



## Central Office – Foreign Tax Affairs

### Tax Topic no 9

unofficial translation

#### CALCULATION OF NORWEGIAN INCOME TAXES- INCOME YEAR 2013

##### EMPLOYEE'S CONTRIBUTION TO THE NORWEGIAN NATIONAL INSURANCE SCHEME (NIS)

Employees working onshore in Norway and on the Norwegian Continental Shelf are covered by the Norwegian NIS. The National Insurance Office handles applications regarding exemption from NIS.

For further information please contact:

The National Office for Social Insurance Abroad, P.O. Box 8133 Dep, NO-0033 OSLO, NORWAY. Telephone: +47 21 07 37 00, fax: +47 21 07 37 01.

Employer's contribution to the NIS must be calculated when exemption from NIS has not been granted.

##### INCOME

Gross income must include total payment, salary for off-duty periods, vacation pay, bonuses and certain payments in kind (ref. letter of subject no 5, 12 and 13)

##### DEDUCTIONS

###### *Minimum deduction*

2013 – 40 % on gross/personal income - max. NOK 81 300 , min. NOK 4 000

If you work only a part of the year in Norway, the minimum deduction will be as stated below:

<b>Months in Norway</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>Min</b>	4 000	5 300	7 950	10 600	13 250	15 900
<b>Max</b>	6 775	13 550	20 325	27 100	33 875	40 650
<b>Months in Norway</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
<b>Min</b>	18 550	21 200	23 850	26 500	29 150	31 800
<b>Max</b>	47 425	54 200	60 975	67 750	74 525	81 300

###### *Standard deduction*

The standard deduction is 10 % on gross/personal income when the gross-deal method is chosen, max. NOK 40 000.

###### *Deductible trade union contribution*

Max. NOK 3 850.

###### *Seafarer's deduction*

The seafarer's deduction (if qualified) is 30 %, max. amount NOK 80 000.

###### *Personal/family allowance*

If you are not regarded as resident in Norway for tax purposes, the personal/family allowance is reduced according to the duration of the stay/work period. (The deduction is not to be stated in the Tax Return).

<b>Tax Code 1</b>	<b>Tax Code 2</b>
<b>NOK 47 150</b>	The spouse's income must not exceed NOK 41 100 – is to be documented
	<b>NOK 94 300</b>

Example:

If you are taxed in tax Code 1 and have a total work period in Norway/on the Norwegian Continental Shelf of 60 days (2 months), you are entitled to a personal/family allowance of:

$NOK 47 150 \times 2/12 = NOK 7 858$

This allowance is not to be used when calculating the top tax and NIS, only when calculating the municipal tax.

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## CALCULATION OF THE TAXES

If you work onshore in Norway, a part of your tax is local municipal tax and another part is tax to the State (top tax and NIS). When working offshore, the calculation is the same, but the total tax goes to the State.

*To calculate the total taxes you must add municipal tax, top tax and contribution to the NIS (if not exempted).*

### MUNICIPAL TAX

The municipal tax rate is 28 % on ordinary/net income.

### TOP TAX

The top tax is calculated on gross/personal income and the tax free amount is (like the personal/family allowance) reduced according to the stay/work period.

Level 1	Tax rate	Income
Tax code 1 and 2	9,0 %	NOK 509 600
Level 2		
Tax code 1 and 2	12,0 %	NOK 828 300

Please note that the tax rates with regard to municipal tax and top tax are different for Finnmark and Nord-Troms. There is also a particular deduction (Finnmarks-fradrag) applicable for these counties.

### NATIONAL INSURANCE CONTRIBUTION

Employee's contribution to NIS for the income year 2013 is 7,8 %. NIS is not to be calculated when the gross/personal income does not exceed NOK 39 600.

This contribution is calculated on gross/personal income.

### EXAMPLE

This person is taxed in tax Code 1. The total working period including paid off-duty periods has been 60 days (2 months). The person is entitled to 2/12 personal/family allowance and 2/12 of the minimum deduction. The calculation is based on the "net-deal" method (without the 10 % standard deduction), ref. letter of subject no 5, 12 and 13.

<b>Personal/gross income</b>		NOK	<b>100 000</b>
Minimum deduction NOK 81 300 x 2/12	-	NOK	13 550
<b>Ordinary/net income</b>	=	NOK	<b>86 450</b>
<u>Municipal tax</u>			
Ordinary/net income		NOK	86450
personal allowance: NOK 47 150 x 2/12	-	NOK	7858
	=	NOK	78 592
Municipal tax 28 %: <u>NOK 78 592 x 0,28</u>	=	NOK	<b>22 006</b>
<u>Top tax</u>			
Top tax is calculated on personal/gross income for 2 months.			
➤ The «tax-free» amount for 12 months: NOK 509 600			
➤ The «tax-free» amount for 2 months: NOK 84 933			
NOK 100 000 – 84 933 = NOK 15067 x 9,0 %	=	NOK	<b>1356</b>
<u>National Insurance Contribution</u>			
Personal/gross income = NOK 100 000			
NIS contribution 7,8 % of NOK 100 000		NOK	<b>7 800</b>
<b>Total taxes</b>			
➤ Municipal tax		NOK	22 006
➤ Top tax		NOK	1 356
➤ NIS contribution		NOK	7 800
	=	<b>NOK</b>	<b>31 162</b>

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