



Skatteetaten



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Fødselsnummer  
Skatteklasse  
Ektefelles fødselsnummer

Information for foreign employees  
and Norwegian employers of foreign employees

# About tax, tax deduction cards and tax returns

Kontroller beløpene nøye. Skatteetaten kan kontrollere beløpene i lønnsoppgaven og eventuelt tilleggsoppgaven. Hvis du oppgir feil beløp, kan du bli pålagt gebyr. Skriv det korrekte beløpet i anslått beløp i lønnsoppgaven.

2.1 Lønn og tilsvarende ytelser

2.8/4.3 Betalt og annen fast pensjon

3.1/4.1/4.4 Renter, innskudd verdipapir, andre kapitalinntekter mv.

If you are coming to Norway to work for a Norwegian employer, you must pay tax in Norway on all your earnings in Norway. After you have arrived in Norway, you must contact the tax office where you live in order to obtain a tax deduction card. In Oslo, you can contact the Service Centre for Foreign Workers, Hagegata 28, Tøyen. See the brochure “Service Centre for Foreign Workers”.

The information contained in this brochure is only intended for those who work in Norway for a Norwegian employer. It contains information that you will need when working in Norway.

## Obligation to pay tax in Norway

The obligation to pay tax in Norway follows from Norwegian tax rules. Norway’s right to require you to pay tax may be limited by a tax treaty between Norway and your home country.

If you work in Norway for a Norwegian employer, you must always pay tax in Norway on all pay you receive for this work.

The extent of the obligation to pay tax depends on how long you stay in Norway during a 12-month period or a 36-month period. In explanations of the obligation to pay tax, you will encounter the two terms “limited tax liability” and “tax resident”.

## Limited tax liability

If you are “staying temporarily” in Norway, the obligation to pay tax in Norway is limited to pay from your Norwegian employer for work performed in Norway.

By “staying temporarily” is meant that your stay in Norway does not exceed

- 183 days during a 12-month period, or
- 270 days in total during a period of 36 months

## **Tax residence**

If you stay so long in Norway that your stay is not temporary according to the above rules, you will be liable to tax in Norway on all your capital and income pursuant to Norwegian tax rules. You are then “tax resident” in Norway. You first become tax resident in Norway from the income year in which your stay exceeds 183 days. If, for example, you came to Norway in October 2007 and stay here until June 2008, you will be treated as having “limited tax liability” for 2007 and as “tax resident” for 2008.

## **Tax liability to both Norway and your home country**

You may also have to pay tax in your home country on income on which you must pay tax in Norway. In order to avoid double taxation of the same income and capital, countries enter into tax treaties with each other. Information about whether there is a tax treaty between Norway and your home country and its significance to your liability to pay tax in Norway is available from the tax office. Your home country's tax authorities can also provide you with information about such tax treaties.

If you are “tax resident” in Norway pursuant to both Norwegian tax rules and the tax treaty, you will in principle pay tax in Norway on all the capital and income you have.

If you are “tax resident” in Norway pursuant to the Norwegian tax rules, but “tax resident” in your home country pursuant to the tax treaty, you will be liable to tax in Norway on pay from your Norwegian employer for work performed in Norway.

## **Are you an employee or self-employed/engaged in business?**

It is very important in terms of your rights and obligations in Norway whether you are regarded as an employee or as self-employed/ engaged in business. If you receive a fixed wage or pay calculated on the basis of the work you perform, you are deemed to be an employee. If you have independent responsibility for the result of the work and your client can claim compensation for defects in the work, you are self-employed/ engaged in business.

The tax office will consider whether you are an employee or self-employed/ engaged in business. If you believe that you are self-employed, you must read the “Miniguide for foreign companies, self-employed and employees” which is available from [www.skatteetaten.no](http://www.skatteetaten.no)

In the vast majority of cases, it is easy to decide whether you are an employee or self-employed/engaged in business.

