

# Budget 2016



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



Norwegian Ministry  
of Finance



## Main figures of the Fiscal Budget and the Pension Fund excluding borrowing and lending transactions for 2015 and 2016

(NOK million)

	Estimated accounts 2015	Adopted budget 2016
<i>Total revenue of the Fiscal Budget</i>	1 235 164	1 252 490
Revenue from petroleum activities	257 682	233 087
Revenue excluding petroleum revenue	977 482	1 019 403
<i>Total expenditure of the Fiscal Budget</i>	1 192 545	1 257 397
Expenditure on petroleum activities	29 000	29 000
Expenditure excluding petroleum expenditure	1 163 545	1 228 397
= Fiscal Budget surplus before transfers to the Pension Fund Global	42 619	-4 907
- Net cash flow from petroleum activities	228 682	204 087
= Petroleum adjusted surplus	-186 063	-208 994
+ Transferred from the Pension Fund Global	186 063	208 994
= <i>Fiscal Budget surplus</i>	0	0
+ Net allocated to the Pension Fund Global	42 619	-4 907
+ Fund revenue from interest and dividends	192 900	209 600
= <b>Total surplus of the Fiscal Budget and the Pension Fund</b>	<b>235 519</b>	<b>204 693</b>

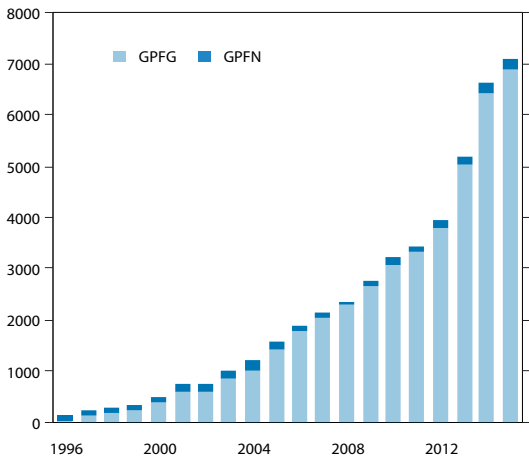
## The borrowing and lending transactions, and financing requirements, of the Fiscal Budget for 2015 and 2016

(NOK million)

	Estimated accounts 2015	Adopted budget 2016
Lending, subscription for shares, etc.	165 734	150 962
- Repayment	124 229	96 532
- Fiscal Budget surplus	0	0
= Net financing requirements	41 505	54 430
+ Debt instalments	61 419	0
= <b>Gross financing requirements of the Fiscal Budget</b>	<b>102 924</b>	<b>54 430</b>

