



Norwegian Ministry  
of Finance

Chapter 1

Prop. 1 LS (2023–2024)  
Proposition to the Storting (Bill and Draft Resolution)  
For the 2024 Budget Year

# Taxes 2024





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# Taxes 2024

Prop. 1 LS (2023–2024)  
Proposition to the Storting (Bill and Draft Resolution)  
For the 2024 Budget Year

*Recommendation from the Ministry of Finance of 29 September 2023,  
approved in the Council of State on the same date.  
(Støre Government)*

## 1 Main tax policy features

### 1.1 The tax policy objectives of the Government

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Taxes make it possible to finance universal and decent welfare schemes, which are crucial in ensuring that Norway is a safe and good country in which to live. Tax policy shall also contribute to fair distribution and shall facilitate economic growth, as well as high health and environmental standards. These value-based goals guide the Government's efforts, and are particularly important in these uncertain times. As a supplement to universal public services and good welfare schemes, the tax system is one of the tools the Government can use in its efforts to reduce the disparities between people, both socially and geographically.

The Government is aiming for its tax policy to provide a favourable framework for work and economic growth all over Norway, which promotes investment in new businesses. Businesses and industry need a stable and competitive tax framework. The negative effects of taxes

differ greatly between tax types. It is important for the government to prioritize taxes with the least possible disadvantages. Environmental taxes at the right level, such as taxes on emissions of greenhouse gases, have a positive effect on socio-economic efficiency. Properly designed resource rent taxes will give the community a share in the extraordinary return that can arise from the use of our natural resources, and provide an overall better tax system.

In Norway, we have a high level of publicly funded welfare benefits. It requires that the tax and levy system generate large revenues. A broad and robust tax base is necessary to safeguard future tax revenues and makes it possible to keep relatively low rates, thereby limiting the economic costs of taxation. A broad tax base is also necessary for the tax system to have the intended distributional effect.

In the 2023 budget, expenditure increased in many areas, including the National Insurance Scheme and the reception and integration of refugees. Moreover, large appropriations were made for household electricity subsidies and other electricity measures. Ad hoc taxes – in the form of the high-price contribution and increased employer's National Insurance contributions on salaries above NOK 750,000 – were introduced in order to redistribute more of the extraordinarily high power generation revenues and to finance expenditure increases. At the same time, the direct redistribution contribution of the tax system was strengthened by shifting more of the tax burden to high-income and high-wealth taxpayers.

The Government aims to make tax rules simple for taxpayers to comply with and simple for the tax authorities to enforce. Administrative costs for taxpayers and the public sector can be kept down by making the most of the opportunities provided by digitalisation. The Government is reviewing the regulations, with the aim of further simplifying these for business and industry.



## 1.2 Main features of the tax programme for 2024

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### Executive summary

The tax programme for 2024 is adapted to the economic situation described in Report No. 1 (2023–2024) to the Storting, *National Budget 2024*. It is expected that inflation will come down, while employment will remain high and unemployment low.

The full-year effect of the overall programme for 2024 entails tax relief of about NOK 6.0 billion. Of this, the removal or phasing out of the temporary tax increases in the adopted 2023 budget amounts to NOK 5.1 billion (the high-price contribution and an extra employer's contribution on salaries above NOK 750 000).<sup>1</sup> It is estimated that about 85 per cent of taxpayers will receive about unchanged or lower income tax from the government's proposal for 2024. The two adopted budgets since the change of government were estimated to give about unchanged or lower tax for about 8 out of 10 taxpayers.

The Hurdal Platform emphasises a predictable and responsible business tax policy. Resource rent taxes on the utilisation of our joint natural resources are based on a strong economic rationale. Neutral resource rent taxes ensure that society receives a share of the resource rent without impeding investment and growth. For a private investor, the return per unit of invested capital is the same before and after tax. This enables everyone, and not just a select few, to share in the extraordinary returns on these joint natural resources, while making it no less attractive than before to invest in new projects that utilise such natural resources.

The principle that the society as a whole should receive a share of the return from the utilisation of our common natural resources has served Norway well. In the Hurdal Platform the Government states

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<sup>1</sup> When the removal/phasing out of the temporary tax increases in the adopted 2023 budget is excluded, the discrepancy between the accrued effect in 2024 (-187 million NOK in table 1.1) and the full-year effect of the tax system is -0.9 billion NOK. This is primarily due to the fact that the changes in the traffic insurance tax take place from 1 March 2024, with the tax collection taking place upon the ongoing renewal of insurance contracts throughout the year.

clearly that local communities and the society as a whole should receive a fair share of the value that is created from utilising our common natural resources. The wind power sector has, similar to the hydro power, petroleum and aquaculture sectors, exclusive access to valuable areas for business activity. By utilising a location-specific natural resource the wind power sector can generate a resource rent, partly because the wind conditions in Norway are favourable, partly because the access to the resources are limited by the licensing system. The electricity prices are in the longer term estimated to exceed the levelized cost of energy for onshore wind power. It is therefore expected a resource rent in the sector over time. In the coming years, buyers of electricity will realise parts of the resource rent through existing fixed-price agreements.

The Government believes that this is an appropriate time for introducing a resource rent tax on onshore wind power and proposes to introduce a resource rent tax with an effective tax rate of 35 pct. as of the income year 2024. The proposal has been on public consultation. The proposal includes generous transitional arrangements for existing wind farms. The introduction of a neutral resource rent tax from 2024 will provide the sector with a predictable policy framework and facilitate development of profitable wind power projects in the years to come. The proposal is described in more detail in Prop. 2 LS (2023–2024) *Resource rent tax on onshore wind power*.

The temporary tax increases in the form of high-price contributions and additional employer's National Insurance contributions adopted in the 2023 budget were justified by the special situation prevailing in Norway, like in other European countries, with extraordinary power sector revenues and increased expenditure in many areas.

The high-price contribution was necessary and appropriate in order to redistribute more of the extraordinary power sector revenues as a result of the extremely high electricity prices in parts of Norway in 2022 and into 2023. The Government has made it clear that the high-price contribution (excise duty on power production) will be phased out by the end of 2024 at the latest. Power producers have emphasised that the high-price contribution creates uncertainty and

impairs the incentives to invest. This applies regardless of whether the power prices are at a level that actually generates revenue for the state. Going forward, it is important to facilitate economically profitable investments in renewable power. The Government believes that the extraordinary situation we were facing last year, is no longer applicable to the same extent. The Government therefore proposes to abolish the high-price contribution with effect from 1 October 2023.

The Government also proposes that the threshold for the additional employer's National Insurance contributions be increased to NOK 850,000 in 2024. This is a first step in the phasing out of this ad hoc tax.

The Government proposes to increase taxes on non-ETS emissions in line with a linear increase to NOK 2,000 at 2020 prices in 2030. With such a long-term target and gradual movement towards a specified emissions price, businesses and consumers will be able to adapt over time. For 2024, this means that taxes on non-ETS greenhouse gas emissions will be increased by 19 per cent. The tax base will be expanded, and reduced rates will be increased in several areas – including an increase in the waste incineration tax to 75 per cent of the general rate. The sales requirement for biofuels in road traffic will be increased from 17 per cent to 19 per cent in 2024. For reporting on Norway's obligations under the Climate Act, reference is made to the special appendix to Prop. 1 S (2023–2024) under the Ministry of Climate and Environment (2023–2024) The Government's climate status and plan. Both the increased sales requirement and the CO<sub>2</sub> tax increase will in themselves lead to higher fuel prices. The government wants the green transition to be socially and geographically fair. To help keep the cost of living down for households, an amount in excess of the cost increase for households as a whole will be returned to them. This will be achieved by significantly reducing the road usage tax on petrol and diesel, and by reducing the traffic insurance tax on fossil fuel vehicles by NOK 400 per year.

In terms of personal income tax, the Government proposes moderate modifications with redistributive effect. On average, people on low and medium incomes will pay less or about the same amount of tax, while people on high incomes will pay more tax. In total, net tax

relief will be about NOK 400 million. The personal allowance will be increased by NOK 8,650 from 2023, and National Insurance contributions on wages, benefits and self-employment income will be reduced by 0.1 percentage points. The measures in the action zone in Northern Troms and Finnmark will be simplified and clarified by increasing the Finnmark allowance to NOK 30,000 and making the tax rate in bracket 3 of the bracket tax uniform across the whole country. The trade union allowance and the travel allowance will be price-adjusted.

