre-tax loan interest rate between 4.0 % and 10.5 % p.a.	Pre-tax loan interest rate in excess of 10.5 % p.a.
March 2025	Yes	No	No
November 2025	Yes, if not in March and loan interest rate below 3.3 % p.a.	No	No
1/2 2026	Yes, if not in November	Yes	No

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