## Market value of the Government Pension Fund

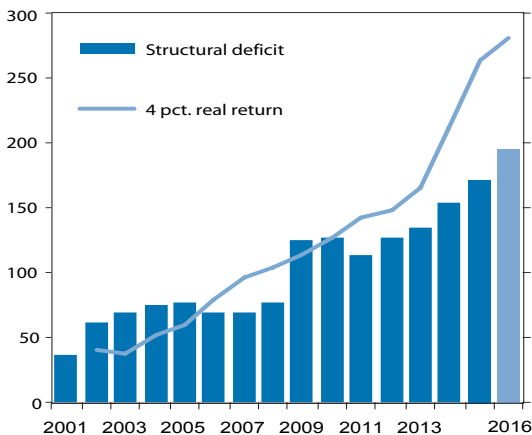
NOK billion. Q3 2015



Source: Ministry of Finance

## Expected real return on the Government Pension Fund and structural, non-oil deficit

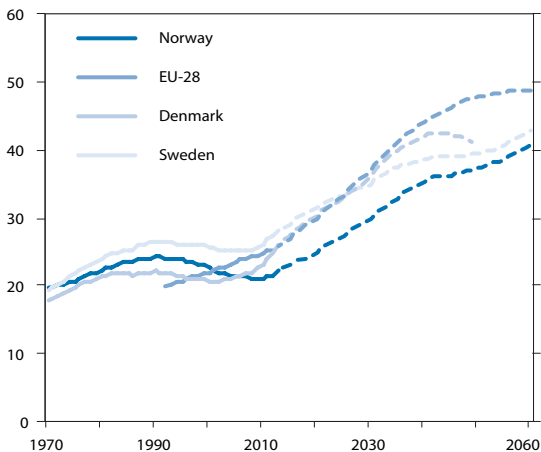
NOK billion



Source: Ministry of Finance

## Elderly (67 years and above) to working age population (20-66 years)

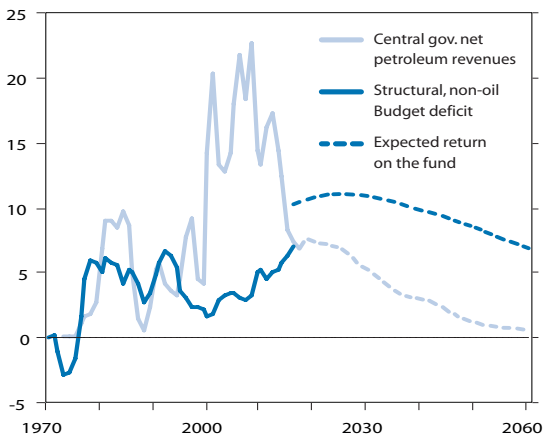
Per cent



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 and Statistics Norway

## Key figures for the petroleum sector

	2014	2015	2016	2017	Oil price sensitivity 2016 <sup>1</sup>
Assumptions:					
Crude oil price, NOK per barrel	621	432	440	474	
Production, Mill. Sm <sup>3</sup> o.e.					
- Crude oil and NLG	110	110	108	106	
- Natural gas	109	108	106	109	
NOK billion:					
Paid taxes <sup>2</sup>	176	119	98	94	2.6
Net revenues from SDØE	113	84	91	89	1.9
Net cash flow <sup>3</sup>	312	218	204	199	4.5

<sup>1</sup> Effects of an oil price increase of NOK 10 per barrel.

<sup>2</sup> Income tax and special tax on petroleum income. Area fee and tax on CO<sub>2</sub> emissions etc.

<sup>3</sup> Taxes and excise duties. Net revenues from SDØE (State Direct Financial Interest) and dividends from Statoil.

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

## Child benefit and cash benefit

	2015-rules	2016-rules	Change 2015-2016
Annual child benefit rate	NOK 11 640	NOK 11 640	-
Single parent rate (children 0-3 years old) <sup>1</sup>	NOK 7 920	NOK 7 920	-
Extra child benefit allowance in Finnmark, North Troms and Svalbard	NOK 0	NOK 0	-
Monthly full rate cash benefit for children aged 13-18 months	NOK 6 000	NOK 6 000	-
Monthly full rate cash benefit for children aged 19-23 months	NOK 6 000	NOK 6 000	-

If the child is not in kindergarden, it is given full cash benefit. If the child has partial day care in kindergarden at 19 hours or less per week, the cash benefit is 50 percent of the full rate.

<sup>1</sup> Applicable only to single parents receiving transitional benefit.

Source: Ministry of Finance

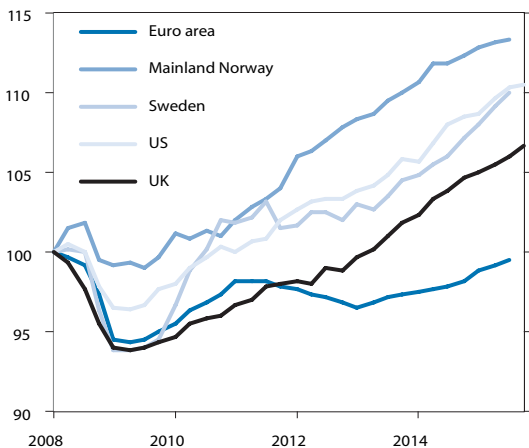
## Fiscal Budget revenue and expenditure 2016, excluding borrowing and lending transactions (NOK billion)

<b>Fiscal Budget revenue (excl. petroleum)</b>	<b>1 019,4</b>
Sum direct and indirect taxes from Mainland Norway	932.1
Taxes on wealth and income	251.1
Employer's and employee's social security contributions	310.3
Value added tax	263.6
Excise duties on tobacco and alcohol	20.2
Excise duties on cars, petrol, etc.	46.6
Excise duties on electricity	9.7
Customs revenue	3.4
Other indirect taxes	27.3
Revenue from government business operations	2.3
Interest and dividends	28.9
Other revenue	56.0
<b>Fiscal Budget expenditure (excl. petroleum)</b>	<b>1 228.4</b>
Sum National Insurance Scheme	439.6
Retirement pension	202.6
Sickness allowance	40.8
Other social security payouts (social causes)	129.7
Disability and medical rehabilitation	30.0
Maternity, paternity and adoption pay	20.3
Unemployment benefit and payments relating to occupational rehabilitation	16.2
General grants to local governments	157,7
Regional health enterprises (hospitals)	140.3
Transport and communications (including operation and maintenance of classified roads)	59.2
Defence	48.9
Higher education and tertiary vocational education	34.6
Foreign aid (ODA approved)*	36.1
Child benefit and cash benefit	16.7
Police and public prosecution	16.8
Agricultural Agreement	14.4
Interest on government debt	10.7
Other expenditure	253.4
Petroleum adjusted surplus	-209.0
Government net cash flow from petroleum sector	204.1

