



Skatteetaten

MINI-GUIDE FOR

Foreign businesses and employees

IN CONNECTION WITH ASSIGNMENTS IN NORWAY
OR ON THE NORWEGIAN CONTINENTAL SHELF

CENTRAL OFFICE - FOREIGN TAX AFFAIRS (COFTA)
JANUARY 2011

Foreign businesses

NORWEGIAN ORGANISATION NUMBER

Everyone who is engaged in business activity in Norway or on the Norwegian continental shelf must have a Norwegian organisation number. The same applies to enterprises that only have employees who work in Norway.

An organisation number is assigned on registration in the Central Coordinating Register for Legal Entities in Brønnøysund and is used, among other things, when reporting to the tax authorities.

Remember to report any change of the enterprise's address to the Central Coordinating Register for Legal Entities.

REPORTING OF CONTRACTS AND EMPLOYEES

Information about contracts and employees used in connection with a contract shall be reported using form RF-1199 'Information about contracts, contractors and employees'.

For more information about the duty to report, see page 6.

VALUE ADDED TAX

Foreign businesses that sell goods or services that are liable to VAT in Norway, must be registered in the VAT Register if sales and taxable withdrawals exceed NOK 50,000 during a 12-month period.

PAYMENT OF ADVANCE TAX

Limited companies pay advance tax in two instalments in the year **following** the income year.

Self-employed persons pay advance tax in four instalments **during** the income year.

TAX DEDUCTION FROM EMPLOYEES' WAGES

Employers must deduct tax at the rate in employees' tax deduction cards, see page 4. If an employee has not received a tax deduction card, the employer must deduct 50 per cent in tax.

An employer or employee can apply to the Central Office – Foreign Tax Affairs (COFTA) for exemption from tax withholdings for the employee. Exemption can be granted after a concrete assessment if there is reason to believe that the income will not be taxable in Norway. The grounds for the exemption must be stated in the application.

PAYMENT OF EMPLOYER'S NATIONAL INSURANCE CONTRIBUTIONS AND TAX WITHHOLDINGS

Employer's National Insurance contributions and tax withholdings for employees are paid six times a year.

The employer's National Insurance contributions and tax withholdings are paid to the International Tax Collection Authority.

REPORTING INCOME

The employer shall provide the tax authorities with information about wages, allowances and tax withholdings in form RF-1015 'Lønns- og trekkoppgave' (Certificate of Pay and Tax Deducted/ End of Year certificate) for all employees who have worked in Norway or on the Norwegian continental shelf. The form is sent to employers at the end of the income year. The deadline for submitting the form is 20 January in the year following the income year. If the forms are submitted online via altinn.no, the deadline is 31 January in the year following the income year.

TAX RETURN

Companies must submit form RF-1028 'Selvangivelse for aksjeselskaper, verdipapirfond, banker mv' (Corporate tax return), form RF-1167 'Næringsoppgave 2' (Income Statement 2), form RF-1045E 'Extract of accounts' and form RF-1217 'Spesifikasjon av forskjeller mellom regnskapsmessige og skattemessige verdier' (Specification of differences between accounting and tax values).

Self-employed persons must submit 'Tax return' (form RF-1030), form RF-1030-S 'Additional information for foreign nationals', form RF-1175E 'Income Statement 1' and form RF-1224E 'Form for the calculation of personal income'.

The deadline for online submission of the tax return is 31 May in the year following the income year for both companies and self-employed persons etc. For companies that submit their tax return on paper, the deadline is 31 March. For self-employed persons who submit their tax return on paper, the deadline is 30 April.

TAX SETTLEMENT NOTICE

The tax settlement notice is an overview of the amounts on which the tax assessment is based. It shows whether too much or too little tax has been paid.

The tax settlement notice is sent to the enterprise's registered address in October in the year following the income year.

Employees

TAX DEDUCTION CARDS

All employees who work in Norway or on the Norwegian continental shelf must have a tax deduction card.