When considering whether you are an employee or self-employed/engaged in business, emphasis is placed on the following factors:

### **Factors indicating you are self-employed/engaged in business:**

- Have several clients, concurrently or successively
- Receive payment in fixed amounts and not by units of time
- Provide your own materials
- Have your own operating equipment, e.g. machinery, tools, car
- Can have other people carry out the work for you
- The client can complain about the result
- Are self-employed/engaged in business in your home country

### **Factors indicating you are an employee:**

- Have an employer
- Are paid by unit of time or by other unit, e.g. per kilo of strawberries picked (piecework)
- The employer provides all the materials
- The employer provides operating equipment or pays you extra for the use of your equipment
- You put your own labour at the employer's disposal
- Cannot have other people carry out the work for you
- The employer has professional and administrative control of your work
- The employer bears the risk of the result of the work

It is the agreement between you and your client and how you have actually arranged things that decides whether you are deemed to be an employee or self-employed/engaged in business. If the conditions for self-employment/being engaged in business are not fulfilled, you are an employee. It is important that you clarify as soon as possible whether you are an employee or self-employed/engaged in business pursuant to Norwegian tax rules. Contact the tax office where you live or Tax Norway West/the Central Tax Office for Foreign Tax Affairs.

If you are an employee, you have rights that safeguard your pay and working conditions. You can contact the Norwegian Labour Inspection Authority in this context, see [www.arbeidstilsynet.no](http://www.arbeidstilsynet.no).

## Tax deduction cards

Everyone who works in Norway must have a tax deduction card. You hand in your tax deduction card to your employer. The tax deduction card shows how much tax your employer must deduct before paying your wages.

In order to be able to calculate the correct tax deduction, the tax office must have information about how much you reckon on earning in Norway and how long you intend to stay here.

To obtain a tax deduction card, you must contact the tax office where you live. Take along the following:

- 1) A valid passport. For nationals of EEA countries and Switzerland, other identity cards are also accepted that are approved as travel documents within the EU.
- 2) A residence or work permit. See below for more information about whether this is required.
- 3) Your employment contract with your Norwegian employer.
- 4) Your Norwegian D-number or national identity number, if you have one.

It is also important that you provide the tax office with the address at which you receive mail and that you notify the tax office if you change your address. If you return to your home country before you have received your tax return and/or tax settlement notice, it is important that you inform the tax office and the tax collector of your residential address in your home country.

A tax deduction card is a document showing how much tax your employer must deduct before paying your wages. The amount your employer deducts is called tax withholding or payroll withholding tax and it is a prepayment of the tax the tax authorities estimate you will have to pay. The final stipulation of tax takes place in the year following the income year.

The tax deduction card is normally valid for one income year (calendar year). If, for example, you work in Norway from 1 November in one year until 30 March the year after, you will first be given a tax deduction card for the months of November and December and then a new card for the months of January, February and March.

In December every year, the tax authorities distribute tax deduction cards for the coming year. If you do not receive a new tax deduction card by 1 January, you must contact the tax authorities and request one.

You must hand in your tax deduction card to your employer yourself. Your employer cannot deduct less tax than stated on the tax deduction card. If you do not hand in your tax deduction card to your employer, your employer must deduct 50 per cent of your income. The employer pays the tax to the authorities. Any excess tax that has been paid will be refunded when your tax return has been processed and the tax assessed.

If you have been granted a work permit until a specific date, this will be stated on your tax deduction card. If you subsequently extend your work permit, you will not have to request a new tax deduction card, however. It is sufficient that you give your employer documentation that the work permit has been extended.

## How is the tax withholding decided?

If you have filled in the form “Application for a tax deduction card for foreign citizens” (RF-1209), your tax withholding will be calculated on the basis of the information you provided in the form. Otherwise, the tax authorities must stipulate the tax withholding on the basis of the information at their disposal, or estimate what the amount should be. The tax rates for the individual year are stipulated by the Norwegian parliament, the Storting.

You must hand in Part 1 of your tax deduction card to your main employer. If you change jobs during the income year, your employer should return your tax deduction card to you (signed) so that you can give it to your new employer. You can give Part 2 to any other employers you work for. You keep Part 3 yourself.

Employees are usually given a table-based tax deduction card. If you claim the standard deduction for foreign employees, you will be issued specially prepared tables in which this has been taken into account. They are numbered 7300 or higher. Read about the standard deduction in the brochure “Standard deductions”.

A percentage-based card is issued if a table-based card would not result in the correct tax deduction. It consists of three parts, but has the same percentage rate in Parts 1 and 2. Your employer will in such case calculate the tax withholding at the percentage rate stated.

