

Budget 2018



- Key figures for the Norwegian economy
- Main figures of the Fiscal Budget
- Direct and indirect tax rates



Main figures of the Fiscal Budget and the Pension Fund excluding borrowing and lending transactions for 2017 and 2018 (NOK million)

	Estimated accounts 2017	Adopted budget 2018
<i>Total revenue of the Fiscal Budget</i>	1 219 894	1 255 665
Revenue from petroleum activities	194 478	208 049
Revenue excluding petroleum revenue	1 025 416	1 047 616
<i>Total expenditure of the Fiscal Budget</i>	1 283 810	1 327 982
Expenditure on petroleum activities	27 000	25 000
Expenditure excluding petroleum expenditure	1 256 810	1 302 982
= Fiscal Budget surplus before transfers to the Pension Fund Global	-63 916	-72 317
- Net cash flow from petroleum activities	167 478	183 049
= Petroleum adjusted surplus	-231 394	-255 366
+ Transferred from the Pension Fund Global	231 394	255 366
= <i>Fiscal Budget surplus</i>	0	0
+ Net allocated to the Pension Fund Global	-63 916	-72 317
+ Fund revenue from interest and dividends	206 800	213 600
= <i>Total surplus of the Fiscal Budget and the Pension Fund</i>	142 884	141 283

Source: Ministry of Finance

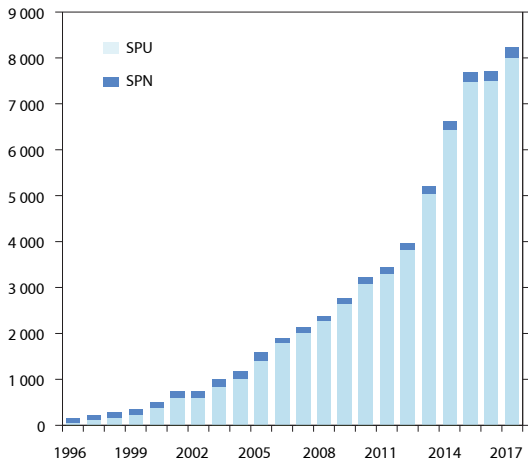
The borrowing and lending transactions, and financing requirements, of the Fiscal Budget for 2017 and 2018 (NOK million)

	Estimated accounts 2017	Adopted budget 2018
<i>Borrowing and lending transactions excluding petroleum</i>		
Lending, subscription for shares, etc.	101 099	102 883
- Repayment	108 294	165 334
- Fiscal Budget surplus	0	0
= Net financing requirements	-7 195	-62 451
+ Debt instalments	50 959	0
= <i>Gross financing requirements of the Fiscal Budget</i>	43 764	-62 451

Source: Ministry of Finance

Market value of the Government Pension Fund Global

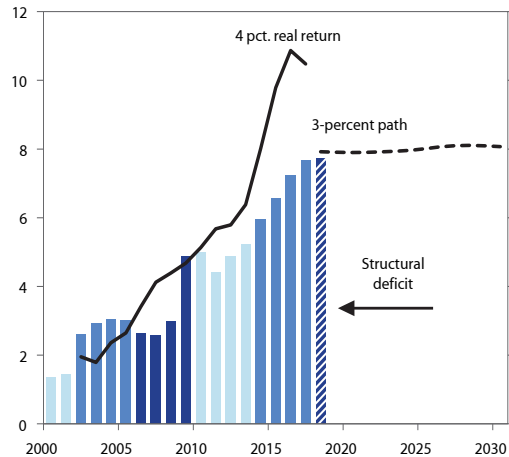
NOK billion. 1996 - first half of 2017



Source: Ministry of Finance

Structural ,non-oil deficit and real return of the Government Pension Fund

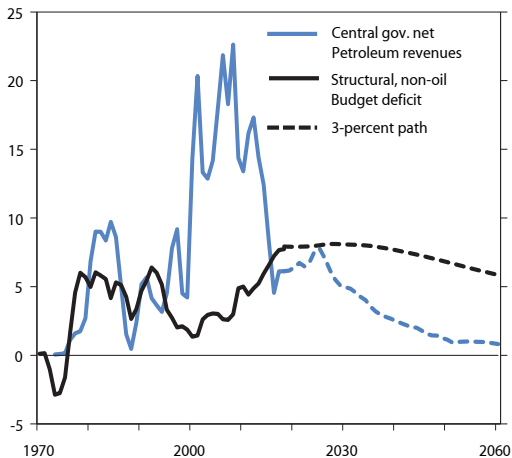
Percentage of trend GDP for Mainland Norway



Source: Ministry of Finance

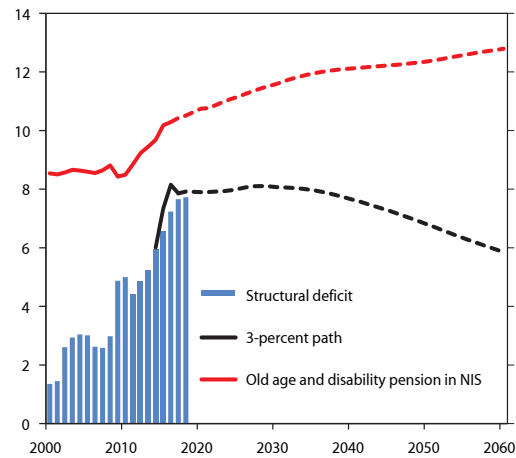
Government net petroleum revenues, structural non-oil budget deficit and expected real return on Government Pension Fund Global

