

NORWAY

As per 21 May 2018

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	Progressive personal income tax rates from 22% – 38,2%. There is a tax free personal allowance (NOK 56 550 in 2019). Employees in Norway also has to pay a national insurance contribution, which are 8,2 % in 2019, exemption can be given if the employee contributes to a national insurance in another country.
Tax period	Calender year
Tax residency / Domicile according to domestic law	Norwegian tax residency is determined under the rules of the Norwegian Tax Act. An individual will be considered resident in Norway for tax purposes if any one of the following requirements is met: 1. The individual stays in Norway for more than 183 days in one or more periods during any 12-month period. Residency will take place from the income year for which the requirement is fulfilled. 2. The individual stays for one or more periods in Norway for more than 270 days during any 36-month period. Residency will take place from the income year for which the requirement is fulfilled.
Tax registration	Registration with the Norwegian tax authorities to obtain a Norwegian identification number and register for a tax deduction card. This can be done electronically, either by the employer using RF-1355 or by the employee using RF-1209. Furthermore, the employee must personally go to a tax office to identify themselves and show the employment contract.
Employment income definition	In principle, any kind of remuneration and benefit received by an employee for services rendered in Norway constitute taxable income.
Examples of tax exemption	Moving expenses from a foreign country to Norway when the move is initiated by employment in Norway. Gifts to employees up to NOK 2 000 per year. Cash is not allowed. Staff discount not exceeding NOK 8 000 per year. Credit card used in relation to work. “Reasonable welfare measures” – e.g., measures to increase well-being in the work place. Business cabin – if all or a large group of employees have the same possibility to use the cabin this advantage are exempted from tax. Clothes when the employer buys it and demands that the employee uses the uniform or special protection gear. Food when working overtime, not exceeding NOK 200. Special regulations apply for commuters.
Specific expatriate concession	A person moving to Norway may claim a special 10 % standard deduction on income for the first two years' tax assessments in Norway up until 2018. The deduction is limited to NOK 40,000 on gross income. However, instead of claiming the standard deduction, the person can choose to claim deduction for actual expenses. After 01.01.2019 this is limited to seafarers and shelf workers. A foreigner may claim deductions for membership expenses in the Norwegian Trade Union and in private Norwegian pension schemes.
Income of board members	Taxed the same way as other income. Exemption if the board member is representing his/her employer and the income is paid to the employer first and the employer fulfils the

	tax obligations.
Tax returns	All individuals who are considered employees have to file a tax return by the end of April the year following the income year. A pre-filled return will be mailed to all taxpayers in the beginning of April. This return has to be checked, reviewed, and if necessary corrected by the taxpayer. The revised tax return has to be returned to the tax authorities by April 30th.
Tax payments	Withheld taxes have to be submitted to the tax collector on a bi-monthly basis. In June – October of the year following the income year, the individual will get his/her tax assessment. If the withheld amount is in excess of the tax assessed, the difference will be paid back to the individual, correspondingly if the assessed tax is in excess of the withheld amount, the balance has to be paid by the employee. Interest will be charged.

TAX TREATIES

Employment income / income from board members	Art 15/16 Model OECD Tax treaties
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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	An individual working in Norway is subject to Norwegian social security contributions. The normal rate for the employer is 14.1 % on gross earnings. The employee's contribution is 8.2 % based on gross wages.

IMMIGRATION

Work permit	Swiss, EU and EEA nationals do not need a work permit to work in Norway. However, you do need to register your stay with the local police if you're there for more than 3 months. Migration to Norway is regulated by the Norwegian Immigration Authorities (UDI). There are various different visa routes for workers, depending on your situation. If you're coming to Norway to work in a professional capacity or to start your own business, the skilled workers visa route is commonly used. Norway isn't covered by the EU Blue Card scheme which applies in many other countries in Europe.
Visa	EU and EEA nationals do not need a visa to enter into Norway and they can stay in Norway for 3 months without needing a visa. Norway is a part of the Schengen zone. Non-EU/EEA nationals need a visa. The applications have to be lodged at the Norwegian consulate or embassy in the country of residence. Exemption if the non-EU/EEA nationals home country have an agreement with Norway.
Residency permits / registration certificate	EU and EEA nationals do not need a visa to enter into Norway. Non-EU nationals in general need to apply for a residency permit, except if their home country has an agreement with Norway. A temporary residence permit is a residence permit that is valid for a limited period, for example one or three years. Everyone who is granted a residence permit in Norway, is first granted a temporary residence permit that has an expiry date. This may for example be a residence permit for protection (asylum), a residence permit for work, a family immigration

	<p>permit, a residence permit on humanitarian grounds or a study permit. It is only after three years in Norway that it is possible to apply for a permanent residence permit that is valid for an unlimited period.</p>
Driving license	<p>As a main rule, driving licences issued in EU/EEA countries can be used in Norway for as long as they are valid, and they can be exchanged for a Norwegian driving licence without any tests. The rules for driving licences issued in non-EU/EEA countries are stricter. Driving licences from most countries outside the EU/EEA can be used in Norway for up to three months. Driving licences from only a few of these countries can be exchanged for a Norwegian driving licence, provided you pass a new practical driving test (and in some cases also a theory test) within given deadlines.</p>
STOCK OPTION PLAN	<p>Tax on stock options are 28 % of the benefit. Stock options acquired through work is taxed as income, the tax rate depends on your income tax rate. If an employee of a private limited liability company is given the option to acquire shares in the company under a general company scheme and the benefit does not exceed 20 percent of the sales value (up to a maximum of NOK 3,000 per annum), the benefit is tax-free and you should not report it. Concerns small and recently established private limited companies where the aim is to enable companies to recruit and retain high-quality labour. The scheme was introduced on 1 January 2018. Under the new scheme, the taxable benefit associated with such options, up to a limit of NOK 500,000, will generally not be taxed until the shares are realised.</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>Economic and formal employer</p>
Existence of a permanent establishment	<p>The definition of a permanent establishment is determined in the tax treaty</p>

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