\* In addition, the ODA approved foreign aid includes primary capital to Norfund, the foreign aid expenditure of the Office of the Auditor General of Norway and value added tax related to foreign aid.

## GDP, seasonally adjusted volume indices

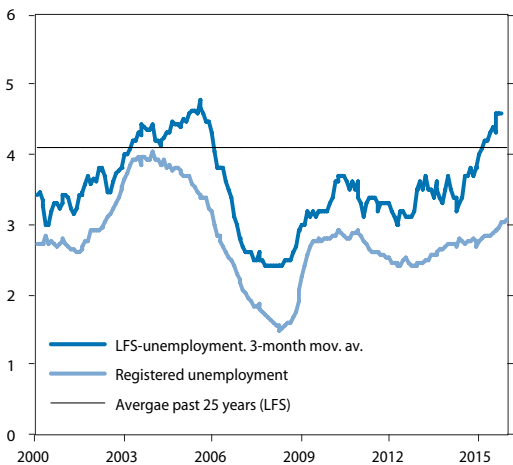
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Sources: OECD, Statistics Norway and Macrobond

## Unemployment. Percentage of the labor force.

Seasonally adjusted

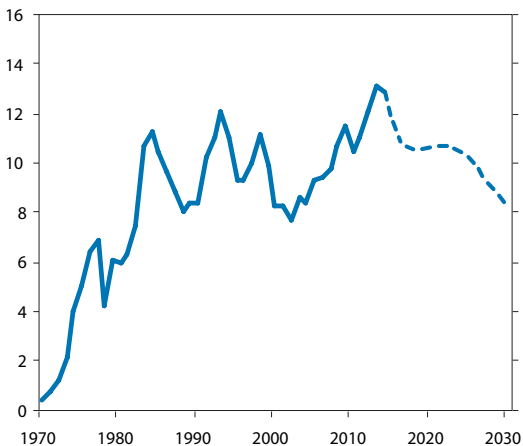


Sources: Statistics Norway, Norwegian Labor and Welfare Organization and Ministry of Finance



## Demand from the petroleum sector

Percent of GDP Mainland Norway

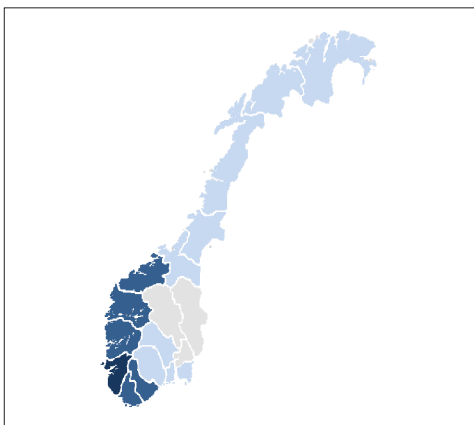


Source: National budget 2016

## Developments in registered unemployment over the last year. PCT.

Darker color indicates larger increase, grey indicates decline.

December 2015



Source: Norwegian Labor and Welfare Organization and Ministry of Finance

# Expenditure and revenue for the fiscal year 2016

## Expenditure

	Total expenditure
Royal House	232 229
Government	344 500
Parliament	2 302 000
Supreme Court	94 997
Ministry of Foreign Affairs	41 359 749
Ministry of Education and Research	55 812 701
Ministry of Culture	13 059 426
Ministry of Justice and Public Security	41 426 387
Ministry of Local Gov't and Modernisation	181 486 276
Ministry of Labour and Social Affairs	42 895 379
Ministry of Health and Care Services	154 977 925
Ministry of Children, Equality and Social Incl.	40 963 391
Ministry of Trade, Industry and Fisheries	9 906 975
Ministry of Agriculture and Food	17 462 248
Ministry of Transport and Communications	89 763 736
Ministry of Climate and Environment	8 928 799
Ministry of Finance	47 507 212
Ministry of Defence	48 892 262
Ministry of Petroleum and Energy	21 047 723
Various expenditure	4 400 000
State banks	113 575 839
Government petroleum activities	29 000 000
Government business operations	3 363 318
National Insurance Scheme	439 556 444
Government Pension Fund Global	204 087 000
<b>Total expenditure</b>	<b>1 612 446 516</b>

