



Skatteetaten



Skatteetaten
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Tax return 2010

for wage earners and pensioners etc.

0400

Personal identification number:
Tax class: 1E

Date of birth: 01.01.1980

Information for foreign employees:

About tax, tax deduction cards and tax returns

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 or Service Centre for foreign workers in order to obtain a tax deduction card.

This brochure only contains information 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 stay in Norway for one or more periods not exceeding

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

you are only liable to tax in Norway on pay from your Norwegian employer for work carried out in Norway.

Tax resident

If you stay in Norway for more than 183 days during a 12-month period or for more than 270 days during a 36-month period, 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 or 270 days. If you come to Norway in October one year and stay until June the year after, you have 'limited tax liability' in the first year and are 'tax resident' the following year.

Tax liability to both Norway and your home country

Income on which you are liable to tax in Norway may also be taxable in your home country. In order to avoid double taxation of the same income or capital, Norway has entered into tax treaties with many other countries. 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.

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:

- You have several clients, concurrently or successively
- You are paid fixed amounts and not by unit of time
- You provide materials yourself
- You have your own operating equipment, e.g. machinery, tools, car
- You can have other people carry out the work for you
- The client can complain about the result
- You are self-employed/engaged in business in your home country

Factors indicating you are an employee:

- You have only one employer
- You are paid by unit of time or by some 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 labour at the employer's disposal
- You 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 results of the work

The tax office will assess whether you are an employee or self-employed/engaged in business. If you believe that you are self-employed/engaged in business, you must read the 'Miniguide for foreign businesses and employees', which is available at skatteetaten.no.

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

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 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 or the Central Tax Office – Foreign Tax Affairs.

If you are an employee, you have rights that are intended to safeguard your pay and working conditions. More information is available from the Norwegian Labour Inspection Authority, see 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 think you will earn in Norway and how long you intend to stay here.

To obtain a tax deduction card, you must go to the tax office and show proof of your identity. Take along the following:

- 1) A valid passport. Foreign nationals must present a valid passport or other identity document approved for use as a travel document within the EU. For Nordic nationals it is sufficient to present a valid driving licence and a transcript that is no more than three months old from the population register of the state in question.
- 2) 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 when 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 collection office 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 valid for one income year (calendar year). If 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.

You must apply for a new tax deduction card for every income year. You do this by filling in the form RF-1209.

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. For January, your employer can use the same tax deduction card as for December the year before.

The employer pays the tax to the tax authorities. Any excess tax that has been paid will be refunded when your tax return has been processed and the tax assessed.

Tax deduction cards contain no information about work permit status and are not proof of the right to work or stay in Norway. Employers have an independent responsibility for ensuring that all their employees are entitled to work in Norway. Any questions must be addressed to the immigration authorities (Directorate of Immigration).

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 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 deduction has been taken into account. They are numbered 7300 or higher. See the brochure

'Information for foreign employees: Standard deductions' for more information.

A percentage-based card is issued if a table-based card would not result in the correct tax deduction. It also 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 the tax deduction card results in incorrect tax withholding?

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 a new or changed tax card/advance tax' (RF-1102). The forms are available from the tax office or at skatteetaten.no. If you have received PIN codes from the Tax Administration, you can apply for a new tax deduction card online at 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 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 for less than six months 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 approved ID card). Once you have a D-number, you must use the same number in all contexts where your national identity number or D-number is requested.

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 contributions is deducted from your pay as part of the tax deducted.

If you are insured in an EU/EEA country or in another country with which Norway has signed a national insurance agreement, you will not have to pay National Insurance contributions in Norway. You must document this by presenting form E101 or other documentation issued by the national insurance authorities in your home country. Your tax withholding can then be reduced.

More information about the Norwegian National Insurance scheme is available at 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 return

Everyone who works in Norway receives a tax return at the end of March/beginning of April in the year following the income year. If you do not receive a tax return, you must contact the tax office. It is important that the tax office knows where to send the tax return.

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 that 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 from your income, e.g. the standard deduction for foreign employees or

a deduction for expenses relating to living away from your home abroad (commuter deduction). You must claim these deductions yourself by entering them in your tax return. More information about the standard deduction is available in the brochure 'Information for foreign employees: The standard deduction', and about deductions for commuters in Information for foreign employees: Deductions for commuters - 2009'.

If you are resident in another EU/EEA country 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 the tax return is available in the brochure 'Information for foreign employees: The tax return for 2009'.

What obligations do I have when paying tax in Norway?

- You are obliged to provide the tax authorities with information about your income, capital and deductions.
- The information must be 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 office.
- You are responsible for the information in the tax return being correct. This also applies to pre-entered information.
- 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 fully completed 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.

If the tax authorities are considering changing amounts you have entered in your tax return, they must give you notice of this and set a deadline for you to respond. The tax office assesses and decides what to base the tax assessment on.

- If you disagree with the tax assessment, you can appeal.
- If the tax office is considering changing a tax assessment that has already been completed (after you have received your tax settlement notice), you shall be notified and a deadline shall be set for you to respond. If you do not respond or you agree with the proposed change, you will receive a new tax settlement notice and will not receive a written decision in advance.
- If you disagree with the proposed change or additional tax is imposed, you will receive a written decision.

Where does the pre-entered 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 the Tax Administration. 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-entered information is correct. If the information contains errors or information is lacking, you must change the tax return.

If you have no changes to make to the pre-completed tax return, you do not have to submit it. In such case, you are deemed to have submitted the tax return with the pre-entered information.