A study by NTNU Social Research shows that the method for calculating the market value of commercial property is not sufficiently accurate. In particular, commercial property in rural areas is over-valued. The Government is committed to ensuring that the valuation of commercial property for wealth tax purposes is as accurate as possible, and will ask Statistics Norway to consider modifications to the calculation method. In the short term, it is proposed to increase the commercial property discount rate by 1 percentage point for properties located outside the major cities of Oslo, Bergen, Trondheim and Stavanger in order to mitigate the clear regional differences in model accuracy revealed by the report.

### Other proposed tax changes

The Government is also proposing other changes to the tax system with effect from 2024:

- The upper limits on the basic allowance are kept unchanged in nominal terms. The additional revenues are used to increase the personal allowance.
- The bracket tax thresholds are modified, and the tax rates in brackets 3 to 5 are increased in line with the reduction in National Insurance contributions on wages, benefits and self-employment income.
- The tax-free subsistence allowance for accommodation in temporary workers' sheds (the sheds allowance) is increased from NOK 250 to NOK 400.
- The tax-free subsistence allowance for long-distance lorry drivers is increased from NOK 350 to NOK 400.

- A special allowance for seafarers is granted to seafarers with a three-week rotation or more, as an alternative to the distance travelled requirement.
- The tax rules are technically adapted to the introduction of the new adjustment benefit for surviving spouses, etc., from 2024, as stipulated by the Storting.
- The maximum tax credit for pension income and the thresholds for reduction of such tax credit are increased by estimated pension growth rates.
- Some income tax allowances and thresholds are kept unchanged in nominal terms.
- Wealth tax thresholds and limits are kept unchanged in nominal terms.
- Gains from the sale of milk quotas are exempted from personal income calculation.
- The tax-free allowance under the differentiated employer's National Insurance contribution scheme is increased from NOK 500,000 to NOK 850,000.
- The interest limitation rule is amended to prevent tax avoidance through application of the EBITDA rule between close associates and through the use of intra-group contributions.
- The duration requirement for agreements under the industrial power exemption from resource rent tax on hydropower is reduced from seven to three years.
- CO<sub>2</sub> tax on natural gas and LPG (liquefied petroleum gas) for the greenhouse industry is increased from 8 per cent to 15 per cent of the general level. To favour the greenhouse industry, the appropriation for Bionova is increased by a corresponding amount in 2024, which is earmarked for assisting businesses that need help to cover the costs of converting from LPG to electricity.
- A tax is introduced on NO<sub>2</sub> emissions (nitrous oxide) from the burning of mineral oil.
- A reduced CO<sub>2</sub> tax is introduced on shipping subject to ETS.
- The reduced CO<sub>2</sub> tax on the use of mineral oil subject to ETS is increased due to Norwegian kroner depreciation.

- The preferential tax treatment of plug-in hybrid cars under the motor vehicle registration tax is abolished.
- The exemption from road usage tax on petrol used for exploration and exploitation of subsea natural resources is repealed.
- The rate of the CO<sub>2</sub> component of the motor vehicle registration tax on light vans is increased by 5 per cent.
- The reduced rate of electricity tax is increased due to Norwegian kroner depreciation.
- The tax on TRI and PER is abolished.
- Off-road motorcycles used in reindeer husbandry are exempted from motor vehicle registration tax and will qualify for value added tax deduction.
- The value added tax exemption for electronic newspapers under Section 6-1 of the Value Added Tax Act shall encompass newspapers that predominantly contain text and still images.
- The sectoral tax under the energy authorities is increased to strengthen the Norwegian Water Resources and Energy Directorate (NVE).
- The sectoral tax under the Norwegian Communications Authority is increased to intensify digital preparedness efforts.

Several of the proposals also further the Government's goal of simplifying the tax system:

- The limit on direct deduction of expenses and residual balances is increased from NOK 15,000 to NOK 30,000.
- The depreciation rate on electric vans is reduced from 30 to 24 per cent.
- The rules for tax-free reorganization are changed, by codifying three typical cases from tax-exempt practice. This applies to cross-border mergers of investment funds that are UCITS funds, mergers and divisions of savings banks where one or more savings bank foundations are created and conversion of merger and demerger claims.
- Special rules that are not being applied, especially in relation to excise duties are repealed.

### 1.3 Revenue effects of the proposed tax changes

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Table 1.1 provides an overview of the revenue effects of the Government's proposal. Accrued effects are changes in payment obligations for the income year 2024 that follow from the government's proposal, while booked effects are changes in payments in the same year. Payment routines can lead to discrepancies between accrued and book effects, for example companies pay income tax in subsequent years, and not all changes can be fully taken into account in the withholding tax. The revenue effects of the tax programme have been calculated in relation to a benchmark system for 2024. The benchmark system is based on the 2023 rules, adjusted upwards primarily by projected price, wage and wealth growth. Allowances and thresholds, etc., in the standard rate structure of personal taxation are adjusted to 2024 levels based on estimated wage growth of 4.9 per cent in the benchmark system. Special allowances and other thresholds in personal taxation have primarily been adjusted by an estimated consumer price increase from 2023 to 2024 of 3.8 percent. A taxpayer who only has ordinary allowances and growth in both ordinary income and personal income of 4.9 per cent will on average pay approximately the same amount of income tax in the benchmark system for 2024 as in 2023. In the benchmark system, all per unit taxes (for instance taxes per kg or per litre) have been adjusted by the projected growth in consumer prices from 2023 to 2024. In real terms, the benchmark system thus results in unchanged tax levels from 2023 to 2024.

Table 1.1 Estimated revenue effects of the Government’s proposed tax programme for 2024. Negative figures signify tax reductions. The estimates have been calculated in relation to the benchmark system for 2024. NOK million

	2024	
	Accrued	Booked
<b>Personal income tax</b> .....	<b>-400</b>	<b>-323</b>
Adjust standard allowances (basic allowance and personal allowance) .....	-75	-60
Reduce National Insurance contributions on wages/benefits and self-employment income .....	-2,135	-1,710
Increase the bracket tax, including adjusting thresholds .....	1,595	1,275
The action zone: Abolish the lower rate in bracket 3 and increase the Finnmark allowance to NOK 30,000.....	-30	-24
Special allowance for seafarers – modify the requirements for qualifying for the scheme <sup>1</sup> .....	-5	-4
Increase allowances for accommodation in temporary workers’ sheds/guest houses and for long-distance lorry drivers.....	-70	-55
Keep allowances and thresholds unchanged in nominal terms, interaction effects, etc. ....	320	255
<b>Wealth tax</b> .....	<b>-427</b>	<b>-252</b>
Keep standard allowances, etc., unchanged in nominal terms...	23	18
Increase the commercial property discount rate.....	-450	-270
<b>Business taxation</b> .....	<b>-483</b>	<b>-437</b>
Increase the tax-free allowance under the differentiated employer’s National Insurance contribution scheme (DA scheme) to NOK 850,000 .....	-500	-420
Increase the limit on direct deduction of expenses and residual balances from NOK 15,000 to NOK 30,000.....	-140	-15
Reduce the depreciation rate on electric vans .....	12	3
Exempt gains from the sale of milk quotas from personal income calculation .....	-5	-5



Table 1.1 (cont'd)

	2024	
	Accrued	Booked
Resource rent tax on onshore wind power <sup>2</sup> .....	150	0
<b>Climate taxes</b> .....	<b>2,305</b>	<b>2,384</b>
Increase taxes on non-ETS emissions by 19 per cent .....	2,500	2,300
Compensate public transport operators with private provider contracts for increased CO <sub>2</sub> tax .....	-97	-97
Increase the waste incineration tax to 75 per cent of the general rate.....	210	190
Increase the reduced rate on natural gas and LPG for the greenhouse industry .....	9	8
Introduce tax on N <sub>2</sub> O emissions from transport .....	190	170
Increase the sales requirement for biofuel in road traffic from 17 to 19 per cent.....	-210	-190
Introduce a reduced CO <sub>2</sub> tax rate for shipping subject to ETS .....	-300	0
Increase the reduced CO <sub>2</sub> tax rate for the use of mineral oil subject to ETS due to Norwegian kroner depreciation.....	3	3
<b>Vehicle taxes</b> .....	<b>-1,250</b>	<b>-940</b>
Abolish the preferential treatment of plug-in hybrid cars under the motor vehicle registration tax .....	50	45
Reduce the road usage tax on petrol by NOK 0.25 per litre.....	-160	-150
Reduce the road usage tax on mineral oils by NOK 0.32 per litre .....	-690	-630
Reduce the rates of the traffic insurance tax by NOK 400 per year <sup>3</sup> .....	-500	-250
Increase the rate of the motor vehicle registration tax on vans.....	50	45
<b>Other excise duties</b> .....	<b>44</b>	<b>40</b>
Increase the reduced rate of electricity tax due to Norwegian kroner depreciation.....	6	5