Per cent of Mainland Norway GDP



Source: Ministry of Finance

Pension expenditures and the 3-percent path



Source: Ministry of Finance

Key figures for the petroleum sector

	2016	2017	2018	2019	Oil price sensitivity 2018 ¹
Assumptions:					
Crude oil price, NOK per barrel	379	438	438	441	
Production, Mill. Sm ³ o.e.					
- Crude oil, condensate and NGL	116	116	108	104	
- Natural gas	115	117	117	117	
NOK billion:					
Paid taxes	48	77	91	94	2.6
Net revenues from SDØE	66	90	77	88	1.8
Net cash flow	125	175	183	192	4.3

1) Effects of an oil price increase of NOK 10 per barrel.

Sources: Statistics Norway, Ministry of Petroleum and Energy, Norwegian Petroleum Directorate and Ministry of Finance.

Child benefit and cash benefit

	2017-rules	2018-rules	Change 2017-2018
Annual child benefit rate	NOK 11 640	NOK 11 640	-
Single parent rate (children 0-3 years old) ¹	NOK 7 920	NOK 7 920	-
Monthly full rate cash benefit for children aged 13-23 months	NOK 7 500 ²	NOK 7 500 ³	-

1) Applicable only to single parents receiving transitional benefit.

2) From 1.8.2017, if the child is not in kindergarten, full cash benefit is given. If the child has partial day care in kindergarten at 19 hours or less per week, the cash benefit is 50 percent of the full rate.

3) From 1.8.2018, if the child is not in kindergarten, full cash benefit is given. If the child has partial day care in kindergarten at 1-8 hours per week, the cash benefit is 80 percent of the full rate, 9-16 hours is 60 percent, 17-24 hours is 40 percent, 25-32 hours is 20 percent, and 33 hours or more is no benefit.

Source: Ministry of Finance

Fiscal Budget revenue and expenditure 2018, excluding borrowing and lending transactions (NOK billion)

Fiscal Budget revenue (excl. petroleum)	1 047.6
Sum direct and indirect taxes from Mainland Norway	973.9
Taxes on wealth and income	246.8
Employer's and employee's social security contributions	326.8
Value added tax	291.5
Excise duties on tobacco and alcohol	20.9
Excise duties on cars	24.8
Excise duties on electricity	11.1
Customs revenue	3.5
Other indirect taxes	48.5
Interest and dividends	30.6
Revenue from government business operations	2.5
Other revenue	40.6

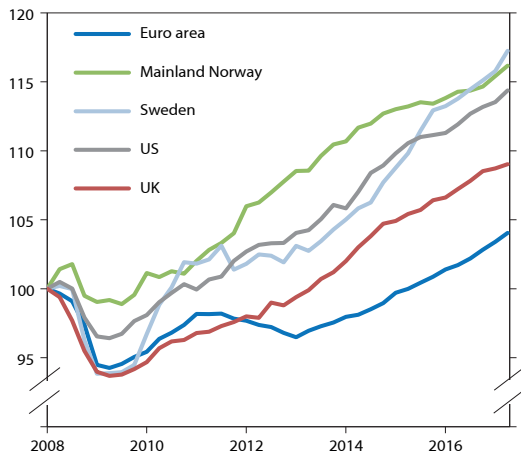
Fiscal Budget expenditure (excl. petroleum)	1 303.0
Sum National Insurance Scheme	470.7
Retirement pension	223.1
Sickness allowance	42.6
Other social security payouts (social causes)	137.5
Disability and medical rehabilitation	32.0
Maternity, paternity and adoption pay	21.2
Unemployment benefit and payments relating to occupational rehabilitation	14.2
General grants to local governments	164.7
Regional health enterprises (hospitals)	147.7
Transport and communications (including operation and maintenance of classified roads)	67.1
Defence	54.9
Higher education and tertiary vocational education	38.7
Foreign aid (ODA approved)*	33.8
Police and public prosecution	20.2
Child benefit and cash benefit	16.8
Agricultural Agreement	15.1
Interest on government debt	8.9
Other expenditure	264.3
Petroleum adjusted surplus	-255.4
Government net cash flow from petroleum sector	183.0

* In addition, the ODA approved foreign aid includes primary capital to Norfund, funds to the Asian Infrastructure Investment Bank (AIIB), foreign aid expenditure under the Ministry of Education and Research, the foreign aid expenditure of the Office of the Auditor General of Norway and value added tax related to foreign aid.

