

SWEDEN

As per 1 January 2018

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	Progressive personal income tax rates from 0% – 60,15 % (the highest municipal tax is 35,15%)
Tax period	Calendar year.
Tax residency / Domicile according to domestic law	<p>Person are deemed to be domiciled in Sweden for tax purpose if:</p> <ul style="list-style-type: none">• their home is in Sweden; or• they have a habitual adobe (according to Swedish case law a consecutive period of six months); or• they have a substantial connection to Sweden and have had their home here. For instance, if a person is a Swedish national or lived in Sweden for a long time; or• the recipient of remuneration is present in Sweden for a period or periods exceeding in the aggregate 183 days in any twelve-month period commencing or ending the fiscal year concerned; and the remuneration is paid by, or on behalf on, an employer who is not a resident of Sweden; and the remuneration is not borne by a permanent establishment which the employer has in Sweden. <p>A person will be regarded as resident in Sweden if any of the above conditions is met.</p>
Tax registration	Not required.
Employment income definition	Salaries, fees, expenses, pensions, benefits and all other income earned on account of employment shall be recorded as income, unless otherwise stated in the Swedish Income Tax Act.
Examples of tax exemption	For example, benefit in the form of food and beverage on a business trip and breakfast on a hotel or equivalent with overnight stay shall not be recorded if it is mandatory and is included in the price for the whole trip or the overnight stay. Also there is a possibility to get daily allowances paid out tax free during bussines trips, these vary depending on country where time is spent.
Specific expatriate concession	Moving costs to and from home country can be reimbursed. Language courses can be reimbursed but only for the expat not for spouse. Home leave flights are not to be reimbursed tax free. Double housing costs can be deducted if actual costs of keeping a home is proven. for higher paid employees or experts expert tax regulations can be applied for reducing the salary tax base with 25% for the first 3 years.
Income of board members	A person who lives abroad and receives board fees shall be taxed regardless of where the work is carried out, however, tax treaties may imply tax exemption in Sweden. A special income tax of flat rate 25% can be applied for in advance (SINK)
Tax returns	The filing obligation depends on the type of income and if you lived in Sweden throughout the year. Every taxable person who has lived in Sweden for more than 6 months that year and has an income of at least 18,951 SEK shall declare by May 2 the following year. A person who has been living in Sweden a part of the year must declare if they have an income of 100 SEK or more. Even a person who owned a property or part of a property on January 1, that year shall file propoerty tax. note that you can be subject to property tax without beeing tax resident as it depends on the house.
	Preliminary tax pays monthly by the employer which will be corrected the following year in the final tax decision when you can see the actual income. If the person should pay more tax, the payment deadline is three months after the final tax decision were made and for

Tax payments	most natural person that means November 12 the following year. If the person has paid to much tax, the Swedish Tax Authorities shall pay them back in April, June, August or in September depending on how the declaration were made.
TAX TREATIES	
Employment income / income from board members	Art 15/16 Model OECD Tax treaties
INTERNATIONAL SOCIAL SECURITY	
Cross border employments	EU Regulation No 883/2004 and EU regulation No. 1408 / 71 and several social security treaties
Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Generally applicable.
Social Security Cost as % from gross salary and absolute amounts	The Swedish social security system is composed of various schemes providing a wide range of benefits. This system includes social security basic coverage (sickness, maternity, disability, work-related accident benefits and old age state pension), unemployment benefits, compulsory complementary retirement plans, complementary death/disability coverage and complementary health coverage. The social contributions are 31,42% of gross salary.
IMMIGRATION	
Work permit	EU-, EEA-nationals with family and nationals of Switzerland do not need a work permit to work in Sweden. Nor persons with a status of permanently residency or who has a permanent residency permit, students with residency permit for studies on university level, guest researcher with a specific permit regarding research or asylum seekers who are exempt from the requirement of a work permit need a work permit. In addition to these groups, some groups do not need work permits for temporary work in Sweden, such as an employee of an international group who shall be a part of an internal education which takes place in Sweden. Nationals of another country need to obtain a work permit.
Visa	Visa is a permit to enter and visit Sweden for a maximum of 90 days under a period of 180 days, if longer you need a residence permit for the visit or, in special cases, an extension of the visa. Schengen co-operation means, among other things, that those who have a visa to a country that are included in the cooperation can usually also enter the other member countries. EU member countries (except Great Britain and Ireland), the EEA member countries and Switzerland are part of the Schengen cooperation, which means that its nationals do not need a visa when they enter Sweden. Nationals in countries other than the above need a visa to visit Sweden.
Residency permits / registration certificate	If a foreigner visits Sweden for a maximum of 90 days under a period of 180 days do not need a residence permit, although she or he might need a visa (see above regarding visa). Nordic nationals (Norway, Denmark, Finland and Iceland) can live in Sweden without any requirement for a residence permit. EU-nationals do not need a residence permit to live in Sweden if the person is a worker, own entrepreneur, student or has sufficient funds for your supply. If a person has lived in an EU member country but is not a EU-national, the person may have a permanent resident status in that country and thus enjoy similar rights as an EU-national.

	<p>Nationals of Switzerland and Liechtenstein do need a residence permit if the visit is longer than 90 days under a period of 180 days.</p> <p>Nationals of countries other than the above need a visa to visit Sweden.</p>
Driving license	<p>Driving license issued in a EU and EEA member country are recognized in Sweden. The driver may exchange her or his license to grant Swedish driving license (although it is not obligatory).</p> <p>Driving license issued in other countries are accepted only for one year after the driver registered as resident in Sweden, although she or he can apply for exemption if they do not intend to settle in Sweden permanently, e.g. for studies or work that is time-limited. Under certain conditions, the driver may exchange her or his driving license.</p>
STOCK OPTION PLAN	<p>There are complex rules regarding the taxation of stock options and RSUs. The tax point is generally the exercise date and based on the gain profit over the grant / award to vest / exercise period.</p>
ARTICLE 15 OF THE OECD MODEL	
183 days	<p>The days of physical presence will be accounted per calendar year, tax year or 12 month period (depends on tax treaty).</p>
Notion of employer	<p>Formal employer, the economic employer concept is not yet introduced</p>
Existence of a permanent establishment	<p>The definition of a permanent establishment is determined in the tax treaty</p>