

Taxation in Norway

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- One of the world’s leading business and financial advisors with a proven track record of delivering measurable value across a broad range of business environments

Global

- **Worldwide revenues: USD 45,4 billion (FY22)**
- **Employees: 365 399**
- **Global presence: 150 countries**

National

- **National revenues: NOK 4 billion**
- **Employees: 2 227**
- **National presence: 34 offices/10 regions**

Stavanger

The largest Audit, Tax, Transaction Advisory and Consulting firm in Stavanger, is the base to 219 audit, tax and consulting professionals and support personnel, including 10 Partners, 6 Associate Partners and 72 Managers

- **Assurance 112**
- **Tax 51**
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Norwegian taxation of non-resident individuals

- Taxable to Norway for employment income, as a general point of view; always tax liable to Norway for income related to work performed in Norway
- Taxable to Norway according to the following:
 - Salary from sources in Norway, Norwegian Tax Act § 2-3
 - Hiring out of labour, Norwegian Tax Act § 2-3, second paragraph
- Activity on the Norwegian Continental Shelf, Petroleum Tax Act § 2
- The tax liability according to the internal legislation may be limited according to a relevant tax treaty
 - Onshore and offshore article



Tax liable in Norway as tax resident

Who is tax resident?

- Presence in Norway > 183 days within any 12 month period
- Presence in Norway > 270 days within any 36 month period
- Resident from entry or from 1 January in the year that one of these conditions are met

Consequences of being taxable as resident

- Worldwide income and assets are taxable to Norway
- If tax treaty residency is in home country
 - Might avoid asset and for capital taxation in Norway
 - Might avoid non-Norwegian source taxation in Norway

Consequences of being taxable as non-resident

- Employment income derived from work in Norway will be liable for tax in Norway
- Income and value from property in Norway is subject for taxation



Tax return form

Pre-filled tax return form

- Employees who have received a salary statement/summary with a D.no./ P.no. will receive a pre-filled tax return (skattemelding)
- The pre-filled tax return contains information from Norwegian employers and Norwegian bank, etc.
- The pre-filled tax return may not be complete, and may i.e. not include consideration of tax method and deductions, 12 parts, social security situation etc.

What if you do not receive a pre-filled tax return?

- Form (RF-1281)

Tax return portal

- The tax return is available on the tax office web page, skatteetaten.no/en, My Tax
- Tax returns issued from 14 March 2023 until 1 April 2023
 - Will receive notification in Skatteetaten.no / Altinn.no and notification by e-mail/SMS
- Tax assessments issued ongoing from 22 March
 - but not if
 - ▶ In a tax arrears position
 - ▶ You or your spouse have not actively submitted the tax return
 - ▶ Tax review by the tax authorities
 - Then it is issued on 29 June 2023 or 16 August 2023 and onwards until 1 December 2023



How to check your tax return

- ▶ Log in to skatteetaten.no/en

Person

The tax return arrives on different days up to and including 31 March

Remember to check your almost complete tax return to make sure it's correct. We'll send you an e-mail or text message when yours is ready to be checked.

The tax return on paper will also be sent out on different days up to and including 31 March.

Log in:

[Check the tax return](#)

If you're a shareholder, you can check the [Shareholder's tax report](#).



Have you been notified by the Tax Administration that your tax return is ready?

We'll notify you when your tax return is ready. Most people will receive the notification via e-mail, while some will receive a text message.

[Yes, I have received notice](#)



Log in and check the taxes

[No, I haven't received notice](#)



If the Tax Administration has not notified you by e-mail or text message that your tax return is ready, you can wait to log in.



Tax return 2022

[View, change and submit tax return](#)

Submission deadline: 30. April



Delivery of tax return

- You may add or change pre-filled information in the tax return by pressing "Add", or "Change"
- Can't find what you are looking for?
 - There may be changes the Tax Authorities does not know about. Not all information is prefilled
 - You must then click on "Cannot find what you are looking for" under "Add new information"
 - If you cannot add the information you want, you may have access to the tax return in the old format in Altinn. There you can enter all tax conditions
- Finally you will see a summary of all the information in your tax return. When you have checked your tax return, and made the necessary changes, you may submit it by confirming the submission





Delivery of tax return



The tax return 2022

Enter keywords here

Your provisional tax

Provisional calculated tax and duties	203,715
Tax you will be refunded (in credit)	19,671

You can find a detailed calculation in the summary further down this page.

Check that your tax is correct

The tax return is pre-completed, but not fully completed. You are responsible for checking that the information below is correct before you submit the tax return.