## What do I do if I think my tax deduction card results in the tax withholding being incorrect?

Perhaps you have a different tax withholding than colleagues in the same situation as you? If you want to find out whether your tax deduction card is incorrect, you can apply to change the card. You can fill in the form “Application for a tax deduction card for foreign citizens” (RF-1209) again, providing any new information, or use the form “Application for new or changed tax card/advance tax 2008”, which you can obtain from the tax authorities or from [skatteetaten.no](http://skatteetaten.no).

## National identity number or D-number

When you apply for a tax deduction card for the first time you are given a registration number: a D-number or national identity number. The number is stated on your tax deduction card and is used to identify you to the authorities. When you open a bank account in Norway, you must give this number to the bank. You should have a bank account in Norway into which your employer can pay your wages and to which the authorities can later transfer any excess tax deducted.

You must use the D-number or national identity number every time you come to Norway to work. You must also state the number when applying for a new tax deduction card.

In Norway, national identity numbers and D-numbers are used extensively to identify inhabitants and in order to ensure that the authorities can identify individual inhabitants with certainty.

Everyone who resides in Norway is therefore assigned a unique national identity number that follows them throughout their lives. The national identity number consists of 11 digits, the first six of which consist of the person's date of birth.

Foreign nationals who come to Norway to work temporarily are not given a national identity number. Instead, they are given a so-called D-number. These numbers are similar in structure to national identity numbers, but the first digit is increased by four.

If you have not previously been given a D-number, you will be assigned a D-number when you request a tax deduction card. You must present ID (passport or similar). Once you have a D-number, you will use the same number in all contexts where your national identity number or D-number is requested. If, for example, you open a bank account, you must state your D-number to the bank. It is important that you use the same D-number every time you come to Norway to work.

If you are going to stay in Norway for so long that you are deemed to be resident here pursuant to the Act relating to the National Population Register, you will be assigned a national identity number. If you have previously been assigned a D-number, you will only use the national identity number thereafter.

## National Insurance contributions

If you are a member of the Norwegian National Insurance scheme, you must pay national insurance contributions. Your National Insurance contribution is deducted from your pay as part of the tax withholding.

If you are a member of the national insurance scheme in your home country, you will not pay national insurance contributions in Norway. Contact the NAV (Norwegian Labour and Welfare Service) office in the municipality in which you live and submit form E 101 from the authorities in your home country. You will receive confirmation from the NAV office which you can submit to the tax office. Your tax withholding will then be reduced.

You must also give your employer a copy of the confirmation from the NAV office.

More information about National Insurance in Norway is available at [www.nav.no](http://www.nav.no)

## Pay slips

When your employer pays you your wages, you will also receive a receipt (pay slip), which shows your gross pay and how much tax has been deducted. Keep these receipts. They document how much tax you have paid.

## Tax returns

Everyone who works in Norway must submit a tax return. It must be submitted to the tax office by 30 April in the year following the income year.

You will receive your tax return at the end of March/ beginning of April. If you do not receive a tax return, you must contact the tax office. It is important that the tax assessment office knows where to send the tax return.

If the tax return is pre-completed and contains information from, among others, your employer, you must check that the information is the same as that contained in the Certificate of Pay and Tax Deducted which you receive from your employer in January. If it is incorrect, you must correct the information in the tax return.

Please note that you may be entitled to deductions in your tax return, e.g. the standard deduction for foreign nationals or a deduction for expenses relating to living away from your home in your home country (deduction for commuters). You must claim these deductions yourself by entering them in your tax return. More information about standard deductions is available in Information for foreign employees: Standard deductions, and about deductions for commuters in Information to foreign employees: Deductions for commuters.

If you are resident in another EEA state and have limited tax liability to Norway, you can be granted an extended right to deductions if at least 90 per cent of your income is liable to tax in Norway. More information about tax returns is available in *“The tax return – checking – changing – submission”*.

### **What obligations do I have when I am liable to tax in Norway?**

- You are obliged to provide the tax authorities with information about your income, capital and deductions.
- The information is provided in the tax return, which is a form everyone who is liable to tax in Norway must submit once a year.
- If you have not received a tax return form, you must contact the tax authorities.
- You are responsible for the correctness of the information you provide. This applies even if the information in the tax return you receive is completed in advance.
- If you are “tax resident” in Norway pursuant to Norwegian domestic rules, but “tax resident” in another country pursuant to a tax treaty, you are nonetheless obliged to submit a tax return to the Norwegian tax authorities.