Employees staying temporarily in Norway and who work for a foreign employer and employees who work on the Norwegian continental shelf and who live abroad must have a tax deduction card from the Central Office – Foreign Tax Affairs (COFTA).

The tax deduction card is normally issued on the basis of information provided by the employer on form RF-1199 'Information about contracts, contractors and employees', see page 7.

If the employer does not have a duty to report (see page 6), the employee must submit form RF-1209 'Application for a tax deduction card for foreign nationals' to COFTA in order to obtain a tax deduction card. A certified copy of an ID document must be enclosed.

The tax deduction card will be sent to the employee's registered address. The Norwegian ID number (D-number or personal ID number) is stated on the tax deduction card.

Employees must give the tax deduction card to their employer.

Note that the issuing of a tax deduction card does not mean that the employee has a work permit.

TAX RETURN

Employees who are staying temporarily in Norway and who work for a foreign employer must submit a tax return and form RF-1030-S 'Additional information for foreign nationals' to COFTA regardless of whether they are liable to tax in Norway.

The tax return is pre-completed and based on the Certificate of Pay and Tax Deducted/End of year certificate from the employer. The tax return is sent to employees in April in the year following the income year together with form RF-1030-S 'Additional information for foreign nationals'.

Employees must themselves correct any errors and omissions in the form before submitting it.

The deadline for submission of the tax return and additional page is 30 April. The tax return can be submitted online via altinn.no, see page 12.

Employees who have not received a pre-completed tax return must fill in and submit form RF-1281. This form cannot be submitted online, unfortunately.

TAX SETTLEMENT NOTICE

The tax settlement notice is an overview of the amounts on which the tax assessment is based. It shows whether too much or too little tax has been paid.

If too little tax has been deducted, you must pay the remainder as underpaid tax. If too much tax has been deducted, you will receive a refund.

The tax settlement notice is sent in October in the year following the income year. It will also be available at altinn.no.

ADDRESS

Remember to notify the tax authorities about any change of address so that the tax return and tax settlement notice are sent to the correct address, see www.taxnorway.no.

Duty to report

CONTRACTS

All contracts and any subcontracts awarded to foreign contractors must be reported to the Central Office – Foreign Tax Affairs (COFTA) provided that the work is performed

- on a site for building and assembly work in Norway, or
- on a site that is under the client's control in Norway, or
- on the Norwegian continental shelf.

The duty to report applies both to businesses and to public agencies.

There is no duty to provide information if the client is a private individual or if the contract is worth less than NOK 10,000.

EMPLOYEES

If you have a duty to provide information about the contract, you must also provide information about employees used in performance of the contract.

The client must provide information about employees who work for a foreign contractor and who are used in connection with the contract in question.

The foreign contractor is obliged to provide information about its own employees used in performance of the contract.

REPORTING

Even though both the client and the contractor are obliged to provide information about employees used in connection with the contract, it is sufficient that one of them reports this information.

The information must be reported irrespective of whether the contractor and the employee(s) are liable to tax in Norway.

FORMS AND DEADLINES

Information about contracts and employees used in connection with a contract shall be reported using form RF-1199 'Information about contracts, contractors and employees'.

The information must be reported as soon as possible and no later than 14 days after the work has commenced.

If changes occur after the information has been provided, corrected information must be provided no later than 14 days after the change occurred. This also applies to changes concerning the personnel used in performance of the contract.

SANCTIONS

Failure to report may lead to the imposition of a penalty charge or enforcement fine, and to the client being liable for direct and indirect taxes the contractor has failed to pay.

Duty to report – examples

Assignments carried out on a site for building and assembly work or on the Norwegian continental shelf – reporting of the contract and employees

EXAMPLE

A has awarded a contract to Norwegian contractor B. B passes on the whole or part of the contract to foreign business U. U uses Norwegian and foreign employees.

NORWEGIAN PRINCIPAL CLIENT (A)



NORWEGIAN CONTRACTOR (B)



FOREIGN CONTRACTOR (U)

- A and B both have a duty to report the contract awarded by B to U.
- A is not obliged to report the contract awarded to B
- A, B and U have a duty to report employees used by U in performance of the contract.