[I have checked, submit](#)

[Continue later](#)


Tax return portal (cont'd)



Housing and property

Housing and property 

Primary dwelling		<i>Amounts we use in the tax calculation</i>	
Primary/Secondary	Primary dwelling	Wealth: Primary dwelling	985 691
Type of housing	Apartment		
Year of construction	1969		
Primary rooms/Living area (in whole m ²)	73		
Calculated market value	3 942 763		
Ownership share (percent)	100,00		
My share of the taxable value (in percent)	100,00		
Share of taxable value	985 691		

 [Open and change](#)

[Add housing or property](#)

Delivery of tax return

- ▶ The method to add and change is the same for all items in the tax return
- ▶ If you would like to add information - find the correct tile and click on *View what you can add*

Do you want to provide other information under the topic "Housing and property"?

[⊕ View what you can add](#)

Add new information ×

Select topic

Housing and property ▾

11 elementer

- [Forest property](#)
- [Gain or loss from the sale of property](#)
- [Home contents and movable property \(including pleasure craft with a sales value of less than NOK 50,000\)](#)
- [Housing and property](#)
- [Leasehold plots for residential and holiday property](#)
- [Other wealth](#)
- [Pleasure craft \(sales value of NOK 50,000 or more\)](#)
- [Renting out home or property](#)
- [Shares in jointly owned properties, housing associations and housing cooperatives](#)
- [Vehicles \(cars, motorbikes, caravan, etc.\)](#)
- [Wealth in the form of active hunting rights, the renting out of rights and income and expenses linked to a forest property](#)

[SEARCH](#)

[Cancel](#)



The obligation to file a Norwegian tax return

- All individuals who has performed work in Norway during the income year must file a tax return
- If employed by a foreign employer or by a Norwegian employer
- Submit via www.skatteetaten.no
- Tax administration act allows amendments up to three years running from the filing deadline (30 April)

Filing deadline 30 April

How to declare employment income?

- Salary and benefits related to work performed in Norway (normally pre-filled)
- The employer has an obligation to report this information to the tax authorities
- Employers are obliged to issue a year end statement



How to declare capital income and net wealth for resident individuals

- **All employment income, capital income and assets are taxable to Norway**

- Remember to claim deduction for expenses occurred abroad, such as interests paid, child care expenses, union fee etc.

- **Non-Norwegian income and wealth?**

- Important to define tax residency, also according to the tax treaty
 - Permanent home, family
- If you are no longer taxed as tax resident in your home country, all income and assets must be included in your Norwegian tax return
- Tax authorities focus on international taxes





Wealth tax 2022 rates

- Wealth tax is a tax which is assessed on the basis of your net wealth

Wealth tax to the municipality

Wealth	Rate
NOK 0 – 1 700 000	0,0%
NOK 1 700 001 and above	0,7%

Wealth tax to the state

Wealth	Rate
NOK 0 – 1 700 000	0,0%
NOK 1 700 001 – 20 000 000	0,25%
NOK 20 000 001 and above	0,4%

- The thresholds are for single taxpayers. For spouses who are assessed jointly on wealth, the thresholds are twice the amounts shown in the table



Fiscal value

- ▶ Valuation discounts will be given automatically in the tax assessment you'll receive. Such asset may be housing and commercial property, shares etc. and fixed assets. The valuation discount only includes assets owned directly by the taxpayer
- ▶ Real estate abroad should be valued to a maximum of 30% of market value

Assets	Explanation	Valuation 2022
Primary dwelling on Mainland Norway	Where the owner has their address according to the National Registry at the end of the year. 50% on marked value exceeding NOK 10 000 000	25 %
Secondary dwelling on Mainland Norway	Housing which cannot be characterized as a primary dwelling or a holiday home	95 %
Shares	Shares, Equity certificates with savings banks and share component of share savings accounts	75 %



Wealth tax position for spouses

Assets	Marked value		Fiscal value
House	10 000 000	25%	2 500 000
2022 car	1 000 000	75%	750 000
Holiday home	8 000 000	30%	2 400 000
Shares	4 000 000	75%	3 000 000
Marked value on assets	<u>23 000 000</u>		<u>8 650 000</u>
Mortgage	- 4 500 000		<u>- 4 500 000</u>
Sum net assets			4 150 000
Tax free allowance			<u>- 3 400 000</u>
Net taxable assets			750 000
Wealth tax to the municipality		0,7%	5 250
Wealth tax to the state		0,25%	<u>1 875</u>
Total tax			7 125

► Please note this is a simplified example

Norwegian income tax base

All payments and remunerations are at a starting point taxable

Exemptions

- Coverage of expenses related to the assignment in Norway
- Free schooling
- Moving expenses
- Commuter costs
 - No daily allowance
 - Free housing?