1. Revenue (ex repayments and transfers from the Government Pension Fund Global)
2. Expenditure (ex lending, debt instalments)
Operation expenditure
New construction
Transfers to others
Transfers to the Government Pension Fund
3. Surplus before borrowing and lending transactions before transfer from the Government Pension Fund Global (1-2)
4. Transfers from the Government Pension Fund Global
5. Surplus before borrowing and lending transactions (3+4)

**(1000 NOK)**

Operation expenditure	New construction	Transfers to others	Lending and borrowing transactions
20 496	-	211 733	-
344 500	-	-	-
1 542 100	541 000	218 900	-
94 997	-	-	-
11 476 023	284 507	28 298 859	1 300 360
4 790 181	39 138	50 983 382	-
3 123 952	30 722	9 904 752	-
36 822 289	1 501 539	3 102 559	-
4 954 482	2 236 941	174 294 853	-
24 441 290	417 410	11 836 679	6 200 000
4 984 244	22 303	149 971 378	-
9 124 267	56 233	31 782 891	-
3 802 590	167 750	5 936 635	-
1 587 075	4 536	15 870 637	-
21 755 710	27 240 400	10 767 526	30 000 100
2 518 659	566 576	5 843 564	-
14 282 212	250 400	32 974 600	-
32 782 492	15 442 903	666 867	-
1 676 633	7 900	5 113 190	14 250 000
4 400 000	-	-	-
721 875	50 966	13 591 352	99 211 646
-	29 000 000	-	-
-329 024	3 692 342	-	-
-	-	439 556 444	-
-	-	204 087 000	-
<b>184 917 043</b>	<b>81 553 566</b>	<b>1 195 013 801</b>	<b>150 962 106</b>

	Fiscal Budget ex the National Insurance Scheme	National Insurance Scheme	Fiscal Budget incl. the National Insurance Scheme
	939 889 019	312 600 980	1 252 489 999
	1 021 927 966	439 556 444	1 461 484 410
	184 917 043	-	184 917 043
	81 553 566	-	81 553 566
	551 370 357	439 556 444	990 926 801
	204 087 000	-	204 087 000
	-82 038 947	-126 955 464	-208 994 411
	208 994 411	-	208 994 411
	126 955 464	-126 955 464	-

## Revenue

	Total revenue
Taxes on wealth and income	251 138 000
Employer's and employee's social security contributions	310 331 000
Customs revenue	3 360 000
Value added tax	263 560 000
Excise duties on alcohol	13 000 000
Excise duties on tobacco	7 200 000
Excise duties on cars	30 168 000
Other excise duties	53 387 321
<b>Total taxes and duties</b>	<b>932 144 321</b>
Interests from government business operations	76 753
Other revenue from government business operations	2 245 205
<b>Total revenue from government business operations</b>	<b>2 321 958</b>
Interests from state banks	8 717 206
Interests from cash balance and other	4 588 800
Dividends exclusive Statoil	15 529 302
Interests and dividends (ex Government business operations and Statoil)	28 835 308
Revenue from the ministries	41 301 412
Transfer from Norges Bank	14 800 000
Return of assets from The State Bank Insurance Fund	-
<b>Total other revenue</b>	<b>56 101 412</b>
Revenue from government petroleum activities	119 900 000
Taxes and duties on extraction of petroleum	97 805 000
Dividends from Statoil	15 382 000
<b>Total petroleum revenue</b>	<b>233 087 000</b>
Repayments	96 532 038
Government Pension Fund Global	208 994 411
<b>Total revenue</b>	<b>1 558 016 448</b>

Borrowing and lending transactions:
6. Loans, debt instalments, subscription of shares overall
Loans to the state banks
Debt instalments
Other loans, subscription of shares
7. Repayments
8. Loans (net) (6-7)
9. Overall financing requirements – of cash balance and borrowing and lending assets (8-5)