Table 1.1 (cont'd)

	2024	
	Accrued	Booked
Tax on onshore wind power <sup>4</sup> .....	38	35
Abolish the tax on TRI and PER .....	-0.3	-0.3
<b>Value added tax</b> .....	<b>-3</b>	<b>-3</b>
Exempt off-road motorcycles in reindeer husbandry from motor vehicle registration tax and introduce value added tax deductibility for such motorcycles .....	-3	-3
<b>Sectoral taxes and overpriced fees</b> .....	<b>27</b>	<b>27</b>
Increase the sectoral tax under the energy authorities .....	25	25
Increase the sectoral tax under the Norwegian Communications Authority .....	2	2
<b>Proposed tax changes in 2024</b> .....	<b>-187</b>	<b>496</b>

**Changes in temporary taxes introduced in the 2023 budget**

Abolish the high-price contribution from 1 October 2023 <sup>5</sup> .....	-3,300	-3,900
Start phasing out additional employer's National Insurance contributions (increase the threshold to NOK 850,000) .....	-1,820	-1,520

<sup>1</sup> The implications for the subsidy programme for seafarers are described in Proposition No. 1 (2023–2024) to the Storting for the Ministry of Trade, Industry and Fisheries, Chapter 909, Item 73; Subsidies for the employment of seafarers.

<sup>2</sup> The full year effect of the proposal for 2024 is lower and is estimated at NOK -550 million. This is due to the fact that negative resource rent income and unused deductions for production tax are carried forward and reduces revenue for future years.

<sup>3</sup> The full-year effect is -NOK 1,450 million. The large discrepancy between annual effect, accrued effect and booked effect is due to the changes in the traffic insurance tax coming into effect on 1 March 2024, with tax collection taking place upon the ongoing renewal of insurance contracts over the course of the year.

<sup>4</sup> The tax income is distributed to the host municipalities. The revenue increase will therefore be matched by a corresponding increase in the allocation on the expenditure side the following year.

<sup>5</sup> Accrued effect is the full-year effect. Booked revenue loss in 2024 includes the reduction in accrued revenue in 2023. This explains why the booked effect is greater than the full-year effect.

Source: Ministry of Finance.

Table 1.2 presents estimated booked tax revenues for 2024, as well as estimates for 2023 and accounting figures for 2022, specified by chapter and item.

Table 1.2 Booked tax revenues specified by chapter and item. NOK million

Chap.	Item	Designation	Budget estimate 2023			Proposal for 2024
			Accounts 2022	Balanced budget	Estimate NB 2024	
5501		Taxes on wealth and income				
	70	Bracket tax, etc. ....	93,239	96,828	104,300	117,761
	72	Equalisation tax to central government, etc., from personal taxpayers .....	147,221	136,820	141,100	155,900
	74	Corporation taxes, etc., from non-personal taxpayers outside the petroleum sector .....	117,172	155,600	155,200	129,200
	75	Wealth tax .....	3,610	9,700	9,700	-
	76	Withholding tax on dividends .....	7,763	5,500	10,000	10,000
	77	Withholding tax on interest payments.....	61	50	85	100
	78	Withholding tax on royalty payments .....	0	1	0	0
	79	Withholding tax on rent payments for certain physical assets .....	85	110	65	75
5502		Financial activity tax				
	70	Tax on payrolls .....	2,376	2,500	2,500	2,600
	71	Tax on profits .....	2,160	2,500	2,500	2,650
5506	70	Tax on inheritance and gifts .....	32	-	55	-

Table 1.2 (cont'd)

Chap.	Item	Designation	Budget estimate 2023			Proposal for 2024
			Accounts 2022	Balanced budget	Estimate NB 2024	
5507		Tax on petroleum production				
	71	Ordinary tax on wealth and income.....	212,995	251,300	182,700	151,600
	72	Special tax on petroleum income .....	500,626	595,100	414,300	330,700
	74	Area tax, etc. ....	1,050	1,200	1,200	1,500
5508	70	Tax on CO <sub>2</sub> emissions in the petroleum sector on the continental shelf .....	6,258	7,480	7,400	7,800
5509	70	Tax on NO <sub>x</sub> emissions in the petroleum sector on the continental shelf .....	1	1	0	0
5511		Customs revenues				
	70	Customs duties.....	3,768	4,000	3,400	3,500
	71	Auction revenues from customs quotas .....	355	285	285	285
5521	70	Value added tax.....	365,705	392,950	385,000	398,897
5526	70	Tax on alcohol .....	16,369	15,000	16,400	17,000
5531	70	Tax on tobacco products.....	7,434	7,450	7,300	7,300
5536		Tax on motor vehicles, etc.				
	71	Motor vehicle registration tax, etc. ....	6,409	7,418	7,000	6,090
	72	Traffic insurance tax .....	10,298	11,000	10,900	11,250
	73	Annual weight-based tax.....	273	300	300	300
	75	Re-registration tax.....	1,378	1,575	1,800	1,900

Table 1.2 (cont'd)

Chap.	Item	Designation	Budget estimate 2023			Proposal for 2024
			Accounts 2022	Balanced budget	Estimate NB 2024	
5538		Road usage tax on fuel				
	70	Road usage tax on petrol.....	4,288	4,360	3,700	3,650
	71	Road usage tax on auto diesel.....	9,823	8,910	8,200	7,470
	72	Road usage tax on natural gas and LPG.....	5	4	5	5
5540	70	Tax on power production.....	-	22,700	8,200	-500
5541	70	Electricity tax.....	8,912	9,910	8,000	8,205
5542		Tax on mineral oils, etc.				
	70	Base tax on mineral oils and biodiesel etc.....	1,728	40	5	-
	71	Tax on lubricating oils, etc.....	110	110	110	110
5543		Environmental tax on mineral products, etc.				
	70	CO <sub>2</sub> tax on mineral products.....	12,053	14,944	14,000	16,341
	71	Sulphur tax.....	5	3	5	5
5546	70	Waste incineration tax.....	159	360	280	630
5547		Tax on hazardous chemicals				
	70	Trichloroethene (TRI).....	0	-	0	-
	71	Tetrachloroethene (PER).....	0	1	0	-
5548	70	Tax on hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).....	352	450	480	580
	71	Tax on SF <sub>6</sub> .....	-	45	45	60

Table 1.2 (cont'd)

Chap.	Item	Designation	Budget estimate 2023			Proposal for 2024
			Accounts 2022	Balanced budget	Estimate NB 2024	
5549	70	Tax on NO <sub>x</sub> emissions.....	49	50	40	40
5550	70	Environmental tax on pesticides.....	69	65	65	65
5551		Tax on mineral operations				
	70	Tax relating to subsea natural resources other than petroleum.....	1	1	1	1
	71	Annual tax relating to minerals.....	11	10	14	14
5552	70	Tax on fish production .....	992	700	850	1,300
5553	70	Tax on wild marine resources.....	118	100	130	140
5554	70	Tax on onshore wind power...	-	471	380	387
5555	70	Tax on chocolate and sugar products, etc. ....	-	-	-	-
5556	70	Tax on non-alcoholic beverages, etc.....	7	-	-	-
5557	70	Tax on sugar .....	174	200	200	200
5559		Tax on beverage packaging				
	70	Base tax on disposable packaging.....	2,607	2,300	2,600	2,700
	71	Environmental tax on cardboard.....	55	60	55	55
	72	Environmental tax on plastics.....	38	40	40	40
	73	Environmental tax on metals .....	7	10	10	10
	74	Environmental tax on glass ....	4	5	5	5

Table 1.2 (cont'd)

Chap.	Item	Designation	Budget estimate 2023			Proposal for 2024
			Accounts 2022	Balanced budget	Estimate NB 2024	
5561	70	Air passenger tax.....	807	1,980	2,100	2,300
5565	70	Stamp duty .....	12,138	12,400	11,800	11,400
		Sectoral taxes <sup>1</sup> .....	4,252	4,247	4,384	4,486
5583	70	Special taxes, etc. ....	275	394	394	402
5584	70	Abolished taxes .....	20	-	-	-
5700		National Insurance Scheme revenues				
	71	Personal National Insurance contributions.....	169,866	176,246	177,500	190,787
	72	Employer's National Insurance contributions .....	226,022	244,916	250,900	264,673
		<b>Total .....</b>	<b>1,961,589</b>	<b>2,210,700</b>	<b>1,957,988</b>	<b>1,871,969</b>

<sup>1</sup> Reference is made to Table 1.1 and chapter 9 for a specification of which sectoral taxes and fees are changed.