Source: Ministry of Finance

GDP, seasonally adjusted volume indices

1. Q 2008=100



Sources: OECD, Statistics Norway and Macrobond

Crude oil price (Brent)

USD per barrel. Spot prices and forward prices

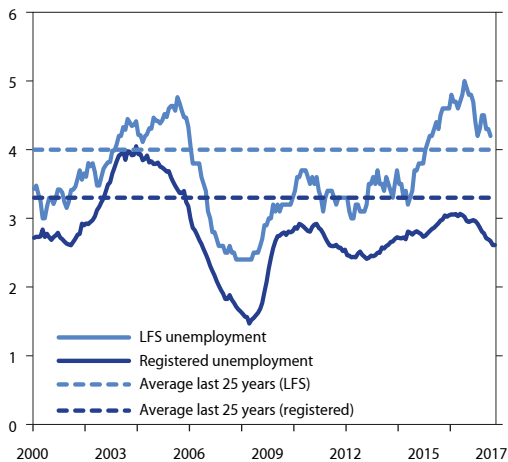


Source: National budget 2018

Unemployment. Percentage of the labour force

LFS and reg. unemployment.

Seasonally adjusted

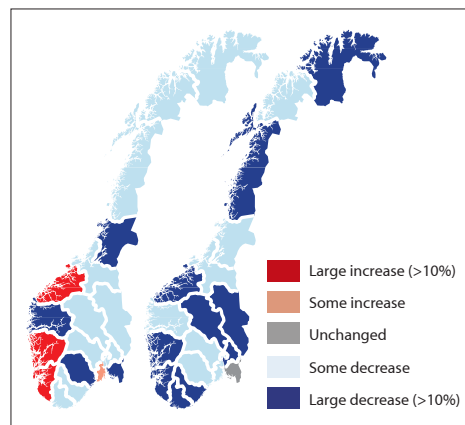


Sources: Statistics Norway, Norwegian Labour and Welfare Administration and Ministry of Finance

Annual change in registered unemployment

From respectively Sept. 2015–Sept. 2016 (left)

and Sept. 2016–Sept. 2017 (right)



Source: Norwegian Labour and Welfare Administration and Ministry of Finance

Expenditure and revenue for the fiscal year 2018 (1000 NOK)

Expenditure

	Total expenditure	Operation expenditure	New construction	Transfers to others	Lending and borrowing transactions
Royal House	357 345	21 493	-	335 852	-
Government	406 092	406 092	-	-	-
Parliament	2 449 200	1 622 000	593 400	233 800	-
Supreme Court	109 750	109 750	-	-	-
Ministry of Foreign Affairs	38 135 933	5 843 098	59 116	30 777 734	1 455 985
Ministry of Education and Research	61 841 398	5 905 038	26 285	55 910 075	-
Ministry of Culture	14 187 737	2 036 031	32 118	12 119 588	-
Ministry of Justice and Public Security	57 404 192	35 100 994	3 408 066	18 895 132	-
Ministry of Local Government and Modernisation	189 084 303	5 502 078	2 420 315	181 161 910	-
Ministry of Labour and Social Affairs	34 812 554	17 942 435	840 677	12 629 442	3 400 000
Ministry of Health and Care Services	165 951 491	5 395 963	20 480	160 535 048	-
Ministry of Children and Equality	27 550 471	7 831 407	-	19 719 064	-
Ministry of Trade, Industry and Fisheries	11 023 650	4 335 349	481 100	6 034 201	173 000
Ministry of Agriculture and Food	18 579 957	1 741 625	4 032	16 834 300	-
Ministry of Transport and Communications	67 693 841	15 978 232	15 876 600	35 839 009	-
Ministry of Climate and Environment	10 700 683	2 894 953	626 042	7 179 688	-
Ministry of Finance	51 509 104	16 542 504	258 400	34 708 200	-
Ministry of Defence	54 945 177	36 636 246	17 609 044	699 887	-
Ministry of Petroleum and Energy	8 097 429	1 643 077	17 000	4 537 352	1 900 000
Various expenditure	4 498 022	4 498 022	-	-	-
State banks	113 859 755	747 542	47 699	15 210 144	97 854 370
Government petroleum activities	25 000 000	-	25 000 000	-	-
Government business operations	3 892 098	-459 344	4 341 442	10 000	-
National Insurance Scheme	470 674 975	-	-	470 674 975	-
Government Pension Fund Global	183 049 000	-	-	183 049 000	-
Total expenditure	1 615 814 157	172 274 585	71 661 816	1 267 094 401	104 783 355

	Fiscal Budget ex the National Insurance Scheme	National Insurance Scheme	Fiscal Budget incl. the National Insurance Scheme
1. Revenue (ex repayments and transfers from the Government Pension Fund Global)	926 505 856	329 158 927	1 255 664 783
2. Expenditure (ex lending, debt instalments)	1 040 355 827	470 674 975	1 511 030 802
Operation expenditure	172 274 585	-	172 274 585
New construction	71 661 816	-	71 661 816
Transfers to others	613 370 426	470 674 975	1 084 045 401
Transfers to the Government Pension Fund	183 049 000	-	183 049 000
3. Surplus before borrowing and lending transactions before transfer from the Government Pension Fund Global (1-2)	-113 849 971	-141 516 048	-255 366 019
4. Transfers from the Government Pension Fund Global	255 366 019	-	255 366 019
5. Surplus before borrowing and lending transactions (3+4)	141 516 048	-141 516 048	-