Operation revenue	Revenue related to new construction	Taxes, duties and other transfers	Repayments
-	-	251 138 000	-
-	-	310 331 000	-
-	-	3 360 000	-
-	-	263 560 000	-
-	-	13 000 000	-
-	-	7 200 000	-
-	-	30 168 000	-
-	-	53 387 321	-
-	-	932 144 321	-
-	-	76 753	-
200	2 229 405	15 600	-
200	2 229 405	92 353	-
-	-	8 717 206	-
-	-	4 588 800	-
-	-	15 529 302	-
-	-	28 835 308	-
25 825 626	221 061	15 254 725	-
-	-	14 800 000	-
-	-	-	-
25 825 626	221 061	30 054 725	-
92 200 000	23 700 000	4 000 000	-
-	-	97 805 000	-
-	-	15 382 000	-
92 200 000	23 700 000	117 187 000	-
-	-	-	96 532 038
-	-	208 994 411	-
118 025 826	26 150 466	1 317 308 118	96 532 038

	Fiscal Budget ex the National Insurance Scheme	National Insurance Scheme	Fiscal Budget incl. the National Insurance Scheme
	150 962 106	-	150 962 106
	99 211 646	-	99 211 646
	-	-	-
	51 750 460	-	51 750 460
	96 532 038	-	96 532 038
	54 430 068	-	54 430 068
	-72 525 396	126 955 464	54 430 068

## Macroeconomic developments

### Percentage change from previous year<sup>1</sup>

	NOK billion <sup>2</sup>	2014	2015	2016
	2014			
Private consumption	1 288.9	2.0	2.5	1.9
Public consumption	690.3	2.7	2.4	2.7
Gross fixed capital formation	747.7	0.6	-2.4	0.2
Of which:				
Oil activities <sup>3</sup>	216.0	-1.7	-11.3	-8.1
Mainland business sector	230.2	0.2	-0.4	4.5
Residential construction	149.4	-1.6	1.2	1.4
Public sector	143.7	8.2	3.5	3.0
Final demand from Mainland Norway	2 502.6	2.1	2.2	2.4
Exports	1 207.6	2.7	2.5	1.3
Of which:				
Crude oil and natural gas	537.9	1.5	0.0	-2.4
Traditional goods	343.0	2.3	4.1	4.0
Imports	932.4	1.9	2.5	2.7
Of which:				
Traditional goods	545.8	-0.3	1.8	3.3
Gross Domestic Product	3 149.7	2.2	1.2	1.2
Of which Mainland Norway	2 527.4	2.2	1.3	1.8
Memo:				
Employment, persons	..	1.1	0.5	0.5
Unemployment rate (LFS, per cent of labour force)	..	3.5	4.4	4.5
Consumer price index	..	2.0	2.1	2.5
Consumer price index adjusted for tax changes and excluding energy products (CPI-ATE)	..	2.4	2.7	2.5
Wage growth	..	3.1	2.7	2.7
Crude oil price, NOK per barrel <sup>4</sup>	..	621	432	440
Gross National Income (NOK billion) <sup>4</sup>	..	3 221.1	3 215.6	3 376.0

<sup>1</sup> Percentage change is calculated in fixed prices.

<sup>2</sup> National accounts current prices.

<sup>3</sup> Excl. services.

<sup>4</sup> Current prices.

Sources: Statistics Norway and Ministry of Finance.

## Tax rates, allowances and thresholds in 2015 and in 2016

	2015- rules	2016- rules	Change 2015-2016
<b>Tax on ordinary income</b>			
Individuals <sup>1</sup>	27 pct.	25 pct.	-2 percentage points
Enterprises <sup>2</sup>	27 pct.	25 pct.	-
<b>Bracket tax</b>			
<i>Bracket 1</i>			
Threshold	-	NOK 159,800	
Rate	-	0.44 pct.	
<i>Bracket 2</i>			
Threshold	-	NOK 224,900	
Rate	-	1.7 pct.	
<i>Bracket 3</i>			
Threshold	NOK 550,550	NOK 565,400	2.7 pct
Rate <sup>3</sup>	9.0 pct.	10.7 pct.	1.7 percentage points
<i>Bracket 4</i>			
Threshold	NOK 885,600	NOK 909,500	2.7 pct
Rate	12.0 pct.	13.7 pct.	1.7 percentage points
<b>Employees' social security contribution</b>			
Lower threshold for the payment of employees' social security contribution			
	NOK 49,650	NOK 49,650	-
Levelling rate	25.0 pct.	25.0 pct.	-
<i>Rate</i>			
Wage income	8.2 pct.	8.2 pct.	-
Fishing, hunting and childminding <sup>4</sup>	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.	-
<b>Employers' social security contribution<sup>5</sup></b>			
Zone I	14.1 pct.	14.1 pct.	-
Zone Ia	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.	-

<sup>1</sup> The rate for taxpayers in Nord-Troms and Finnmark is reduced from 23.5 pct. in 2015 to 21.5 pct. in 2016.