### **What rights do I have?**

- The tax authorities are obliged to provide guidance in connection with the completion of forms and about the rules that apply to you.
- You can request to see case documents concerning your tax assessment.
- You can be represented by a proxy. You must give the person written authorisation.
- If the tax authorities are considering changing amounts you have entered in your tax return or changing a completed case (after you have received your tax settlement notice), they must give you notice of this and set a deadline for you to respond.
- If the case concerns additional tax or a change in your taxation, you will be sent a decision in writing.

## Where does the pre-completed information in the tax return come from?

Tax Norway receives information from a number of sources. Employers are the most important source. They are obliged to deduct tax, pay it and provide information to Tax Norway. After the end of the income year (calendar year), your employer must send an annual statement detailing your pay and tax deducted in the income year (Certificate of Pay and Tax Deducted), both to you and the tax authorities. Banks are also obliged to provide information.

## What do I do when I receive my tax return?

You must check that the pre-completed information is correct and ensure that the return is submitted by the deadline. You can choose whether you wish to send it by mail or via the internet. If you send your tax return on paper, you will find the address of the tax authorities on the top left-hand corner of the first page.

If you have received a provisional tax assessment together with your tax return that shows that you have paid too little tax, you can avoid paying interest on the outstanding tax if you pay it before 30 April. You will receive a giro for the payment of tax along with your tax return. Please note that, if you change the income or deduction amounts in your tax return, the total amount of tax will also change.

### What happens if I do not submit a tax return?

If you fail to submit a tax return, the tax authorities will have to stipulate your income by discretionary judgement. In such case, Tax Norway will take into consideration the information it has about you. The Certificate of Pay and Tax Deducted from your employer is one source. But you risk information being missing about some of the deductions to which you are entitled and you will not be granted deductions which you have to claim yourself. You will also have to pay additional tax. This comes in addition to ordinary tax.

### How is the tax calculated?

There are two bases for calculating tax.

- Personal income (gross pay and taxable benefits and allowances from your employer). Surtax to the state is calculated on this basis. The basic tax-free allowance for the calculation of surtax is so high that many taxpayers do not pay surtax. National Insurance contributions are also calculated on the basis of personal income.
- Ordinary income (gross income minus deductions from income). Tax to municipal and county authorities and equalisation tax to the state is calculated on the basis of ordinary income. The basic tax-free allowance for ordinary income is called personal allowance.

If you stay in Norway for the whole income year, you will be given a full minimum deduction and personal allowance (12/12). If you only stay in Norway for part of the income year, the deductions and allowances will be reduced in proportion to how long you have stayed in Norway. If, for example, you stayed in Norway for between three and four months in the income year, the allowances and deductions will be 4/12 of the full amounts.

### Example of what the tax will be for an employee who stays in Norway temporarily.

Your tax depends on how much income you earn and on how long you stay here.

The following is an example for an employee who stayed here to work for five months (less than 183 days) in 2007:

Example:

Work in Norway for 20 weeks of 40 hours at NOK 120 per hour =	NOK	96 000	
100 hours' overtime at NOK 180 =	NOK	18 000	
Total pay	NOK	114 000	
Holiday pay: 10.2% of NOK 114,000 =	NOK	11 628	
Total taxable income in Norway	NOK	125 628	NOK 125 628
Minimum deduction: 36% of 125,600 = NOK 45,216, but maximum 5/12 of 63,800 =	NOK	26 583	
Standard deduction for foreign nationals: 10% of NOK 125,600 =	NOK	12 560	
Total deductions	NOK	39 143	NOK 39 143
<b>Ordinary income is thus NOK 124,628 – NOK 39,143 =</b>			<b>NOK 86 485</b>

### Total tax

Surtax – income under the limit of 5/12 of NOK 400,000			NOK	0
Tax on ordinary income is calculated on	NOK	86 485		
Reduced by 5/12 of the personal allowance in class 1: NOK 37,000 =				NOK 15 417
28% tax is calculated on	NOK	71 068		
The total tax is				NOK 19 899
National Insurance contributions of 7.8% of NOK 125,628 come in addition =				NOK 9 799
<b>Total tax and National Insurance contributions</b>				<b>NOK 29 698</b>

## Tax settlement notice

Once the tax office has processed your tax return, you will receive a tax settlement notice. It contains information about the income on which tax has been calculated, how much tax your employer has deducted and whether you have paid too much or too little tax. The tax settlement notice arrives in either June or October in the year following the income year.

