

INCOME

In this chapter the concepts of income and income development, including the distribution of income in relation to marital status, type of household, age, municipal residence etc. are described. The development of the tax burden and of the distribution of income in the Greenlandic society will also be described.

7.1 THE CONCEPT OF INCOME

Income statistics are based on information obtained from tax returns and are thus concerned with persons subject to Greenlandic tax legislation. This information facilitates an analysis based on gross income, taxable income and personal tax relief.

- Gross income is the sum of the so-called A- and B-incomes, and is thus an expression of total earnings.
- Taxable income equals gross income less personal tax relief, which may either be the standard allowance of DKK 8,000 per person in 2002, or documented deductible expenses connected with the acquisition of income.

- Taxable income is the income on which the assessment of tax is based. Personal allowances of DKK 40,000 for single persons and DKK 80,000 for couples are deducted from all incomes before tax assessment.

A total description of the tax system will be found in Section 9.2.1.

It should be noted that in their present form income statistics do not facilitate a calculation of the disposable income of the society. This is due to the fact that social benefits are not included in the assessments as they are not taxable. Neither is the consumption of own provisions from hunting and fishing. This should be kept in mind when the results discussed in Section 7.4 on the distribution of income in the Greenlandic society are evaluated.

7.2 DEVELOPMENT IN INCOME 1992-1999

Key Table 7.1 shows the development in some of the most important amounts of income and tax. Thus the key table shows that total taxable income increased

Key Table 7.1 The development in total taxable income and total final tax etc.

	Income DKK million							
	1992	1993	1994	1995	1996	1997	1998	1999
Taxable income ¹⁾	5,040	4,955	5,056	5,360	5,492	5,605	5,966	6,186
Final tax payable	1,435	1,426	1,472	1,520	1,643	1,683	1,837	1,913
Income after tax	3,605	3,529	3,584	3,840	3,849	3,922	4,129	4,273
Non-taxable social transfers	172	197	266	300	369	406	386	...
Disposable income	3,777	3,726	3,850	4,140	4,218	4,328	4,515	...
	Income DKK 1,000							
Taxable/assessed ²⁾	135,600	135,100	136,000	142,800	114,000	146,400	154,900	156,700
Taxable/person	113,500	113,100	113,300	118,300	119,400	121,400	128,000	130,465
Disposable/inhabitant	68,400	67,400	69,300	74,200	75,400	77,300	80,500	...
	Number							
Number of employees	37,162	36,675	37,189	37,536	38,134	38,274	38,527	39,416
Number of taxable persons	44,412	43,803	44,641	45,315	46,006	46,166	46,597	47,415
Number of inhabitants	55,251	55,268	55,576	55,798	55,917	56,024	56,082	56,087

Persons subject to paying tax are persons whose income is taxable in Greenland. Married couples are defined as one taxable assessment but as two persons paying tax. The number of such persons will thus be higher than the number of taxable assessments.

Notes: 1) Negative taxable incomes are not included in the taxable income. 2) Number of taxable assessments is a method of assessment in which a single person counts as one tax assessment and a married couple also as one assessment.

Source: Statistics Greenland.