If you have changes to the pre-entered information, you must fill in the amounts you believe to be correct and submit the tax return by 30 April at the latest. You can choose whether you wish to send it by mail to the tax office or via the Internet. If you send your tax return on paper, you will find the address of the tax authorities in 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 by 31 May. You will find more information about

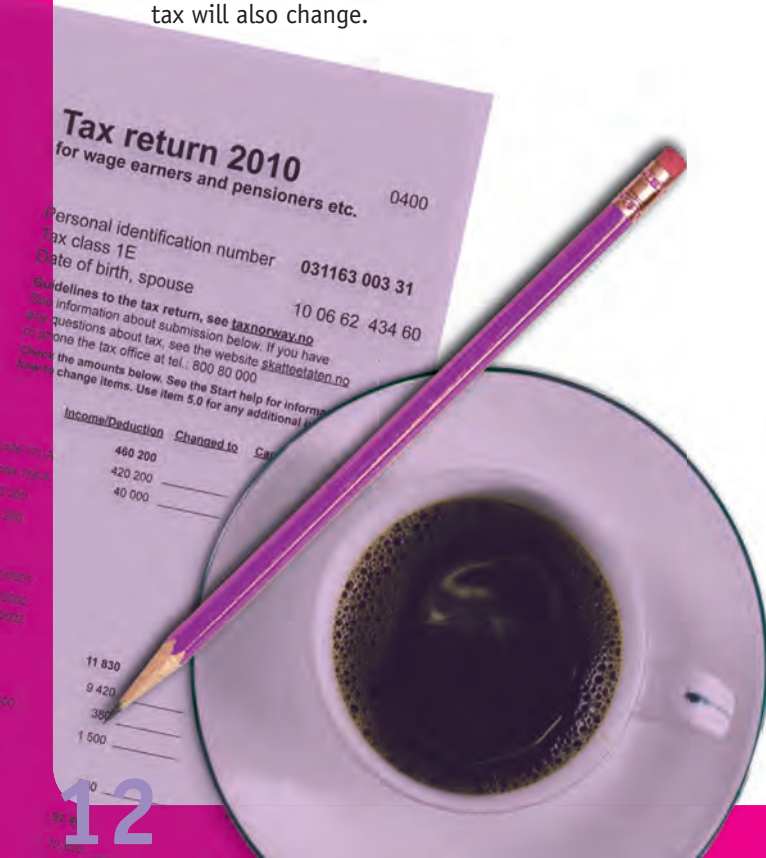
account number and KID number for advance tax payment on your tax return. Please note that, if you change the income or deduction amounts in your tax return, the total amount of tax will also change.

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.
- General 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 general income. The basic tax-free allowance for general income is called a personal allowance.

If you stay/ are resident in Norway for the whole income year, you will be entitled to the full minimum deduction and personal allowance (12/12). If you only stay/ are resident in Norway for part of the income year, the deductions and allowance will be reduced in proportion to how long you have stayed/ been resident in Norway. If, for example, you stayed/ was resident in Norway for between seven and eight months in the income year, the allowance and deductions will be 8/12 of the full amounts.



Example of what the tax will be for an employee who stays in Norway for less than 183 days:

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

The following is an example of an employee who stayed here to work for five months (less than 183 days) in 2011:

Example:

Work in Norway for 20 weeks of 40 hours at NOK 160 per hour =	NOK 128,000	
100 hours' overtime at NOK 240 =	NOK 24,000	
Total pay	NOK 152,000	
Holiday pay: 10.2% of NOK 152,000	NOK 15,504	
Total taxable income in Norway	NOK 167,504	NOK 167,504
Minimum deduction: 36% of NOK 167,504 = NOK 60,301, but maximum 5/12 of NOK 75,150 =	NOK 31,313	
Standard deduction for foreign employees: 10% of NOK 167,504 =	NOK 16,750	
Total deductions	NOK 48,063	NOK 48,063
General income is thus NOK 167,504 – NOK 48,063 =		NOK 119,441

Total tax

Surtax – income under the limit of 5/12 of NOK 471,200		NOK 0
Tax on general income is calculated on	NOK 119,441	
Reduced by 5/12 of the personal allowance in class 1: NOK 43,600 =	NOK 18,167	
28% tax shall be calculated on	NOK 101,274	
The total tax is		NOK 28,357
National Insurance contributions of 7.8% of NOK 167,504 come in addition =		NOK 13,065
Total tax and National Insurance contributions		NOK 41,422

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. In 2011, the tax settlement notices for 2010 will be sent in more batches than the two that have previously been the norm. This means that you will receive your tax settlement notice either in the second half of June, in mid-August, in mid-September or in the second half of October.

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 collection office 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 choose to settle your tax before leaving Norway. It is also a condition that you have not had several stays in Norway totalling more than 270 days during a period of 36 months.

You must complete the 'Tax return for advance assessment of foreign employees' (RF-1038). The tax return and guidelines (RF-1039) are available from the tax office. You will also find them at skatteetaten.no. The tax return must be submitted to the tax office.

You will receive a tax settlement notice shortly afterwards.





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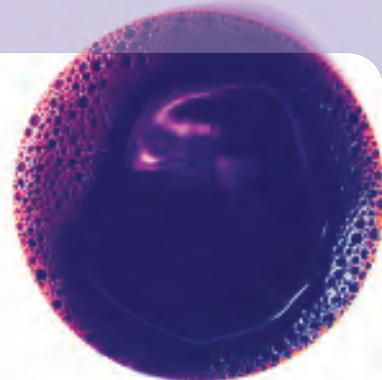
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