<sup>2</sup> The special tax on petroleum activities and the economic rent tax on hydropower plants are increased from 51 and 31 pct. respectively in 2015 to 53 and 33 pct. in 2016.

<sup>3</sup> The rate is 8.7 pct. in bracket 3 for taxpayers in Nord-Troms and Finnmark.

<sup>4</sup> 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.

<sup>5</sup> In zone Ia, employers' social security contribution shall be paid at a rate of 10.6 pct. until the difference between the employers' 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 2016, the threshold is NOK 500,000 per company. For goods road transport in zone Ia, the threshold is NOK 250,000. EEA regulations on regional state aid do not allow differentiated employer's social security contributions in parts of the transport sector, in the energy sector and in the finance and insurance sectors. A threshold arrangement corresponding to the one in zone 1a has therefore been introduced in these sectors.

	2015- rules	2016- rules	Change 2015-2016
<b>Maximum effective marginal tax rates</b>			
Wage income, excl. employees' social security contribution	47.2 pct.	46.9 pct.	-0.3 percentage points
Wage income, incl. employees' social security contribution	53.7 pct.	53.5 pct.	-0.3 percentage points
Pension income <sup>6</sup>	44.1 pct.	43.8 pct.	-0.3 percentage points
Income from self-employment <sup>4</sup>	50.4 pct.	50.1 pct.	-0.3 percentage points
Dividends and distributions <sup>7</sup>	46.7 pct.	46.6 pct.	-0.1 percentage points
<b>Personal allowance</b>			
Class 1	NOK 50,400	NOK 51,750	2.7 pct.
Class 2	NOK 74,250	NOK 76,250	2.7 pct.
<b>Basic allowance against wage income and benefits</b>			
Rate	43.0 pct.	43.0 pct.	-
Lower limit	NOK 4,000	NOK 4,000	-
Upper limit <sup>8</sup>	NOK 89,050	NOK 91,450	2.7 pct.
<b>Basic allowance against pension income</b>			
Rate	29.0 pct.	29.0 pct.	-
Lower limit	NOK 4,000	NOK 4,000	-
Upper limit	NOK 72,200	NOK 73,600	1.9 pct.
<b>Special wage income allowance<sup>9</sup></b>	NOK 31,800	NOK 31,800	-
<b>Special allowance for sole providers</b>	NOK 48,804	NOK 51,804	6.1 pct.
<b>Special tax credit for pensioners</b>			
Maximum amount	NOK 30,800	NOK 29,880	-3 pct.
<i>Downscaling, level 1</i>			
Threshold	NOK 180,800	NOK 184,800	2.2 pct.
Rate	15.3 pct.	15.3 pct.	-
<i>Downscaling, level 2</i>			
Threshold	NOK 273,650	NOK 278,950	1.9 pct.
Rate	6.0 pct.	6.0 pct.	-
<b>The tax limitation rule</b>			
Levelling rate	55.0 pct.	55.0 pct.	-
<i>Tax-exempted net income</i>			
Single person	NOK 135,700	NOK 139,400	2.7 pct.
Married person	NOK 124,800	NOK 128,150	2.7 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	-

<sup>6</sup> For persons who are subject to the tax limitation rule, the maximum effective marginal tax rate may be up to 55 pct.

<sup>7</sup> Including 27 pct. corporation tax in 2015 and 25 pct. corporation tax and adjustment factor of 1.15 for dividends in 2016.

<sup>8</sup> 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 91,450 in 2016.