Company provided car

- 30% of list price up to NOK 329 600
- 20% of exceeding amount

Free telephone/ internet access

- Maximum NOK 4 392 per year



Deductions

- 10% standard deduction

- Applicable for offshore workers only
- 10% of gross employment income, Max. NOK 40 000 per year

- Minimum deduction 2022

- 46% of employment income
- Max.NOK 109 950
- Per month NOK 9 162

- Paid interests on debt



Deductions (cont'd)

- Labour union fee

- Max. NOK 5 800

- Child-care deductions
 - Documented expenses

- 1 child max. NOK 25 000
- 2 children max. NOK 40 000
- 3 children max. NOK 55 000

- Single provider

- Special tax allowance NOK 4 373 per month (NOK 52 476 per year)



Commuter status and commuter cost

- Commuter expenses – meals, travels and accommodation
- What is commuting?
 - Home available in the home country and in Norway
- Who has commuter status?
 - Married individuals with family resident abroad
 - Single without self-contained house/flat in Norway
 - Conditions related to house and travel frequency
 - Home-leave in average once or twice every second month
- If commuter status is accepted
 - Commuter costs can be deductible
 - Commuter costs might be regarded as tax free (if covered by employer)



Pay as You Earn (PAYE-scheme)

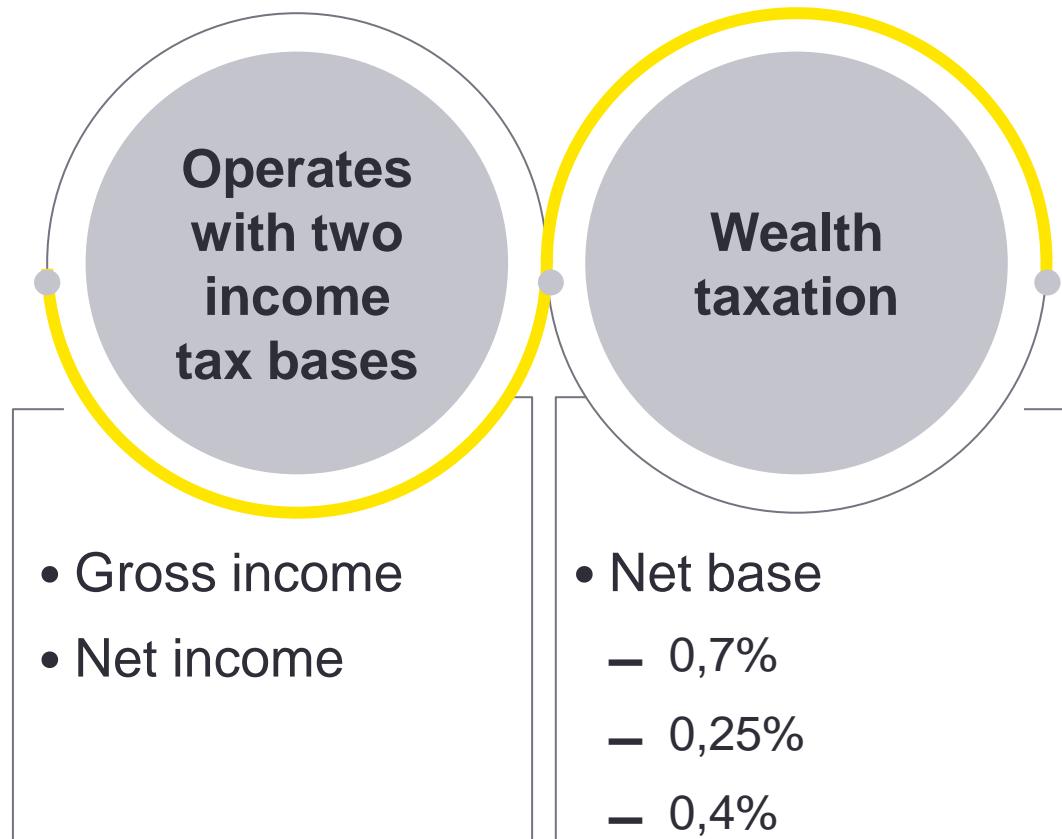
- From 2019 a flat tax rate of 25% (including social security contribution) was adopted for foreign workers who work in Norway for short periods.
- It is voluntary to be included in the scheme if the conditions are met, but if the individual exits the scheme, it is not possible to enter again during the same income year
- Individuals can choose to leave the scheme at any time during the income year, and up to 31 December 3 years after the income year
- Individuals under the PAYE-scheme do not receive a Norwegian tax return
 - Receives a tax receipt in order to claim credit relief in home country