Source: Ministry of Finance.

Table 1.3 presents booked effects of proposed new rule changes in 2024, specified by chapter and item.

Table 1.3 Estimated booked revenue effects of the tax programme for 2024, specified by chapter and item. Calculated in relation to the benchmark system for 2024. NOK million

Chap.	Item	Designation	Change
5501		Taxes on wealth and income <sup>1</sup>	
	70	Bracket tax and wealth tax, etc. ....	1,138
	72	Equalisation tax to central government, etc., from personal taxpayers .....	65
	74	Corporation taxes, etc., from non-personal taxpayers outside the petroleum sector.....	0
	76	Withholding tax on dividends .....	0
	77	Withholding tax on interest payments .....	0
	78	Withholding tax on royalty payments .....	0
	79	Withholding tax on rent payments for certain physical assets .....	0
5502		Financial activity tax	
	70	Tax on payrolls.....	0
	71	Tax on profits .....	0
5506	70	Tax on inheritance and gifts.....	0
5507		Tax on petroleum production <sup>2</sup>	
	71	Ordinary tax on wealth and income.....	0
	72	Special tax on petroleum income .....	0
	74	Area tax, etc.....	0
5508	70	Tax on CO <sub>2</sub> emissions in the petroleum sector on the continental shelf .....	0
5509	70	Tax on NO <sub>x</sub> emissions in the petroleum sector on the continental shelf .....	0



Table 1.3 (cont'd)

Chap.	Item	Designation	Change
5511		Customs revenues	
	70	Customs duties .....	0
	71	Auction revenues from customs quotas .....	0
5521	70	Value added tax .....	-3
5526	70	Tax on alcohol .....	0
5531	70	Tax on tobacco products, etc. ....	0
5536		Tax on motor vehicles, etc.	
	71	Motor vehicle registration tax .....	90
	72	Traffic insurance tax .....	-250
	73	Annual weight-based tax.....	0
	75	Re-registration tax .....	0
5538		Road usage tax on fuel	
	70	Road usage tax on petrol .....	-150
	71	Road usage tax on auto diesel.....	-630
	72	Road usage tax on natural gas and LPG .....	0
5540	70	Tax on power production .....	-3,900
5541	70	Electricity tax.....	5
5542		Tax on mineral oils, etc.	
	70	Base tax on mineral oils and biodiesel, etc.....	0
	71	Tax on lubricating oils, etc. ....	0
5543		Environmental tax on mineral products, etc.	
	70	CO <sub>2</sub> tax .....	2,141
	71	Sulphur tax .....	0
5546	70	Waste incineration tax .....	250

Table 1.3 (cont'd)

Chap.	Item	Designation	Change
5547		Tax on hazardous chemicals	
	70	Trichloroethene (TRI) .....	0
	71	Tetrachloroethene (PER) .....	0
5548	70	Tax on hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) .....	80
	71	Tax on SF <sub>6</sub> .....	10
5549	70	Tax on NO <sub>x</sub> emissions.....	0
5550	70	Environmental tax on pesticides.....	0
5551		Tax on mineral operations	
	70	Tax relating to subsea natural resources other than petroleum .....	0
	71	Annual tax relating to minerals.....	0
5552	70	Tax on fish production .....	0
5553	70	Tax on wild marine resources.....	0
5554	70	Tax on onshore wind power.....	35
5557	70	Tax on sugar, etc. ....	0
5559		Tax on beverage packaging	
	70	Base tax on disposable packaging .....	0
	71	Environmental tax on cardboard .....	0
	72	Environmental tax on plastics .....	0
	73	Environmental tax on metals.....	0
	74	Environmental tax on glass .....	0
5561	70	Air passenger tax.....	0
5565	70	Stamp duty.....	0
		Sectoral taxes and overpriced fees <sup>2</sup> .....	27
5583	70	Tax on frequencies, etc.....	0

Table 1.3 (cont'd)

Chap.	Item	Designation	Change
5700		National Insurance Scheme revenues	
	71	Personal National Insurance contributions .....	-1,713
	72	Employer's National Insurance contributions.....	-1,927

<sup>1</sup> Effects apply to the central, regional and local government sectors. Reference is made to Section 3.4 for a discussion of regional and local government tax revenues.

<sup>2</sup> Reference is made to Table 1.1 and Chapter 9 for a specification of which sectoral taxes and overpriced fees are being changed.

Source: Ministry of Finance.

## **1.4 Social and geographical profile of the tax programme**

### **1.4.1 Social distributional effects**

The tax policy of the Government is characterised by social and geographical redistribution. This profile is maintained in the 2024 budget, with the Government proposing moderate modifications with redistributional effect.

The income tax reduction directly entailed by the changes included in the estimates is approximately NOK 425 million accrued. To measure the impact of the proposals on different groups, these proposals are compared with the 2023 rules applied to 2024 (the benchmark system). The estimates include changes in rates, allowances and thresholds under personal income taxation. The short-term distributional effects of the Government's tax proposals for 2024 are presented in Table 1.4.

It is estimated that around 85 per cent of taxpayers will pay less or about the same amount of income tax.

**Tabell 1.4 Estimated distributional effects of income tax changes for all persons aged 17 and over. Negative numbers are tax reductions. Compared to the benchmark system for 2024**

Gross income <sup>1</sup> including tax-free benefits. NOK	Number	Average tax under the benchmark system. NOK	Average tax under the benchmark system. Per cent	Average change in tax. <sup>2</sup> NOK	Change as a percentage of gross income. Per cent
0–100,000.....	325,600	1,200	3.2	0	0.2
100,000–200,000.....	214,600	7,600	5.0	-200	-0.1
200,000–250,000.....	141,400	15,200	6.7	-600	-0.2
250,000–300,000.....	229,100	19,800	7.2	-200	-0.1
300,000–350,000.....	263,900	36,400	11.2	-200	-0.1
350,000–400,000.....	309,400	55,400	14.8	-200	-0.1
400,000–450,000.....	288,800	71,600	16.9	-200	-0.1
450,000–500,000.....	286,600	88,400	18.6	-400	-0.1
500,000–550,000.....	292,300	104,600	19.9	-400	-0.1
550,000–600,000.....	272,500	119,800	20.9	-400	-0.1
600,000–700,000.....	506,100	142,400	21.9	-400	-0.1
700,000–800,000.....	404,200	176,200	23.6	-200	0.0
800,000–1,000,000.....	457,700	231,400	26.1	0	0.0
1,000,000–2,000,000...	491,200	406,400	31.3	800	0.1
2,000,000–3,000,000...	53,300	874,000	36.8	800	0.0
3,000,000 and above ..	32,600	2,734,200	41.7	800	0.0
<b>Total.....</b>	<b>4,569,300</b>	<b>159,600</b>	<b>24.9</b>	<b>0</b>	<b>0.0</b>

<sup>1</sup> Gross income includes wages, National Insurance benefits, pension income, self-employment income and capital income before tax and tax-free benefits.

<sup>2</sup> The figures are rounded to the nearest NOK 200.

Sources: Ministry of Finance and the Statistics Norway tax model; LOTTE-Skatt.

