
It is expensive to cheat SKAT

If you have any questions you are welcome to contact SKAT on 72 22 18 18 or by mail www.skat.dk/kontakt.

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They thought they could cheat SKAT and everyone else – but it cost them!

Gratuitous benefits

The proprietor of a business chain had a new kitchen made in his home. But he decided to have the carpenter, who did the work, write a bill on the remodelling of his stores instead. When SKAT discovered this, the proprietor himself was subjected to a bill of 165.000 kr. in tax and VAT and a fine of 130.000 kr. The carpenter received a fine of 30.000 kr.

Breadwinner/Breadloser

A baker's assistant worked for 5 years as a temporary worker in different bakeries. He had earned about 1 million kr. in total, which had not been reported to SKAT. It cost him 280.000 kr. in income tax. In court, he was sentenced to 40 hours of community service and a fine of 270.000 kr.

Free ride in the employer's car

A craftsman drove in his employers van to and from work. Nevertheless, he subtracted the expenses of driving over a 2 year period from his income tax return. He had no right to do so. In the end, he had to pay 26.000 kr. in income tax and received a fine of 8.000 kr.

Costly to report yourself as being unemployed to an unemployment insurance fund while operating a business

A craftsman reported himself as being unemployed to his unemployment insurance fund while he was starting his own business. He was not registered for VAT, and he did not state his income from the company either. Ultimately, the craftsman had to pay 105.000 kr. in VAT and 55.000 kr. in income tax. In court, he received a sentence of 8 months in jail and a fine of 150.000 kr. The craftsman also had to pay 270.000 kr. plus an interest of 100.000 kr. back to the unemployment insurance fund.

From scrap to SKAT

For three years, a man had been selling scrap metal. He had not stated his income from these sales on his income tax return. SKAT estimated his income to 126.000 kr. He had to pay 67.000 kr. in tax and a fine of 62.000 kr.

The craftsman who could not keep track of his VAT

For two years, a craftsman had not submitted the VAT declarations for his business. SKAT increased his VAT by 98.000 kr. He had to pay the VAT with an added 160.000 kr. fine.

What is the punishment?

Fine levels

Gross negligence violations

If you should know better, but still violate the tax and excise laws.
 $\frac{1}{2}$ x the evaded amount up to 60.000 kr.
1 x the evaded amount over 60.000 kr.

An example:

There has been evaded tax and excise for 70.000 kr.
Fine:
 $\frac{1}{2}$ x 60.000 = 30.000 kr.
1 x (70.000-60.000) = 10.000 kr.
Which amounts to a total fine of 40.000 kr.

Intentional violations

If you intentionally violating the tax and excise law.
Fine:
1 x 60.000 = 60.000 kr.
2 x (70.000 – 60.000) = 20.000 kr.
Which amounts to a total fine of 80.000 kr.

When does a violation result in a prison sentence?

If you intentionally violate the tax and excise laws and there has been an evasion of more than 250.000 kr.
The punishment is up to 1 year and 6 months in prison, plus a fine of 1 times the amount cheated in tax and excise.
In extreme cases the punishment can be as much as 8 years in prison.