Exit tax

- Tax on unrealised capital gains on shares and stock option when leaving Norway
 - May not be applicable for commuters – tax liability may be limited according to tax treaty
- Difference between market value at the time of emigration/or first day of treaty resident outside Norway, and market price at the time of arrival
- Only apply to profits exceeding NOK 500 000
- Emigration or treaty resident outside Norway before 29 November 2022 - Tax liability will cease if the assets are not realised within five years
- Emigration or treaty resident outside Norway from 29 November 2022 – tax liability will not cease after five years

Norwegian tax system – Tax rates



Norwegian tax system – Tax rates (cont'd)

• Tax on gross employment income

- Bracket tax is a progressive tax on gross salary and other employment / pension income – no deductions allowed
- 2022 rates are

Taxable income exceeding NOK	Taxable income not exceeding NOK	Rate %
0	190 350	0
190 351	267 900	1,7
267 901	643 800	4,0
643 801	969 200	13,4
969 201	2 000 000	16,4
2 000 001		17,4

Norwegian tax system – Tax rates (cont'd)

• Tax on net income

- When calculating the net income you will be granted a minimum deduction of 46% of employment income (max. NOK 109 950, Per month NOK 9 162)
- 22% ordinary income tax is levied on taxable net income
- Net income not exceeding the personal deduction will be taxed as follows

Tax class 1 (NOK)	Rate %
0 – 58 250	0
> 58 250	22

- If taxable only a part of the fiscal year: Income brackets and deductible amounts are reduced proportionately



Norwegian tax system – Tax rates (cont'd)

• Social security

- The personal contribution rate is 8% of gross employment income
- The employer's contribution rate is 14,1% of gross employment income

• Tax calculation 2022

- Salary NOK 1 200 000, 12 months in Norway

Bracket tax, step 1	267 900	-190 350	=	77 550	x	1,7 %	=	1 318
Bracket tax, step 2	643 800	-267 900	=	375 900	x	4,0 %	=	15 036
Bracket tax, step 3	969 200	-643 800	=	325 400	x	13,4 %	=	43 604
Bracket tax, step 4	1 200 000	-969 200	=	230 800	x	16,4 %	=	37 851
Net tax	1 200 000							
- Min. deduction	-109 950							
- Pers. deduction	-58 250							
	1 031 800		x	22 %		=		226 996
Social sec. Contrib.	1 200 000		x	8,0 %		=		96 000
Total tax and social security contribution (average 35,1%)								420 805



Avoidance of double taxation

▶ Double taxation of Norwegian earned employment income

▶ Double taxation of non-Norwegian earned employment income

▶ Capital income taxes and wealth tax outside Norway

▶ Sufficient documentation for tax credit purposes will normally be the final Norwegian tax assessment notice

- Tax relief/credit must be admitted in the home country
- Tax relief/credit must be admitted in Norway
- Tax relief/credit must be admitted in Norway



Social Security

- As an employee working in Norway, you are as a starting point fully covered in Norwegian social security scheme

- When you live in Norway, intention to stay more than 12 months, you are resident to Norway according to the social security legislation

- If you are seconded to work in Norway, an applicable social security agreement might help you to stay covered in your home country, and exempt you from Norwegian contribution

- The different coverage of the schemes may vary significantly

- The contribution is 8% of gross taxable income
- The employers contribution is 14,1% of gross taxable income
- Fully covered



**Important
benefits**



**Unemployment
benefits**



Sick pay



**Maternity/
Paternity leave**

Social Security



**Disability
coverage**



**Pension (1 and
3 years
coverage is
needed)**



Child benefit

Cash benefit for parents who stay at home with children under 2 years of age (do not use a Norwegian kindergarten)

- Children age 13-23 months: NOK 7 500 per month



Contact information

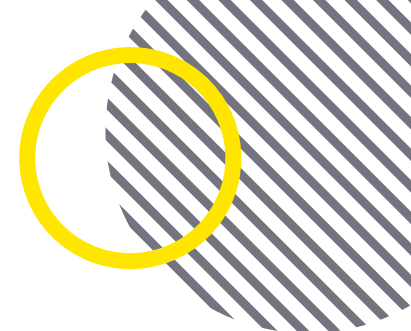


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Thank you

Questions?