Revenue

	Total revenue	Operation revenue	Revenue related to new construction	Taxes, duties and other transfers	Repayments
Taxes on wealth and income	246 827 000	-	-	246 827 000	-
Employer's and employee's social security contributions	326 818 000	-	-	326 818 000	-
Customs revenue	3 450 000	-	-	3 450 000	-
Value added tax	291 500 000	-	-	291 500 000	-
Excise duties on alcohol	13 800 000	-	-	13 800 000	-
Excise duties on tobacco	7 100 000	-	-	7 100 000	-
Excise duties on cars	24 835 000	-	-	24 835 000	-
Other excise duties	59 575 241	-	-	59 575 241	-
Total taxes and duties	973 905 241	-	-	973 905 241	-
Interests from government business operations	87 449	-	-	87 449	-
Other revenue from government business operations	2 407 141	200	2 388 041	18 900	-
Total revenue from government business operations	2 494 590	200	2 388 041	106 349	-
Interests from state banks	8 785 131	-	-	8 785 131	-
Interests from cash balance and other	3 387 230	-	-	3 387 230	-
Dividends exclusive Statoil	18 457 921	-	-	18 457 921	-
Interests and dividends (ex Government business operations and Statoil)	30 630 282	-	-	30 630 282	-
Revenue from the ministries	26 085 670	16 777 575	617 679	8 690 416	-
Transfer from Norges Bank	14 500 000	-	-	14 500 000	-
Return of assets from The State Bank Insurance Fund	-	-	-	-	-
Total other revenue	40 585 670	16 777 575	617 679	23 190 416	-
Revenue from government petroleum activities	102 400 000	76 900 000	22 200 000	3 300 000	-
Taxes and duties on extraction of petroleum	91 105 000	-	-	91 105 000	-
Dividends from Statoil	14 544 000	-	-	14 544 000	-
Total petroleum revenue	208 049 000	76 900 000	22 200 000	108 949 000	-
Repayments	167 234 113	-	-	-	167 234 113
Government Pension Fund Global	255 366 019	-	-	255 366 019	-
Total revenue	1 678 264 915	93 677 775	25 205 720	1 392 147 307	167 234 113

	Fiscal Budget ex the National Insurance Scheme	National Insurance Scheme	Fiscal Budget incl. the National Insurance Scheme
Borrowing and lending transactions:			
6. Loans, debt instalments, subscription of shares overall	104 783 355	-	104 783 355
Loans to the state banks	97 854 370	-	97 854 370
Debt instalments	-	-	-
Other loans, subscription of shares	6 928 985	-	6 928 985
7. Repayments	167 234 113	-	167 234 113
8. Loans (net) (6-7)	-62 450 758	-	-62 450 758
9. Overall financing requirements – of cash balance and borrowing and lending assets (8-5)	-203 966 806	141 516 048	-62 450 758

Macroeconomic developments

Percentage change from previous year¹

	NOK billion ²	2016	2018	2019
Private consumption	1 418.7	2.3	3.2	3.2
Public consumption	757.6	1.7	1.2	-
Gross fixed capital formation	750.5	3.9	2.5	3.0
Of which:				
Oil activities ³	164.9	-6.5	2.2	7.7
Mainland business sector	237.9	4.9	5.6	5.6
Residential construction	184.8	9.6	-0.2	-2.7
Public sector	164.6	5.4	1.5	-
Final demand from Mainland Norway	2 763.6	3.1	2.5	2.4
Exports	1 064.1	1.1	0.9	1.9
Of which:				
Crude oil and natural gas	373.4	0.9	-4.8	-2.4
Traditional goods	355.7	1.7	3.8	5.0
Imports	1037.1	3.2	3.3	3.6
Gross Domestic Product	3 117.0	1.9	1.5	1.9
Of which: Mainland Norway	2 717.3	2.0	2.5	2.6
Memo:				
Employment. Persons	-	0.7	1.1	1.1
Unemployment rate (LFS, per cent of labour force)	-	4.3	4.0	3.8
Consumer price index	-	1.9	1.6	1.7
Consumer price index adjusted for tax changes and excluding energy products (CPI-ATE)	-	1.6	1.8	1.9
Wage growth	-	2.4	3.0	3.0
Crude oil price (NOK per barrel) ⁴	-	438	438	441
Gross National Income (NOK billion) ⁴	-	3 468.8	3 549.2	-

1) Percentage change is calculated in fixed prices.

2) National accounts current prices.

3) Excl. services.

4) Current prices.

Sources: Macrobond, Reuters, Norwegian Labour and Welfare Administration, Statistics Norway and Ministry of Finance.