The most important income tax change for which it has not been possible to calculate distributional effects in the Statistics Norway tax model is the proposal to increase allowances for accommodation in workers' sheds/guest houses and for long-distance lorry drivers. Nor has it been possible to take into account changes in the estimated market value of commercial property as the result of a higher discount rate outside the major cities. Wealth is unevenly distributed, and changes in estimated market values will have the greatest impact on those holding the most wealth. In the Hurdal platform, it is stated that the government will keep the overall level of taxes and levies for people's incomes unchanged. It is then assumed that dividend tax and wealth tax are excluded. In 2024, the relief for households according to this definition adds up to NOK -0.9 billion, see table 1.5.

Tabell 1.5 Estimated revenue effects of permanent changes in personal taxes on income and consumption. The estimates for 2024 have been calculated in relation to the benchmark system for 2024. NOK million accrued

	Støre- government (total)	2024 (government proposal)
Tax on personal income (excluding dividend tax) .....	-9 200	-400
Dividend tax .....	–	–
Wealth tax.....	–	–
Environmental- and car taxes .....	4 000	-500
Value added tax.....	1 800	–
Other excise duties.....	-600	–
Sectoral taxes and fees .....	-200	–
The tax level intention for households .....	-4 100	-900

Source: Ministry of Finance.

### 1.4.2 Geographical distributional effects

The geographical distributional effects of the proposed tax changes are moderate, but the increased Finnmark allowance and more accurately calculated market value of commercial properties in rural areas, as well as changes to the special allowance for seafarers, will serve to reduce tax in rural areas. The increase in bracket 3 of the bracket tax in the action zone will, in itself, result in somewhat higher tax in the action zone.

Table 1.6 presents the estimated average tax change from the Government’s proposed income tax changes for people in six centrality zones. Zone 1 is the most central and includes Oslo and some neighbouring municipalities, while zone 6 is the least central. Taxpayers in zones 3 to 6 will on average pay less income tax, while taxpayers in zones 1 and 2 will pay about the same amount of tax as before.

Tabell 1.6 Estimated geographical distributional effects of income tax changes for all persons aged 17 and over. Negative numbers are tax reductions. Compared to the benchmark system for 2024

Centrality zone	Number of taxpayers	Average gross income. NOK	Average calculated net wealth. NOK	Average tax under the benchmark system. NOK	Average change in income tax. <sup>1</sup> NOK
Z01.....	880,400	745,200	3,763,000	210,400	0
Z02.....	1,165,000	649,800	2,280,800	165,200	0
Z03.....	1,164,800	607,400	1,751,400	144,200	-200
Z04.....	735,000	595,400	1,436,600	136,400	-200
Z05.....	424,500	591,000	1,418,600	135,000	-200
Z06.....	199,700	578,400	1,531,800	130,800	-200
Total .....	4,569,300	640,000	2,182,800	159,600	0

<sup>1</sup> The figures are rounded to the nearest NOK 200.

Sources: Ministry of Finance and the Statistics Norway tax model; LOTTE-Skatt.

## 1.5 Tax rates and thresholds

Table 1.7 presents key tax rates, allowances and thresholds in 2023 and the Government’s proposal for 2024. After adjustment for projected growth in wages, pensions or prices, etc., from 2023 to 2024, the general allowances and thresholds have been rounded off. The upward adjustment may therefore deviate somewhat from the level indicated by the various growth projections. Wage growth is estimated at 4.9 per cent, consumer price inflation at 3.8 per cent and pension growth at 4.8 per cent. Reference is also made to the proposed tax decisions in this proposition and to the overview of allowances and thresholds on the Ministry’s website.

Table 1.7 Tax rates, allowances and thresholds in 2023 and proposals for 2024

	2023 rules	Proposal 2024 rules	Change 2023–2024
<i>Tax on ordinary income</i>			
Individuals <sup>1</sup> .....	22%	22%	-
Businesses <sup>2</sup> .....	22%	22%	-
<i>Tax on resource rent industries</i>			
Petroleum (special tax) <sup>3</sup> .....	71.8%	71.8%	-
Hydropower (resource rent tax) <sup>4</sup> .....	57.7%	57.7%	-
Aquaculture (resource rent tax) <sup>5</sup> .....	32.1%	32.1%	-
Wind power (resource rent tax) <sup>6</sup> .....	-	44.9%	new

Table 1.7 (cont'd)

	2023 rules	Proposal 2024 rules	Change 2023–2024
<i>Bracket tax</i>			
Bracket 1			
Threshold.....	NOK 198,350	NOK 208,050	4.9%
Rate .....	1.7%	1.7%	-
Bracket 2			
Threshold.....	NOK 279,150	NOK 292,850	4.9%
Rate .....	4.0%	4.0%	-
Bracket 3			
Threshold.....	NOK 642,950	NOK 670,000	4.2%
Rate <sup>7</sup> .....	13.5%	13.6%	0.1 pp
Bracket 4			
Threshold.....	NOK 926,800	NOK 937,900	1.2%
Rate .....	16.5%	16.6%	0.1 pp
Bracket 5			
Threshold.....	NOK 1,500,000	NOK 1,573,500	4.9%
Rate .....	17.5%	17.6%	0.1 pp
<i>National Insurance contributions</i>			
Lower thresholds for the payment of personal National Insurance contributions.....			
	NOK 69,650	NOK 69,650	-
Levelling rate .....	25%	25%	-
Rate			
Wage income .....	7.9%	7.8%	-0.1 pp
Fishing and childcare <sup>8</sup> .....	7.9%	7.8%	-0.1 pp



Table 1.7 (cont'd)

	2023 rules	Proposal 2024 rules	Change 2023–2024
Other self-employment income.....	11.1%	11.0%	-0.1 pp
Pension income, etc. ....	5.1%	5.1%	-
<i>Rate on gross income for foreign employees (withholding tax) .....</i>			
	25%	25%	-
<i>Employer's National Insurance contributions</i>			
Zone I .....	14.1%	14.1%	-
Zone Ia <sup>9</sup> .....	14.1/10.6%	14.1/10.6%	-
Zone II .....	10.6%	10.6%	-
Zone III .....	6.4%	6.4%	-
Zone IV .....	5.1%	5.1%	-
Zone IVa .....	7.9%	7.9%	-
Zone V .....	0%	0%	-
<i>Additional employer's National Insurance contributions</i>			
Threshold .....	NOK 750,000	NOK 850,000	13.3%
Rate .....	5%	5%	-
<i>Maximum effective marginal tax rates</i>			
Wage income, excluding employer's National Insurance contributions .....	47.4%	47.4%	-

Table 1.7 (cont'd)

	2023 rules	Proposal 2024 rules	Change 2023–2024
Wage income, including employer's National Insurance contributions.....	55.8%	55.8%	-
Pension income <sup>10</sup> .....	44.6%	44.7%	0.1 pp
Self-employment income.....	50.6%	50.6%	-
Dividends, excluding corporation tax.....	37.8%	37.8%	-
Dividends, including corporation tax <sup>11</sup> .....	51.5%	51.5%	-
<i>Personal allowance</i> .....	NOK 79,600	NOK 88,250	10.9%
<i>Basic allowance against wage income, etc.</i> <sup>12</sup>			
Rate.....	46%	46%	-
Upper limit.....	NOK 104,450	NOK 104,450	-
<i>Basic allowance against pension income</i> <sup>12</sup>			
Rate.....	40%	40%	-
Upper limit.....	NOK 86,250	NOK 86,250	-
<i>Tax credit for pension income</i>			
Maximum amount.....	NOK 32,825	NOK 34,350	4.6%
Downscaling, bracket 1			
Threshold.....	NOK 246,800	NOK 258,400	4.7%
Rate.....	16.7%	16.7%	-

Table 1.7 (cont'd)

	2023 rules	Proposal 2024 rules	Change 2023–2024
<i>Downscaling, bracket 2</i>			
Threshold .....	NOK 373,650	NOK 391,550	4.8%
Rate.....	6.0%	6.0%	-
<i>Tax limitation rule</i>			
Levelling rate .....	55%	55%	-
<i>Tax-free net income</i>			
Single person .....	NOK 147,450	NOK 147,450	-
Married person.....	NOK 135,550	NOK 135,550	-
<i>Wealth supplement</i>			
Rate.....	1.5%	1.5%	-
Single person .....	NOK 200,000	NOK 200,000	-
Married person.....	NOK 100,000	NOK 100,000	-
<i>Special allowance in Troms and Finnmark (action zone) .....</i>			
	NOK 20,550	NOK 30,000	46.0%
<i>Special allowance for seafarers</i>			
Rate.....	30%	30%	-
Upper limit.....	NOK 83,000	NOK 83,000	-
<i>Special allowance for fishermen</i>			
Rate.....	30%	30%	-
Upper limit.....	NOK 154,000	NOK 154,000	-

