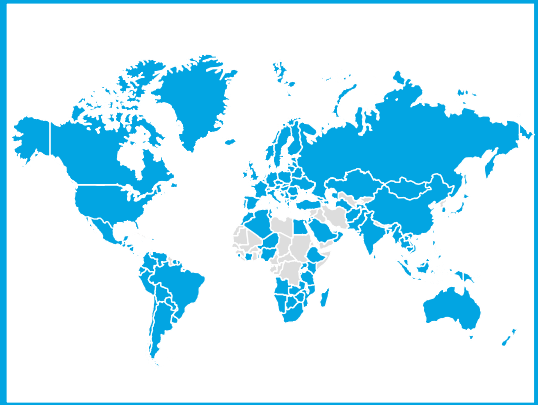


# INPATRIATES

## Norway

### Tax facts for International Assignees



#### INCOME TAX: WHO IS LIABLE/RESIDENCY

Non-residents are taxed on income earned in Norway if they are regarded as tax liable and are not exempt according to an applicable tax treaty. Depending on the length of the stay, this includes wages/salaries allocated to workdays in Norway, payments for housing, school tuition for children, telecommunication, insurances exceeding the tax free amounts, and other assignment based allowances. Residents are taxed on worldwide income regardless of where it is earned or paid. A foreign national becomes a Norwegian resident according to § 2-3 of the Norwegian Tax Act from the income year in which the assignee's stay exceeds 183 during a 12 months period, or 270 days during a 36 month period. If the assignee arrives in Norway in October year 1, and stays until June in year 2, the assignee will be regarded as 'limited tax liability' in the first year and as a 'tax resident' the following year. If the assignee is a 'tax resident' in Norway pursuant to Norwegian domestic rules, but also a tax resident in another country pursuant to a tax treaty, the assignee is nonetheless obliged to submit a fully completed tax return to the Norwegian tax authorities.

#### Individual Tax Return/PAYE

As the Norwegian tax authorities receives information through the payroll reporting, as well as banks etc. the tax return is prepopulated. The deadline for submitting the tax return in paper is the 30th of April of the following income year:

Under certain circumstance can opt for a PAYE scheme. The scheme opens for that gross income is taxed at a flat rate of 25%, reduced by 8% if the individual is exempt from Norwegian social security (A1).

#### REGISTRATION/FORMALITIES

Any contract or subcontract awarded to a foreign company has to be reported to the Norwegian Tax administration with the assignment and employee register. This reporting is mandatory regardless of the contractor's or the employee's tax liability.

#### ID-Check

Foreign assignees need to meet at a local tax office for an identity check shortly after arrival. The assignee has to bring the following documentation:

- Valid passport
  - Form RF-1209 application for tax deduction card for foreign citizens.
- Employment contract or written confirmation of work assignments in
- Confirmation of booked appointment at Tax Office Norway
- Valid residence permit if necessary

#### Withholding Tax

The employer is obliged to withhold the tax according to the tax deduction card, which is issued after having met for an ID-Check at the local tax office. According to § 5 of the Norwegian Tax Payment Act, as well as payment of bimonthly withholding tax and social security contribution 6 times a calendar year.

#### Payroll Reporting

The 'a-melding' must be submitted by all who pay salaries, pensions and remunerations. The a-melding collects and contains information about salaries and employments. This information is collected in one report, the 'a-melding', and must be submitted electronically by all who pay salaries, pensions and other remunerations at least once every month.

## INCOME TAX RATES AND SOCIAL SECURITY CONTRIBUTIONS

### Income tax rates

Tax rate	Income	Maximum marginal income tax rate ex social security
22 %	0-190 350 NOK	47,4 %
1,7 %	190 350 NOK - 267 900 NOK	
4,0 %	267 900 NOK - 643 800 NOK	
13,4 %	643 800 NOK - 969 200 NOK	
16,4 %	969 200 NOK - 1 999 999 NOK	
17,4 %	2 000 000 NOK	

### Social security contributions

The employee's contribution rate is 8 %.

The social security rate for employer's is staggered. The following link provides an overview of the zones: <http://www.skatteetaten.no/en/Rates/Employersnational-insurance-contributions---zone-subdivision/> According to the EU's new guidelines for regional aid, differentiated employer's national insurance contributions can no longer be given in certain areas of the transport, energy, finance and insurance sectors. In these sectors, a tax-free amount scheme corresponding to that in Zone Ia has therefore been introduced. In the agglomeration Zone I the contribution is 14.1% of the gross income.

Zone	Regular activity
Zone I	14.1%
Zone Ia	14.1%
Zone II	10.6%
Zone III	6.4%
Zone IV	5.1%
Zone IVa	7.9%
Zone V	0%

For further information and to register for future updates contact [expat@bdo.global](mailto:expat@bdo.global)

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