Tax rates, allowances and thresholds in 2017 and in 2018

	Rules 2017	Rules 2018	Change 2017-2018
Tax on ordinary income			
Individuals ¹	24 pct.	23 pct.	-1 percentage point
Enterprises ²	24 pct.	23 pct.	-1 percentage point
Bracket tax			
Bracket 1			
Threshold	NOK 164,100	NOK 169,000	3.0 pct.
Rate	0.93 pct.	1.4 pct.	0.47 percentage points
Bracket 2			
Threshold	NOK 230,950	NOK 237,900	3.0 pct.
Rate	2.41 pct.	3.3 pct.	0.89 percentage points
Bracket 3			
Threshold	NOK 580,650	NOK 598,050	3.0 pct.
Rate ³	11.52 pct.	12.4 pct.	0.88 percentage points
Bracket 4			
Threshold	NOK 934,050	NOK 962,050	3.0 pct.
Rate	14.50 pct.	15.4 pct.	0.88 percentage points
Employees' social security contribution			
Lower threshold for the payment of employees'			
social security contribution	NOK 54,650	NOK 54,650	-
Levelling rate	25.0 pct.	25.0 pct.	-
Rate			
Wage income	8.2 pct.	8.2 pct.	-
Fishing, hunting and childminding ⁴	8.2 pct.	8.2 pct.	-
Income from other self-employment	11.4 pct.	11.4 pct.	-
Pension income, etc.	5.1 pct.	5.1 pct.	-
Employers' social security contribution			
Zone I	14.1 pct.	14.1 pct.	-
Zone Ia ⁵	14.1 pct.	14.1 pct.	-
Zone II	10.6 pct.	10.6 pct.	-
Zone III	6.4 pct.	6.4 pct.	-
Zone IV	5.1 pct.	5.1 pct.	-
Zone IVa	7.9 pct.	7.9 pct.	-
Zone V	0.0 pct.	0.0 pct.	-

1) The rate for taxpayers in Nord-Troms and Finnmark is reduced from 20.5 pct. in 2017 to 19.5 pct. in 2018.

2) The tax rate on ordinary income for financial enterprises subject to Financial Activity Tax is 25 pct. in 2017. The tax rate is continued at the 2017 level in 2018.

3) The rate is 9.52 pct. in bracket 3 for taxpayers in Nord-Troms and Finnmark in 2017. This rate is increased to 10.4 pct. in 2018.

4) Income from self-employment within fishing and hunting, as well as self-employment from childminding in own home (children below the age of 12 years or with special care and nursing needs), is subject to a 8.2 pct. social security contribution. The lower social security contribution rate for fishing and hunting than for self-employment in general has to do with the fact that these sectors pay a product tax intended to, *inter alia*, make up the difference between the 8.2 pct. and the 11.4 pct. social security contribution rates.

5) In zone Ia, employers' social security contribution shall be paid at a rate of 10.6 pct. until the difference between the employees' social security contribution actually paid by the enterprise and the employers' social security contribution the enterprise would have paid at a rate of 14.1 pct. equals the de minimis state aid threshold. For 2018, the threshold is NOK 500,000 per company. For goods road transport in zone Ia, the threshold is NOK 250,000.

	Rules 2017	Rules 2018	Change 2017-2018
Maximum effective marginal tax rates			
Wage income, excl. employers' social security contribution	46.7 pct.	46.6 pct.	-0.1 percentage points
Wage income, incl. employers' social security contribution	53.3 pct.	53.2 pct.	-0.1 percentage points
Pension income ⁶	43.6 pct.	43.5 pct.	-0.1 percentage points
Income from self-employment ⁷	49.9 pct.	49.8 pct.	-0.1 percentage points
Dividends and distributions ⁷	46.6 pct.	46.6 pct.	-
Personal allowance			
Class 1	NOK 53,150	NOK 54,750	3.0 pct.
Class 2	NOK 78,300	-	discontinued
Basic allowance against wage income and benefits			
Rate	44.0 pct.	45.0 pct.	1 percentage point
Lower limit	NOK 4,000	NOK 4,000	-
Upper limit ⁸	NOK 94,750	NOK 97,610	3.0 pct.
Basic allowance against pension income			
Rate	31.0 pct.	31.0 pct.	-
Lower limit	NOK 4,000	NOK 4,000	-
Upper limit	NOK 81,200	NOK 83,000	2.2 pct.
Special wage income allowance⁹	NOK 31,800	NOK 31,800	-
Special allowance for sole providers	NOK 51,804	NOK 51,804	-
Special tax credit for pensioners			
Maximum amount	NOK 29,940	NOK 29,950	0.0 pct.
<i>Downscaling, level 1</i>			
Threshold	NOK 188,700	NOK 193,250	2.4 pct.
Rate	15.3 pct.	15.3 pct.	-
<i>Downscaling, level 2</i>			
Threshold	NOK 284,350	NOK 290,700	2.2 pct.
Rate	6.0 pct.	6.0 pct.	-
The tax limitation rule			
Levelling rate	55.0 pct.	55.0 pct.	-
<i>Tax-exempted net income</i>			
Single person	NOK 143,150	NOK 147,450	3.0 pct.
Married person	NOK 131,600	NOK 135,550	3.0 pct.
<i>Net wealth supplement</i>			
Rate	1.5 pct.	1.5 pct.	-
Single person	NOK 200,000	NOK 200,000	-
Married person	NOK 100,000	NOK 100,000	-

6) For persons who are subject to the special tax credit for pensioners, the maximum effective marginal tax rate may be up to 46.7 pct.