Table 1.7 (cont'd)

	2023 rules	Proposal 2024 rules	Change 2023–2024
<i>Special allowance against self-employment income from agriculture, etc.</i> <sup>13</sup>			
Income-independent allowance ....	NOK 93,000	NOK 93,000	-
Rate applicable to amounts in excess of the income-independent allowance .....	38%	38%	-
Maximum total allowance.....	NOK 195,000	NOK 195,000	-
<i>Maximum allowance for payments to individual pension schemes</i> <sup>14</sup> ....			
	NOK 15,000	NOK 15,000	-
<i>Allowance for travel between home and work</i>			
Rate per km.....	NOK 1.70	NOK 1.76	3.5%
Lower allowance threshold.....	NOK 14,400	NOK 14,950	3.8%
<i>Maximum allowance for donations to charities</i> .....			
	NOK 25,000	NOK 25,000	-
<i>Maximum allowance for paid trade union subscriptions, etc.</i> .....			
	NOK 7,700	NOK 8,000	3.9%
<i>Home investment savings scheme for people below the age of 34 years (BSU)</i>			
Tax deduction rate .....	10%	10%	-
Maximum annual savings.....	NOK 27,500	NOK 27,500	-

Table 1.7 (cont'd)

	2023 rules	Proposal 2024 rules	Change 2023–2024
Maximum total savings under the scheme .....	NOK 300,000	NOK 300,000	-
<i>Parental allowance for documented childcare expenses</i>			
Upper limit			
One child .....	NOK 25,000	NOK 25,000	-
Supplement per additional child ...	NOK 15,000	NOK 15,000	-
<i>Wealth tax<sup>15</sup></i>			
Local government			
Threshold .....	NOK 1,700,000	NOK 1,700,000	-
Rate.....	0.7%	0.7%	-
Central government			
Threshold, bracket 1.....	NOK 1,700,000	NOK 1,700,000	-
Rate, bracket 1 .....	0.30%	0.30%	-
Threshold, bracket 2.....	NOK 20 million	NOK 20 million	-
Rate, bracket 2 .....	0.4%	0.4%	-
<i>Valuation<sup>16</sup></i>			
Primary dwelling .....	25%	25%	-
High-valuation primary dwelling <sup>17</sup> .....	70%	70%	-
Secondary dwelling (and assigned debt) .....	100%	100%	-

Table 1.7 (cont'd)

	2023 rules	Proposal 2024 rules	Change 2023–2024
Shares (including commercial property) and assigned debt .....	80%	80%	-
Operating assets (and assigned debt) .....	70%	70%	-
<i>Financial activity tax</i>			
Financial activity tax on payrolls...	5%	5%	-
Financial activity tax on profits .....	3%	3%	-
<i>Depreciation rates</i>			
Asset group a (office machinery, etc.) .....	30%	30%	-
Asset group b (acquired goodwill) .....	20%	20%	-
Asset group c (heavy goods vehicles, lorries, buses, vans, etc.) <sup>18</sup> .....	24 (30)%	24%	(-6 pp)
Asset group d (passenger cars, machinery and equipment, etc.) ...	20%	20%	-
Asset group e (ships, vessels, rigs, etc.) .....	14%	14%	-
Asset group f (aircraft, helicopters) .....	12%	12%	-
Asset group g (facilities for the transmission and distribution of electricity and electrotechnical equipment in power companies) ..	5%	5%	-

	2023 rules	Proposal 2024 rules	Change 2023–2024
Asset group h (buildings and installations, hotels, etc.) <sup>19</sup> .....	4 (6/10/20)%	4(6/10/20)%	-
Asset group i (office buildings) .....	2%	2%	-
Asset group j (technical facilities in office buildings and other commercial buildings) .....	10%	10%	-

<sup>1</sup> For taxpayers in the action zone in the county of Troms og Finnmark, the rate is 18.5 per cent both in 2023 and 2024.

<sup>2</sup> The tax rate on ordinary income for businesses subject to financial activity tax is 25 per cent in both 2023 and 2024.

<sup>3</sup> Since calculated corporation tax is deducted from the special tax base, a formal tax rate of 71.8 per cent will correspond to an effective tax rate of 56 per cent.

<sup>4</sup> Since resource rent-related corporation tax is deducted from the resource rent tax base, a formal tax rate of 57.7 per cent will correspond to an effective tax rate of 45 per cent.

<sup>5</sup> Since resource rent-related corporation tax is deducted from the resource rent tax base, a formal tax rate of 32.1 per cent will correspond to an effective tax rate of 25 per cent.

<sup>6</sup> Since resource rent-related corporation tax is deducted from the resource rent tax base, a formal tax rate of 44.9 per cent will correspond to an effective tax rate of 35 per cent.

<sup>7</sup> In 2023 the tax rate in bracket 3 is 11,5 pct. for taxpayers in the action zone in Finnmark and Nord-Troms. From 2024, the rate is the same for all regions in Norway. This change should be considered in the context of the increased Finnmark allowance.

<sup>8</sup> Self-employed persons engaged in fishing, or in childcare in their own home (children under the age of 12 or with special care needs) pay National Insurance contributions on self-employment income at the rate of 7.9 per cent in 2023 and 7.8 per cent in 2024. The lower National Insurance contribution rate for fishing is related to this industry paying product tax, with such tax being intended to cover, inter alia, the difference between this lower rate and the contribution rate payable on other self-employment income.

<sup>9</sup> In zone Ia, employer’s National Insurance contributions shall be paid at a rate of 10.6 per cent until the difference between what the enterprise pays in employer’s National Insurance contributions at this rate and what the enterprise would have paid in employer’s National Insurance contributions at a rate of 14.1 per cent is equal to the tax-free allowance. The rate of 14.1% is applied to the excess contribution base. In 2023, the tax-free allowance is NOK 500,000 per enterprise. For 2024, the tax-free allowance has been increased to NOK 850,000 per enterprise.

<sup>10</sup> For persons encompassed by the tax credit for pension income, the highest effective marginal tax rate may be up to 47.8 per cent in both 2023 and 2024.

<sup>11</sup> Includes corporation tax and an upward adjustment factor for dividends, etc. In both 2023 and 2024, the corporation tax rate is 22 per cent and the upward adjustment factor for dividends, etc., is 1.72.

<sup>12</sup> Taxpayers with both wage income, etc., and pension income will be granted the sum of the basic allowances against wage income and pension income. The upper limit on the basic allowance against wage income applies as the upper limit on the sum of the basic allowances.

<sup>13</sup> The income-independent element of the reindeer husbandry allowance is NOK 93,000, and the maximum allowance is NOK 195,000, in both 2023 and 2024.

Table 1.7 (cont'd)

- <sup>14</sup> In connection with the Revised National Budget for 2017, a scheme for tax-favoured individual pension savings was introduced. The maximum allowance under this scheme is NOK 15,000. The old IPS scheme was maintained with a maximum allowance of NOK 15,000 for those who already saved under that scheme. This is coordinated with contributions under the new scheme, thus implying that the total allowance under the schemes cannot exceed NOK 15,000.
- <sup>15</sup> The thresholds are for single taxpayers. For spouses, whose taxes are assessed jointly on joint wealth, the thresholds are double those specified in the table.
- <sup>16</sup> The valuation applies to assets owned directly by the taxpayer liable for wealth tax.
- <sup>17</sup> High-valuation primary dwelling applies to the part of the property value in excess of NOK 10 million in both 2023 and 2024.
- <sup>18</sup> The ordinary depreciation rate for asset group c is 24 per cent, with a higher rate of 30 per cent for vans, the abolition of which is proposed for 2024.
- <sup>19</sup> Livestock buildings in agriculture can be depreciated at a higher rate of 6 per cent. Buildings with such a simple structure that their useful life must be assumed not to exceed 20 years, can be depreciated at a rate of 10 per cent. The rate of 10 per cent also applies to facilities where the useful life must be assumed not to exceed 20 years. Costs for the establishment of fruit and berry fields can be depreciated on a declining-balance basis at a rate of 10 and 20 per cent, respectively.

Source: Ministry of Finance.