Reporting of contracts in Norway performed on a site that is under the client's control

EXAMPLE

A awards a contract to foreign business U. The contract is performed on A's premises.

NORWEGIAN PRINCIPAL CLIENT (A)

FOREIGN CONTRACTOR (U)

Is the contract performed on a site under the client's control?

The answer is 'yes' since the contract is performed on A's premises.

- A has a duty to report the contract awarded to U.
- A and U have a duty to report employees used by U in performance of the contract.

EXAMPLE

A awards a contract to B. B passes on the whole or part of the contract to U. The contract is performed on B's premises.

NORWEGIAN PRINCIPAL CLIENT (A)

NORWEGIAN CONTRACTOR (B)

FOREIGN CONTRACTOR (U)

Is the contract performed on a site under A's control?

The answer is 'no' since the contract is performed on B's premises.

- A does not have a duty to report the contract awarded to U.
- B has a duty to report the contract awarded to U.
- B and U have a duty to report employees used by U in performance of the contract.

Online submission via altinn.no



Online submission via altinn.no

In order for enterprises to submit online via altinn.no, the general manager or chair of the board must be registered in the Central Coordinating Register for Legal Entities in Brønnøysund (www.brreg.no) and have a D-number.

A one-time code is also needed (PIN code), which can be ordered when logging on for the first time.

Employees and self-employed persons are required to have a Norwegian personal ID number or D-number and a PIN code.

Taxpayers who have not previously worked in Norway will be sent PIN codes before the tax return is sent to them.

If you need new PIN codes, you can order them from altinn.no.

For log-on and navigation help, contact Altinn User Service:
Tel.: +47 75 00 60 00 /e-mail: support@altinn.no

The forms can also be printed out from www.taxnorway.no or ordered from the Central Office – Foreign Tax Affairs.

Kontakt

THE BRØNNØYSUND REGISTERS

for queries about organisation numbers

Postal address: NO-8910 BRØNNØYSUND, NORWAY

Phone: + 47 75 00 75 00

Website: <http://www.brreg.no>

for queries about using altinn.no

Phone: + 47 75 00 60 00

E-mail: support@altinn.no

CENTRAL OFFICE – FOREIGN TAX AFFAIRS (COFTA)

for queries about:

- The obligation to provide information
- Tax liability, obligation to keep accounts and auditing duty
- Tax deduction cards, preliminary tax/advance tax
- Tax return and appeals against the tax assessment

Postal address: P.O. Box 8031, NO-4068 STAVANGER, NORWAY

Office address: Lagårdsveien 46, Stavanger

Phone: + 47 51 96 96 00

Fax: + 47 51 96 96 96

E-mail: sfu@skatteetaten.no

LOCAL TAX OFFICE

for queries about value added tax (VAT)

Phoning from Norway: 800 80 000

From abroad: + 47 22 07 70 00

INTERNATIONAL TAX COLLECTION AUTHORITY

for queries about:

- Payment of tax withholdings and employer's National Insurance contributions
- Submission of Certificates of Pay and Tax Deducted/ End of Year Certificates
- Tax settlement notice
- Recovery of Norwegian tax in Norway or your home country

Postal address: P.O. Box 8103, NO-4068 STAVANGER, NORWAY

Office address: Lagårdsveien 46, Stavanger

Phone: + 47 51 86 89 00

Fax: + 47 51 91 73 01

E-mail: skattvest@skatteetaten.no

NAV NATIONAL OFFICE FOR SOCIAL INSURANCE ABROAD

Postal address: P.O. Box 8138 Dep,
NO-0033 OSLO, NORWAY

Phone: + 47 21 07 37 00

E-mail: nav.internasjonalt@nav.no



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**Do you have questions about
tax and work in Norway?
Visit www.taxnorway.no**

**Submit tax documents to the
Norwegian Tax Administration
online at www.altinn.no**

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