7) Includes corporation tax and adjustment factor for dividends. In 2017 the corporation tax is 24 pct. And the adjustment factor for dividends is 1.24. In 2018 the corporation tax is 23 pct. And the adjustment factor for dividends is 1.33 pct.

8) The sum of the basic allowance against wage income and the basic allowance against pension income shall not exceed the maximum basic allowance against wage income, i.e. NOK 97,610 in 2018.

9) A taxpayer earning wage income gets the higher of the basic allowance against wage income and the special wage income allowance.

	Rules 2017	Rules 2018	Change 2017-2018
Special allowance in Finnmark and Nord-Troms			
Class 1	NOK 15,500	NOK 15,500	-
Class 2	NOK 15,500	-	discontinued
Seamen's allowance			
Rate	30.0 pct.	30.0 pct.	-
Upper limit	NOK 80,000	NOK 80,000	-
Fishermen's allowance			
Rate	30.0 pct.	30.0 pct.	-
Upper limit	NOK 150,000	NOK 150,000	-
Special allowance against income from self-employment in agriculture, etc.			
Income-independent allowance	NOK 63,500	NOK 63,500	-
Rate applicable to amounts in excess of the income-independent allowance	38.0 pct.	38.0 pct.	-
Maximum overall allowance	NOK 166,400	NOK 166,400	-
Special allowance for high expenses due to illness¹⁰			
Lower limit	NOK 9,180	NOK 9,180	-
Maximum annual allowance for payments to individual pension schemes¹¹			
	NOK 40,000	NOK 40,000	-
Allowance for travel between home and work			
Rate per km	NOK 1.56/0.76	NOK 1.56/0.76	-
Lower allowance limit	NOK 22,000	NOK 22,350	1.6 pct.
Maximum allowance for donations to charities			
	NOK 30,000	NOK 40,000	33.3 pct.
Maximum allowance for paid trade union subscriptions, etc			
	NOK 3,850	NOK 3,850	-
Home investment savings scheme for people below the age of 34 years (BSU)			
Tax deduction rate	20.0 pct.	20.0 pct.	-
Maximum annual savings	NOK 25,000	NOK 25,000	-
Maximum total savings in the scheme	NOK 300,000	NOK 300,000	-
Parental allowance for documented childminding and childcare expenses			
<i>Upper limit</i>			
One child	NOK 25,000	NOK 25,000	-
Supplement per additional child	NOK 15,000	NOK 15,000	-

10) The special allowance for high expenses due to illness is continued in 2018 with same rules as in 2017.

11) A scheme for tax-adjusted individual savings for pensions was implemented in 2017. The maximum deduction amount in the new scheme is NOK 40,000. The old IPS-schemes is continued with a maximum deduction amount of NOK 15,000 (coordinated with deposits in the new schemes so that total deductions cannot exceed NOK 40,000) for those already saving in the scheme.

	Rules 2017	Rules 2018	Change 2017-2018
Net wealth tax¹²			
<i>Local government</i>			
Threshold	NOK 1,480,000	NOK 1,480,000	-
Rate	0.7 pct.	0.7 pct.	-
<i>Central government</i>			
Threshold	NOK 1,480,000	NOK 1,480,000	-
Rate	0.15 pct.	0.15 pct.	-
<i>Valuation discounts (as percentage of market value)¹³</i>			
Primary dwelling	75 pct.	75 pct.	-
Secondary dwellings	20 pct.	10 pct.	-
Commercial buildings	20 pct.	20 pct.	-
Other operating assets and shares	10 pct.	20 pct.	10 p.p.
Financial tax on wages	5 pct.	5 pct.	
Depreciation rates			
<i>Asset group a</i> (office equipment, etc.)	30 pct.	30 pct.	-
<i>Asset group b</i> (acquired goodwill)	20 pct.	20 pct.	-
<i>Asset group c</i> (heavy goods vehicles, lorries, buses, vans, etc.) ¹⁴	24/30 pct.	24/30 pct.	-
<i>Asset group d</i> (passenger cars, machinery and equipment, etc.)	20 pct.	20 pct.	-
<i>Asset group e</i> (ships, vessels, rigs, etc.)	14 pct.	14 pct.	-
<i>Asset group f</i> (aircraft, helicopters)	12 pct.	12 pct.	-
<i>Asset group g</i> (facilities for the transmission and distribution of electricity and electrotechnical equipment in power companies)	5 pct.	5 pct.	-
<i>Asset group h</i> (buildings and installations, hotels, etc.) ^{15,16}	4 (6/10) pct.	4 (6/10) pct.	-
<i>Asset group i</i> (office buildings)	2 pct.	2 pct.	-
<i>Asset group j</i> (technical facilities in office buildings and other commercial buildings)	10 pct.	10 pct.	-

12) The thresholds apply to single taxpayers. For married couples who are assessed jointly for joint assets, the thresholds are twice the levels specified in the table.

13) The discount rates apply to assets owned directly by taxpayers.

14) The ordinary depreciation rate for group c is 24 pct., with an increase of 30 pct. for cars using only electric power for propulsion.

15) Buildings with a design so simple that their economic life must be assumed not to exceed 20 years can be depreciated at a rate of 10 pct. The 10 pct. rate also applies to installations whose economic life must be assumed not to exceed 20 years.