If you have paid too little tax, you must pay the outstanding amount within the deadline stated on the giro that accompanies the tax settlement notice. You must pay within the deadline even if you appeal against the tax settlement. If your payment is overdue, interest will be charged at the rate for overdue payments. If you do not pay the tax, the authorities will pursue the matter and order your employer to make deductions from your pay if you are still working in Norway. If you have assets in Norway, the authorities may establish a charge on them. The authorities abroad also assist the Norwegian authorities in connection with the collection of unpaid tax.

## Appeals

If you believe that your tax settlement is incorrect, you can appeal. If you receive your tax settlement notice in June, the deadline for appealing is 10 August. If you receive your tax settlement notice in October, the deadline is three weeks after the tax settlement notice was sent. Appeals must be sent to the tax office. The name and address are stated on the tax settlement notice. In an appeal, you must state what you believe is incorrect and why it is incorrect. If it is incorrect, you will receive a new tax settlement notice. You will receive a refund of any excess tax paid.

The appeal will be sent to the tax collector if you believe the payroll withholding tax is incorrect.

If you have been taxed on the same income in your home country, you must contact the tax authorities there in order to find out how to avoid double taxation.

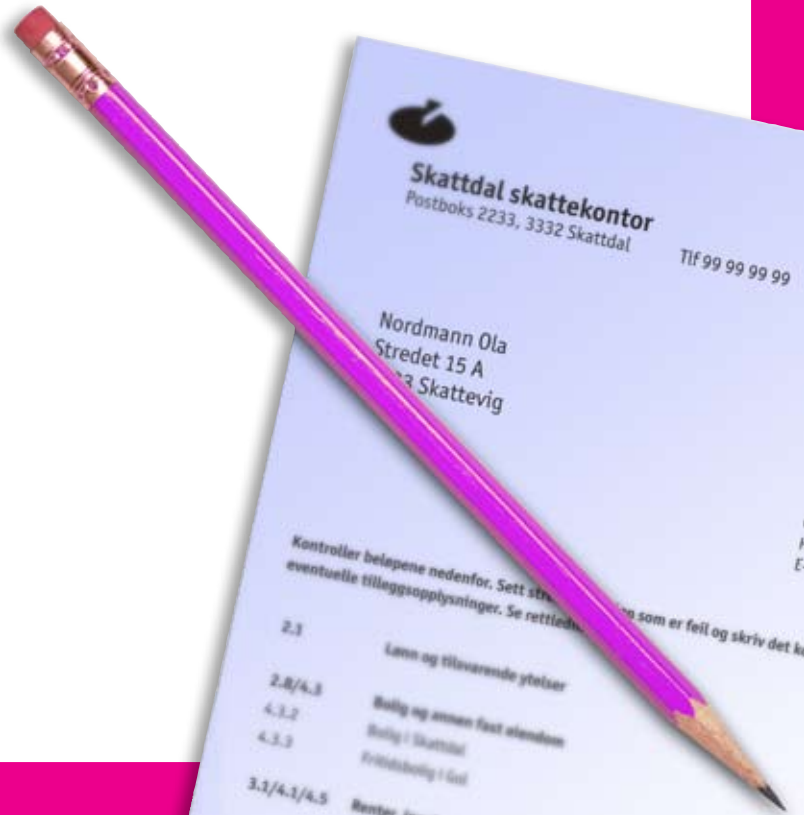
## Advance tax assessment

If you stay in Norway for up to 183 days, you can ask to settle your tax before leaving Norway. Contact the tax office, ask for an advance tax assessment and state when you are due to leave the country.

You must complete a tax return form and bring along confirmation from your employer of:

- your gross pay in Norway
- any allowances paid by your employer
- how much tax you have paid

The tax office will work out how much tax you have to pay, and you will receive a tax settlement notice shortly afterwards.





Skatteetaten



Published by  
Tax Norway  
March 2008

Print run  
15,000

Graphic design

Blå Design

Printed by

Jan Erik Lundahl

RF-2051

skatteetaten.no