	2015- rules	2016- rules	Change 2015-2016
<b>Special allowance in Finnmark and Nord-Troms</b>			
Class 1	NOK 15,500	NOK 15,500	-
Class 2	NOK 15,500	NOK 15,500	-
<b>Seamen's allowance</b>			
Rate	30.0 pct.	30.0 pct.	-
Upper limit	NOK 80,000	NOK 80,000	-
<b>Fishermen's allowance</b>			
Rate	30.0 pct.	30.0 pct.	-
Upper limit	NOK 150,000	NOK 150,000	-
<b>Special allowance against income from self-employment in agriculture, etc.</b>			
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	-
<b>Special allowance for high expenses due to illness<sup>10</sup></b>			
Lower limit	NOK 9,180	NOK 9,180	-
<b>Maximum annual allowance for payments to individual pension schemes</b>			
	NOK 15,000	NOK 15,000	-
<b>Allowance for travel between home and work</b>			
Rate per km	NOK 1.50/0.70	NOK 1.50/0.70	-
Lower allowance limit	NOK 16,000	NOK 22,000	37.5 pct.
<b>Maximum allowance for donations to charities</b>			
	NOK 20,000	NOK 25,000	25 pct.
<b>Maximum allowance for paid trade union subscriptions, etc</b>			
	NOK 3,850	NOK 3,850	-
<b>Home investment savings scheme for people below the age of 34 years (BSU)</b>			
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 200,000	NOK 300,000	50.0 pct.
<b>Parental allowance for documented childminding and childcare expenses</b>			
<i>Upper limit</i>			
One child	NOK 25,000	NOK 25,000	-
Supplement per additional child	NOK 15,000	NOK 15,000	-
<b>Allowance per kilometre of work-related travel using a private vehicle</b>			
Allowance per kilometre up to 10,000 km	NOK 4.10	NOK 3.80	-7.3 pct.
Allowance per kilometre in excess of 10,000 km	NOK 3.45	NOK 3.45	-

<sup>10</sup> The special allowance for high expenses due to illness is continued in 2016 with same rules as in 2015.

	2015- rules	2016- rules	Change 2015-2016
<b>Net wealth tax<sup>11</sup></b>			
<i>Local government</i>			
Threshold	NOK 1,200,000	NOK 1,400,000	16.7 pct.
Rate	0.7 pct.	0.7 pct.	-
<i>Central government</i>			
Threshold	NOK 1,200,000	NOK 1,400,000	16.7 pct.
Rate	0.15 pct.	0.15 pct.	-
<i>Valuation discounts (as percentage of market value)</i>			
Primary dwelling	75 pct.	75 pct.	-
Commercial buildings and secondary dwellings	30 pct.	20 pct.	-10 percentage points
<b>Depreciation rates</b>			
<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.) <sup>12</sup>	20 pct.	20/22 pct.	-
<i>Asset group d</i>			
(passenger cars, machinery and equipment, etc.) <sup>13</sup>	20 (30) pct.	20 (30) 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.) <sup>14,15</sup>	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.	-
<b>Free card</b>			
A person earning NOK 50 000 or less in 2016 is exempted from paying tax on earnings.			

<sup>11</sup> 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.

<sup>12</sup> Depreciation rate for lorries, heavy goods vehicles and buses increased to 22 pct. in 2015.

<sup>13</sup> Initial depreciation rate of 10 pct. for operating equipment in asset group d was introduced from 2014.

<sup>14</sup> 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.

<sup>15</sup> Agricultural buildings for livestock can be depreciated at a higher rate of 6 pct.

Source: Ministry of Finance.

## Rates of indirect tax in 2015 and 2016

Tax category	2015- rules	2016- rules	Changes in pct.
<b>Value added tax, pct. of sales value<sup>1</sup></b>			
General rate	25	25	-
Reduced rate	15	15	-
Low rate	8	10	2
<b>Tax on alcoholic beverages</b>			
Spirits-based beverages in excess of 0.7 pct. alcohol			
by volume, NOK per pct. alcohol and per litre	7.13	7.31	2.5
Other alcoholic beverages from 4.7 to 22 pct. alcohol			
by volume, NOK per pct. alcohol and per litre	4.64	4.76	2.6
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	3.19	3.27	2.5
c) 2.7 – 3.7 pct. alcohol by volume	11.99	12.29	2.5
d) 3.7 – 4.7 pct. alcohol by volume	20.77	21.29	2.5
<b>Tax on tobacco products</b>			
Cigars, NOK per 100 grams	244	250	2.5
Cigarettes, NOK per 100 units	244	250	2.5
Smoking tobacco, NOK per 100 grams	244	250	2.5
Snuff, NOK per 100 grams	99	101	2.0
Chewing tobacco, NOK per 100 grams	99	101	2.0
Cigarette paper, NOK per 100 units	3.73	3.82	2.4
<b>Motor vehicle registration tax</b>			
<i>Passenger cars, etc. Tax group a<sup>2</sup></i>			
Weight, NOK per kg			
first 150 kg	39.10	0	-100
next 1000 kg	39.10	38.08	-2.6
next 250 kg	85.25	83.01	-2.6
next 100 kg	170.52	166.04	-2.6
remainder	198.31	193.11	-2.6
Engine power, NOK per kW			
first 70 kW	0.00	0.00	-
next 30 kW	245.04	125.59	-48.7
next 40 kW	709.60	363.67	-48.8
remainder	1,756.12	900.01	-48.7
NO <sub>x</sub> emissions, NOK per mg/km	47.11	57.95	23.0
CO <sub>2</sub> emissions, NOK per g/km, <sup>3</sup>			
first 95 g/km (105 g/km in 2015)	0.00	0.00	-
next 15 g/km	795.36	896.76	-
next 30 g/kg (40 g/km in 2015)	801.49	903.68	-
next 70 g/km	1,868.43	2,106.65	-
remainder	2,999.70	3,382.16	-