16) Agricultural buildings for livestock can be depreciated at a higher rate of 6 pct.

Source: Ministry of Finance.

Rates of indirect tax in 2017 and 2018

Tax category	Rules 2017	Rules 2018	Changes in pct.
Value added tax , pct. of sales value			
Standard rate	25	25	-
Reduced rate	15	15	-
Low rate	10	12	2 ¹⁾
Tax on alcoholic beverages			
Spirits-based beverages in excess of 0.7 pct. alcohol by volume, NOK per vol. pct. and litre	7.46	7.58	1.6
Other alcoholic beverages from 4.7 to 22 pct. alcohol by volume, NOK per vol. pct. and litre	4.86	4.94	1.6
Other alcoholic beverages up to 4.7 pct. alcohol by volume, NOK per litre			
a) 0.0 – 0.7 pct. alcohol by volume	-	-	-
b) 0.7 – 2.7 pct. alcohol by volume	3.34	3.39	1.5
c) 2.7 – 3.7 pct. alcohol by volume	12.54	12.74	1.6
d) 3.7 – 4.7 pct. alcohol by volume	21.72	22.07	1.6
Tax on tobacco products			
Cigars, NOK per 100 grams	255	259	1.6
Cigarettes, NOK per 100 units	255	259	1.6
Smoking tobacco, NOK per 100 grams	255	259	1.6
Snuff, NOK per 100 grams	103	105	1.9
Chewing tobacco, NOK per 100 grams	103	105	1.9
Cigarette paper, NOK per 100 units	3.90	3.96	1.5
Motor vehicle registration tax			
Passenger cars, etc. Tax group a²⁾			
Weight, NOK per kg			
first 500 kg (350 kg in 2017)	0	0	-
next 700 kg (850 kg in 2017)	26.51	25.04	-5.5
next 200 kg	66.05	62.41	-5.5
next 100 kg	206.41	195.03	-5.5
remainder	240.06	226.83	-5.5
NO _x emissions, NOK per mg/km	70.93	72.06	1.6
CO ₂ emissions, NOK per g/km			
first 70 g/km (75 g/km in 2017)	0	0	-
next 25 g/km	914.70	929.34	1.6
next 30 g/km	995.49	1,041.42	4.6
next 70 g/km	2,685.98	2,728.96	1.6
remainder	3,449.80	3,505.00	1.6

1) Changes in value added tax is specified in percentage points.

2) Group a: Passenger cars, class 1 vans and buses shorter than 6 metres with up to 17 seats. Piston displacement is used as the tax component for vehicles whose CO₂ emissions are not specified.

Tax category	Rules 2017	Rules 2018	Changes in pct.
allowance for emissions below 70 g/km (75 g/km in 2017), applicable down to 40 g/km and only to vehicles emitting less than 70 g/km (75 g/km in 2017)	937.20	952.20	1.6
allowance for emissions below 40 g/km, only applicable to vehicles emitting less than 40 g/km	1,102.65	1,120.29	1.6
Vans class 2. Tax group b,³			
weight, pct. of passenger car tax	20	20	-
NO _x emissions, pct. of passenger car tax ⁵	75	75	-
CO ₂ emissions, pct. of passenger car tax	variable	variable	-
Campervans. Tax group c,⁴			
pct. of passenger car tax	22	22	-
Weasels. Tax group e,			
pct. of value tax base	36	36	-
Motorbikes. Tax group f,⁵			
Piston displacement, NOK per cm ³			
first 125 cm ³	0	0	-
next 775 cm ³	33.60	34.14	1.6
remainder	73.68	74.86	1.6
CO ₂ emissions, NOK per g/km			
first 75 g/km	0	0	-
next 65 g/km	630	640.08	1.6
remainder	800	812.80	1.6
Snowmobiles. Tax group g,			
Weight, NOK per kg			
first 100 kg	13.79	14.01	1.6
next 100 kg	27.58	28.02	1.6
remainder	55.14	56.02	1.6
Engine power, NOK per kW			
first 20 kW	22.15	22.50	1.6
next 20 kW	44.30	45.01	1.6
remainder	88.58	90.00	1.6
Piston displacement, NOK per cm ³			
first 200 cm ³	2.43	2.47	1.6
next 200 cm ³	4.86	4.94	1.6
remainder	9.69	9.85	1.7
Taxis. Tax group h,⁶			
weight, pct. of passenger car tax	40	40	-
NO _x emissions, pct. of passenger car tax	100	100	-
CO ₂ emissions, pct. of passenger car tax	variable	variable	-
Minibuses. Tax group j,⁷			
pct. of passenger car tax	40	40	-

3) Group b: Class 2 vans. The highest level of the CO₂ component does not apply to group b, the second-highest level is 25 pct. of the tax on passenger cars and the other levels are 30 pct. of the tax on passenger cars.

4) Group c: Campervans. No NO_x component applicable.

5) Group f: Motorbikes. Vehicles whose CO₂ emissions are not registered are taxed per unit and by engine power.

6) Group h: Taxis and vehicles for disabled persons. The two highest levels of the CO₂ component do not apply to group h.