Table 1.8 presents the current rates for value added tax and excise duties, as well as the proposed rates for 2024. All excise duties have generally been adjusted upwards by 3.8 per cent to take into account anticipated inflation. Minor deviations may be due to rounding of the rates. Reference is also made to the decision on indirect taxes proposed in this proposition.

Table 1.8 Rates of indirect tax in 2023 and proposed rates for 2024

Tax category	2023 rules	Proposal for 2024	Change in per cent.
<i>Value added tax, per cent of sales value</i>			
Standard rate .....	25	25	-
Reduced rate.....	15	15	-
Low rate .....	12	12	-
<i>Tax on alcohol</i>			
Spirits-based beverages containing over 0.7 per cent alcohol by volume, NOK per volume per cent and litre .....	8.45	8.77	3.8
Other alcoholic beverages containing from 4.7 to 22 per cent alcohol by volume, NOK per volume per cent per litre.....	4.95	5.14	3.8
Other alcoholic beverages containing up to and including 4.7 per cent alcohol by volume, NOK volume per cent per litre			
0.0–0.7 volume per cent .....	-	-	-
0.7–2.7 volume per cent .....	3.40	3.53	3.8
2.7–3.7 volume per cent .....	12.79	13.28	3.8
3.7–4.7 volume per cent .....	22.15	22.99	3.8
Fermented alcoholic beverages containing from 3.7 up to and including 4.7 per cent alcohol by volume, produced by small breweries. ....	variable	variable	-

Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
<i>Tax on tobacco products</i>			
Cigars, NOK per 100 grams.....	303	315	4.0
Cigarettes, NOK per 100 units.....	303	315	4.0
Smoking tobacco, NOK per 100 grams .....	303	315	4.0
Moist snuff, NOK per 100 grams.....	93	97	4.3
Chewing tobacco, NOK per 100 grams .....	123	128	4.1
Cigarette paper, NOK per 100 units.....	4.64	4.82	3.9
E-liquids containing nicotine, NOK per 100 ml....	492	511	3.9
Tobacco for heating, NOK per 100 grams.....	303	315	4.0
Other nicotine products, NOK per 100 grams .....	46.48	48.25	3.8
 <i>Motor vehicle registration tax</i>			
Passenger cars, etc. Tax group a <sup>1</sup>			
All passenger cars			
Kerb weight, NOK per kg			
first 500 kg .....	0	0	-
remainder .....	12.50	12.98	3.8
 Passenger cars, etc., with internal combustion engine			
Kerb weight, NOK per kg			
first 500 kg .....	0	0	0
next 700 kg .....	27.92	28.98	3.8
next 200 kg .....	69.57	72.22	3.8
next 100 kg .....	217.42	225.68	3.8

Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
remainder .....	252.85	262.46	3.8
NO <sub>X</sub> emissions, NOK per mg/km .....	80.33	83.38	3.8
CO <sub>2</sub> emissions, NOK per g/km			
first 82 g/km .....	0	0	-
next 36 g/km.....	1,351.29	1,402.64	3.8
next 37 g/km.....	1,514.27	1,571.81	3.8
next 70 g/km.....	2,939.27	3,050.96	3.8
remainder .....	4,688.70	4,866.87	3.8
allowance for emissions below 82 g/km, applies down to 50 g/km and only for vehicles with emissions of less than 82 g/km.....	854.65	887.13	3.8
allowance for emissions below 50 g/km, only applies to vehicles with emissions below 50 g/km.....	1,005.51	1,043.72	3.8
Vans class 2. Tax group b			
Kerb weight, per cent of passenger car rate .....	20	20	-
NO <sub>X</sub> emissions, per cent of passenger car rate ....	75	75	-
CO <sub>2</sub> emissions, NOK per g/km			
first 84 g/km .....	0	0	-
next 30 g/km.....	378.36	412.38	9.0
next 36 g/km.....	424.00	462.12	9.0
remainder .....	823.00	896.98	9.0
allowance for emissions below 84 g/km, applies down to 48 g/km and only for vehicles with emissions of less than 84 g/km.....	256.40	266.14	3.8
allowance for emissions below 48 g/km, only applies to vehicles with emissions of less than 48 g/km.....	301.65	313.11	3.8

Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
Motorhomes. Tax group c <sup>2</sup>			
Kerb weight, per cent of passenger car rate .....	22	22	-
Piston displacement.....	variable	variable	-
Tracked vehicles. Tax group e <sup>3</sup>			
per cent of the value added tax base .....	36	-	-100.0
Motorcycles. Tax group f <sup>4</sup>			
Piston displacement tax, NOK per cm <sup>3</sup>			
first 500 cm <sup>3</sup> .....	0	0	-
next 400 cm <sup>3</sup> .....	33.25	34.51	3.8
remainder .....	77.70	80.65	3.8
CO <sub>2</sub> emissions, NOK per g/km			
first 75 g/km.....	0	0	-
next 60 g/km.....	739.80	767.91	3.8
remainder .....	1,000.32	1,038.33	3.8
Snowmobiles. Tax group g			
Kerb weight, NOK per kg			
first 100 kg .....	15.62	16.21	3.8
next 100 kg .....	31.23	32.42	3.8
remainder .....	62.45	64.82	3.8
Engine power, NOK per kW			
first 20 kW .....	25.08	26.03	3.8
next 20 kW.....	50.18	52.09	3.8
remainder .....	100.33	104.15	3.8

Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
Piston displacement, NOK per cm <sup>3</sup>			
first 500 cm <sup>3</sup> .....	0	0	-
remainder .....	10.98	11.40	3.8
Minibuses. Tax group j <sup>5</sup>			
Kerb weight, per cent of passenger car rate .....	40	40	-
CO <sub>2</sub> emissions, NOK per g/km .....	variable	variable	-
Traffic insurance tax, NOK per day <sup>6</sup>			
Passenger cars, vans, etc. ....	8.38	7.60	-9.3
Diesel cars without factory-fitted particle filter .....	9.84	9.11	-7.4
Motorcycles .....	6.10	5.23	-14.3
Tractors, mopeds, etc. ....	1.42	0.37	-73.9
Electric cars	8.38	8.70	3.8
Annual weight-based tax, NOK per year .....	variable	variable	-
<i>Re-registration tax</i> .....	variable	variable	-
<i>Road usage tax on fuel</i>			
Petrol, NOK per litre <sup>7</sup> .....	4.70	4.62	-1.7
Mineral oils, NOK per litre <sup>8</sup> .....	2.92	2.71	-7.2
Bioethanol, NOK per litre .....	2.08	2.16	3.8
Biodiesel, NOK per litre .....	2.91	3.02	3.8
Natural gas, NOK per Sm <sup>3</sup> .....	2.85	2.96	3.9
LPG, NOK per kg .....	3.72	3.86	3.8

Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
<i>High-price contribution, per cent of price above NOK 0.70 per kWh</i> .....	23	-	-100
<i>Electricity tax, NOK 0.01 per kWh</i>			
Standard rate .....	15.84	16.44	3.8
Lower standard rate in January-March .....	9.16	9.51	3.8
Reduced rate .....	0.546	0.580	6.2
Tax on lubricating oils, NOK per litre .....	2.45	2.54	3.7
<i>CO<sub>2</sub> tax on mineral products</i>			
Petrol, NOK per litre .....	2.21	2.72	23.5
Mineral oils, NOK per litre			
standard rate .....	2.53	3.17	23.5
subject to ETS .....	0.23	0.24	4.3
domestic aviation .....	2.43	3.00	23.5
domestic aviation subject to ETS .....	1.66	1.72	3.9
domestic shipping subject to ETS <sup>9</sup> .....	2.53	2.07	-18.2
Natural gas, NOK per Sm <sup>3</sup>			
standard rate .....	1.89	2.34	23.5
subject to ETS .....	0.066	0.066	-
chemical reduction, etc. <sup>10</sup> .....	0	0	-
greenhouse industry .....	0.15	0.35	133.3
domestic shipping subject to ETS <sup>9</sup> .....	1.89	1.54	-18.5

Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
<i>LPG, NOK per kg</i>			
standard rate .....	2.86	3.53	23.5
subject to ETS.....	0	0	-
chemical reduction, etc. <sup>10</sup> .....	0	0	-
greenhouse industry .....	0.23	0.53	130.4
domestic shipping subject to ETS <sup>9</sup> .....	2.86	2.33	-18.5
 <i>Waste incineration tax, NOK per tonne CO<sub>2</sub><sup>11</sup></i>			
Non-ETS emissions .....	476	882	85.3
Emissions subject to ETS.....	95	176	85.3
 <i>Tax on HFCs and PFCs, NOK per tonne CO<sub>2</sub> equivalents .....</i>			
<i>CO<sub>2</sub> equivalents .....</i>	952	1,176	23.5
 <i>Tax on SF<sub>6</sub>, NOK per kg SF<sub>6</sub></i>			
Undiluted SF <sub>6</sub> .....	22,372	27,636	23.5
SF <sub>6</sub> included in products.....	4,332	5,523	27.5
 <i>CO<sub>2</sub> tax in the petroleum sector</i>			
mineral oils, NOK per litre.....	2.03	2.10	3.4
natural gas, NOK per Sm <sup>3</sup> .....	1.78	16.85	3.9
natural gas discharged into the atmosphere, NOK per Sm <sup>3</sup> .....	13.67	16.89	23.6
 <i>Sulphur tax, NOK 0.01 per litre.....</i>	 14.60	 15.20	 4.1

Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
<i>Tax on trichloroethene (TRI) and tetrachloroethene (PER), NOK per kg<sup>12</sup>.....</i>	80.58	-	-100.0
<i>Tax on NO<sub>x</sub> emissions, NOK per kg.....</i>	24.46	25.59	3.8
<i>Tax on fish production, NOK per kg.....</i>	0.90	0.935	3.8
<i>Tax on wild marine resources, percentage of gross sales value less fees paid to fishermen's cooperative sales association.....</i>	0.42	0.42	-
<i>Tax on onshore wind power, NOK 0.01 per kWh....</i>	2.00	2.30	15.0
<i>Tax on sugar, NOK per kg.....</i>	8.84	9.18	3.8
<i>Tax on beverage packaging, NOK per unit</i>			
Base tax, disposable packaging.....	1.33	1.38	3.8
Environmental tax			
glass and metal.....	6.46	6.71	3.9
plastic.....	3.91	4.06	3.8
cardboard and cartons.....	1.59	1.65	3.8



Table 1.8 (cont'd)

Tax category	2023 rules	Proposal for 2024	Change in per cent.
<i>Air passenger tax, NOK per passenger</i>			
Low rate .....	82	85	3.7
High rate .....	320	332	3.8
<i>Stamp duty, per cent of sales value.....</i>	2.5	2.5	-

- <sup>1</sup> Group a: Passenger cars, vans class 1 and buses less than 6 metres in length with up to 17 seats. Piston displacement is used as the tax component for vehicles whose CO<sub>2</sub> emissions are not specified.
- <sup>2</sup> Group c: Motorhomes. Not subject to NO<sub>x</sub> component.
- <sup>3</sup> Group e: Tracked vehicles. It is proposed to abolish the tax with effect from 1 January 2024.
- <sup>4</sup> Group f: Motorcycles. Vehicles for which CO<sub>2</sub> emissions are not registered are subject to tax per unit and a tax on engine power, in addition to piston displacement tax.
- <sup>5</sup> Group j: Buses less than 6 metres in length with up to 17 seats, of which at least 10 are forward-facing. The highest bracket of the CO<sub>2</sub> component does not apply to group j. Not subject to NO<sub>x</sub> component.
- <sup>6</sup> The tax that each insurance policy triggers is determined on the basis of the tax rates that applied as of the start date of the policy. The 2022 rates apply to insurance policies that were established or had their main expiry date before 1 March 2023. The 2023 rates apply to insurance policies that were established or had their main expiry date between 1 March 2023 and 29 February 2024. The 2024 rates apply to insurance policies that are established or have their main expiry date after 1 March 2024.
- <sup>7</sup> Petrol with a sulphur content of less than 10 ppm.
- <sup>8</sup> Diesel with a sulphur content of less than 10 ppm.
- <sup>9</sup> The introduction of a reduced rate for domestic shipping subject to ETS requires the issue of state aid to be clarified with the ESA.
- <sup>10</sup> The tax on natural gas and LPG for chemical reduction, etc., has not entered into effect, pending ESA approval of the exemption for businesses subject to ETS.
- <sup>11</sup> The introduction of a reduced rate for emissions subject to ETS requires amendments to the General Block Exemption Regulation (GBER). Until these amendments are in place, both rates will be increased to NOK 294 per tonne of CO<sub>2</sub>.
- <sup>12</sup> It is proposed to abolish the tax on trichloroethene (TRI) and tetrachloroethene (PER) with effect from 1 January 2024.

Source: Ministry of Finance.

## 1.6 Distribution of public tax revenues

Table 1.9 provides a general overview of the main groups of taxes and the parts of the public sector that receive revenues from each main group. Total tax revenues are estimated at NOK 2,105 billion in 2023. Of this amount, just over 87 per cent will accrue to central government, just over 11 per cent to local government and just over 2 per cent to regional government.

Most local and regional government tax revenues are in the form of income tax and wealth tax paid by personal taxpayers. Just over 27 per cent of central government tax revenues are in the form of value added tax, excise duties and customs duties. Just over 24 per cent of central government tax revenues are paid by personal taxpayers, while just under 22 per cent are paid by non-personal taxpayers outside the petroleum sector, including employer’s National Insurance contributions in mainland Norway. 24 per cent of central government tax revenues in 2023 will take the form of taxes on petroleum. Taxes from the petroleum sector are included in central government’s net cash flow from petroleum activities, which is transferred to the Government Pension Fund Global.

Table 1.9 Accrued taxes by tax creditors. Estimates for 2023.  
NOK billion

	Total	Central government	Local government	Regional government
<i>Personal taxpayers</i> .....	696.6	442.9	211.7	42.0
Tax on ordinary income .....	377.6	144.4	191.2	42.0
Tax on personal income .....	105.3	105.3		
Personal National Insurance contributions.....	183.3	183.3		
Wealth tax .....	30.4	9.9	20.5	

Table 1.9 (cont'd)

	Total	Central government	Local government	Regional government
<i>Companies (whose taxes are payable in arrears) .....</i>	<i>130.5</i>	<i>128.6</i>	<i>1.6</i>	<i>0.3</i>
Income tax (including power plants) .....	129.8	128.0	1.6	0.3
Wealth tax.....	0.6	0.6	0.0	
<i>Financial activity tax .....</i>	<i>5.2</i>	<i>5.2</i>	<i>0.0</i>	<i>0.0</i>
Tax on payrolls.....	2.6	2.6		
Tax on profits .....	2.7	2.7		
<i>Property tax.....</i>	<i>16.8</i>		<i>16.8</i>	
<i>Employer's National Insurance contributions.....</i>	<i>254.0</i>	<i>254.0</i>		
<i>Indirect taxes.....</i>	<i>501.5</i>	<i>501.5</i>		
Value added tax.....	389.8	389.8		
Excise duties and customs duties <sup>1</sup> ...	111.7	111.7		
<i>Petroleum .....</i>	<i>438.2</i>	<i>438.2</i>	<i>0.0</i>	<i>0.0</i>
Tax on income.....	430.4	430.4		
Tax on extraction, etc. ....	7.8	7.8		

Table 1.9 (cont'd)

	Total	Central government	Local government	Regional government
<i>Other taxes</i> .....	<i>62.3</i>	<i>57.4</i>	<i>4.0</i>	<i>0.9</i>
National Insurance and pension premiums, other central government accounts <sup>2</sup> .....	36.4	31.6	4.0	0.9
Tax on dividends to foreign shareholders .....	10.0	10.0		
Other taxes <sup>3</sup> .....	15.8	15.8		
<i>Total taxes</i> .....	<i>2,105.0</i>	<i>1,827.8</i>	<i>234.0</i>	<i>43.2</i>

<sup>1</sup> Excluding certain excise duties and sectoral taxes that are recognised as taxes in the fiscal budget, but are grouped as property income or user payments in the national accounts, including the high-price contribution.

<sup>2</sup> Including, inter alia, the Norwegian Public Service Pension Fund.

<sup>3</sup> Including some revenue items that are grouped as tax revenues in the national accounts, but are not recognised as tax revenues in the fiscal budget.

Source: Ministry of Finance.

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Published by:  
Norwegian Ministry of Finance

