

INPATRIATES

Sweden

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Swedish tax residents are taxed on their worldwide income. The tax year is the calendar year.

Swedish tax residency is incurred for any individual who stays in Sweden continuously for a period of at least six months. A continuous stay is not defined in tax law, so each situation should be reviewed independently. Temporary breaks in the stay in Sweden are considered part of the total stay. Tax residency will come into effect from day one, not starting after six months stay.

Sweden taxes capital income at 30%, with some exceptions, e.g. shares in closely held companies which are taxed differently. Common capital income includes interest, capital gains and dividends. Note that Sweden will tax capital gains from sale of real property, even if the property is the primary residence.

Non-residents are only taxed on Swedish sourced income. Employment income tax for non-residents is 25% and withholding is final so no need to file a tax return, unless there is other income to report.

Sweden does not have any gift, inheritance or exit taxes.

Sweden have tax treaties in place with many countries, so if you should be taxed by both Sweden and your home country on the same income, the double taxation can usually be mitigated or eliminated by applying the tax treaty.

Registration and filing

Individuals coming to Sweden expecting to stay for at least one year should register with the Swedish population register at their earliest opportunity. This is done by visiting a Swedish Tax Agency service office in person and presenting certain documentation, the requirements differ depending on your personal circumstances.

After the registration has been processed, a unique Swedish personal ID number is issued. This number is key to life in Sweden as it is used in so many aspects of day to day life so should be obtained as soon as possible.

Tax returns in Sweden are due on 2 May the year after the income year. If 2 May is a holiday, the due date is the next bank day. Late filing fee is SEK 1 250. If filing after 2 August, an additional SEK 1 250 is charged and if filed after 2 October, a final late filing fee of SEK 1 250 is charged.

Interest is charged if there is residual tax due. On amounts exceeding SEK 30 000 interest starts accruing from 12 February the year after the income year. On amounts up to SEK 30 000 interest starts accruing from 3 May the year after the income year. The interest is determined based on the rate for six month Government promisory notes, never below 1,25% though.

Upon departure from Sweden, de-registration from the Swedish population register should be done by filing a form with the Swedish Tax Agency, including your new address. Your Swedish personal ID number is permanent so in case of returning to Sweden it will remain active.

INCOME TAX RATES AND SOCIAL SECURITY CONTRIBUTIONS

INCOME TAX RATES 2022

Taxable employment income	Tax rate
Up to SEK 554 900	28.98 - 35.15%
Income exceeding SEK 554 900	48.98 - 55.15%

SOCIAL SECURITY CONTRIBUTIONS

Swedish employers, and foreign employers with a permanent establishment in Sweden, are charged full social security contributions for employees covered by Swedish social security at a rate of 31,42%.

Foreign employers without a permanent establishment in Sweden are charged reduced social security contributions at a rate of 19,8%.

Employer rates may be affected by social security conventions between Sweden and other countries.

Employees do not pay any social security contributions in Sweden, except in very specific situations due to how the system is working with a capped amount due, which is wholly credited towards tax due. The only situation where employee social security is actually due is for very low income earners or for individuals arriving in Sweden late in the year or leaving early in the year, resulting in their income for that year being very low and therefore not enough tax due to credit the contributions towards. In practice this is rarely an issue.

For further information and to register for future updates contact expat@bdo.global

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication. No entity of the BDO network, its partners, employees and agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

The BDO network (referred to as the 'BDO network') is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter: 'BDO member firms'). BDO International Limited is a UK company limited by guarantee. It is the governing entity of the BDO network.

Service provision within the BDO network is coordinated by Brussels Worldwide Services BV, a limited liability company incorporated in Belgium.

Each of BDO International Limited, Brussels Worldwide Services BV and the BDO member firms is a separate legal entity and has no liability for another entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BV and/or the BDO member firms. Neither BDO International Limited nor any other central entities of the BDO network provide services to clients.

BDO is the brand name for the BDO network and for each of the BDO member firms.

The fee income of the member firms in the BDO network, including the members of their exclusive alliances, was US\$ 11.8 billion in 2021. These public accounting, tax and advisory firms provide professional services in 167 countries & territories, with 97,292 people working out of 1,728 offices worldwide.

© Brussels Worldwide Services BV December 2022

www.bdo.global