7) Group j: Buses shorter than 6 metres with up to 17 seats, of which at least 10 are forward-facing. The highest level of the CO₂ component does not apply to group j. No NO_x component applicable.

Tax category	Rules 2017	Rules 2018	Changes in pct.
Annual motor vehicle tax, NOK per year			
Petrol vehicles and diesel vehicles with a factory-fitted particle filter	2,820	-	-
Diesel vehicles without a factory-fitted particle filter	3,290	-	-
Motorbikes	1,960	-	-
Tractors, mopeds, etc.	455	-	-
Traffic insurance tax, NOK per day⁸			
Petrol vehicles and diesel vehicles with a factory-fitted particle filter	7.73	7.85	1.6
Diesel vehicles without a factory-fitted particle filter	9.01	9.15	1.6
Motorbikes	5.37	5.46	1.7
Tractors, mopeds, etc.	1.25	1.27	1.6
Annual weight-based tax, NOK per year	variable	variable	-
Re-registration tax	variable	variable	-
Road usage tax on engine fuel			
Petrol, NOK per litre ⁹	5.19	5.17	-0.4
Auto diesel, NOK per litre ¹⁰	3.80	3.75	-1.3
Bioethanol subject to the sales obligation, NOK per litre	5.19	5.17	-0.4
Biodiesel subject to the sales obligation, NOK per litre	3.80	3.75	-1.3
Natural gas, NOK per Sm ³	0	0	-
LPG, NOK per kg	1.43	2.23	55.9
Electricity tax, øre per kWh			
Standard rate	16.32	16.58	1.6
Reduced rate	0.48	0.48	0
Base tax on mineral oil, etc., NOK per litre			
Mineral oil	1.603	1.63	1.7
Mineral oil in the pulp and paper industry, production of dyes and pigments	0.147	0.20	36.1
Tax on lubricating oil, NOK per litre	2.17	2.20	1.4
CO₂ tax			
Petrol, NOK per litre	1.04	1.16	11.5
Mineral oil			
standard rate, NOK per litre	1.20	1.33	10.8
domestic aviation, NOK per litre	1.10	1.28	16.4
wood-processing, herring meal and fish meal industries, NOK per litre	0.32	1.33	315.6
fishing and catching in inshore waters, NOK per litre	0.29	0.29	0

8) The rates under the traffic insurance tax apply from the date of establishment or renewal of the insurance and for one year from the said date. For insurance established or annually renewed before 1 March 2018, the 2017 rates shall apply. For insurance established or annually renewed after 1 March 2018, the 2018 rates shall apply.

9) Petrol with a sulphur content of 10 ppm or lower.

10) Diesel with a sulphur content of 10 ppm or lower.

Tax category	Rules 2017	Rules 2018	Changes in pct.
CO₂ tax			
Domestic use of gas			
natural gas, NOK per Sm ³	0.90	1.00	11.1
LPG, NOK per kg	1.35	1.50	11.1
reduced rate for natural gas, NOK per Sm ³	0.057	0.057	0
Petroleum activity			
mineral oil, NOK per litre	1.04	1.06	1.9
natural gas, NOK per Sm ³	1.04	1.06	1.9
natural gas emitted to air, NOK per Sm ³	7.16	7.30	2.0
Sulphur tax , NOK per litre	0.136	0.131	-3.7
Tax on NO_x emissions , NOK per kg	21.59	21.94	1.6
Tax on trichloroethene (TRI) and tetrachloroethene (PER) , NOK per kg	71.15	72.29	1.6
Tax on hydrofluorocarbons (HFC) and perfluorocarbons (PFC) , NOK per tonne of CO ₂ equivalents	450	500	11.1
Tax on chocolate and sugar products, etc. , NOK per kg	20.19	36.92	82.9
Tax on non-alcoholic beverages, etc. , NOK per litre			
Finished products	3.34	4.75	42.2
Concentrate (syrup)	20.32	28.91	42.3
Squash based on fruits, berries or vegetables, without added sugar	1.67	1.70	1.8
Concentrate based on fruits, berries or vegetables, without added sugar	10.16	10.32	1.6
Sugar tax , NOK per kg	7.81	7.93	1.5
Tax on beverage packaging , NOK per units			
Base tax, disposable packaging	1.17	1.19	1.7
Environmental tax			
a) Glass and metals	5.70	5.79	1.6
b) Plastics	3.44	3.50	1.7
c) Cartons and cardboard	1.41	1.43	1.4
Air passenger tax , NOK per passenger	82	83	1.2
Betting tax , pct. of gross turnover ¹¹	-	3.7	-
Stamp duty , pct. of sales price	2.5	2.5	-

11) Sectoral tax converted into an excise duty from 2018.

Source: Ministry of Finance.

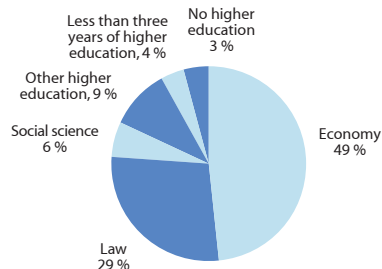
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