<sup>1</sup> Changes to value added tax rates are specified in percentage points.

<sup>2</sup> 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 CO<sub>2</sub> emissions are not specified.

<sup>3</sup> It is not specified percentage change for CO<sub>2</sub> component since there are changes in both fixed points and rates in 2016.

Tax category	2015- rules	2016- rules	Changes in pct.
allowance for emissions below 95 g/km (105 g/km in 2015), applicable down to 40 g/km (50 g/km in 2015) and only to vehicles less emitting than 95 g/km (105 g/km in 2015)	896.41	918.82	
allowance for emissions below 40 g/km (50 g/km in 2015), applicable only to vehicles emitting less than 40 g/km (50 g/km in 2015)	1,054.66	1,081.03	
<i>Vans class 2. Tax group b.<sup>4</sup></i>			
weight, pct. of passenger car tax	22	22	-
engine power, pct. of passenger car tax	22	22	-
NO <sub>x</sub> emissions, pct. of passenger car tax <sup>5</sup>	30	50	20
CO <sub>2</sub> emissions, pct. of passenger car tax	variable	variable	-
<i>Camper vans. Tax group c.<sup>6</sup></i>			
pct. of passenger car tax	22	22	-
<i>Weasels. Tax group e,</i>			
pct. of value tax base	36	36	-
<i>Motorbikes. Tax group f,</i>			
tax per unit, NOK	7,895	8,092	2.5
Engine power tax, NOK per kW			
first 11 kW	0.00	0.00	-
remainder	250.00	256.25	2.5
Piston displacement tax, NOK per cm <sup>3</sup>			
first 125 cm <sup>3</sup>	0.00	0.00	-
next 775 cm <sup>3</sup>	32.14	32.94	2.5
remainder	70.48	72.24	2.5
<i>Snowmobiles. Tax group g</i>			
Weight, NOK per kg			
first 100 kg	13.19	13.52	2.5
next 100 kg	26.38	27.04	2.5
remainder	52.74	54.06	2.5
Engine power, NOK per kW			
first 20 kW	21.19	21.72	2.5
next 20 kW	42.37	43.43	2.5
remainder	84.72	86.84	2.5
Piston displacement, NOK per cm <sup>3</sup>			
first 200 cm <sup>3</sup>	2.32	2.38	2.6
next 200 cm <sup>3</sup>	4.64	4.76	2.6
remainder	9.27	9.50	2.5
<i>Taxis. Tax group h.<sup>7</sup></i>			
weight, pct. of passenger car tax	40	40	-
engine power, pct. of passenger car tax	40	40	-
NO <sub>x</sub> emissions, pct. of passenger car tax	100	100	-
CO <sub>2</sub> emissions, pct. of passenger car tax	variable	variable	-
<i>Minibuses. Tax group j.<sup>8</sup></i>			
pct. of passenger car tax	40	40	-

<sup>4</sup> Group b: Class 2 vans. The highest level of the CO<sub>2</sub> component does not apply to group b, and the second-highest level will remain at 25 pct. of the tax on passenger cars.

<sup>5</sup> Change in percentage of passenger car tax are specified in percentage points

<sup>6</sup> Group c: Camper vans. No NO<sub>x</sub> component applicable.

<sup>7</sup> Group h: Taxis and vehicles for disabled persons. The two highest levels of the CO<sub>2</sub> component do not apply to group h.

<sup>8</sup> 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 CO<sub>2</sub> component does not apply to group j. No NO<sub>x</sub> component applicable.

Tax category	2015- rules	2016- rules	Changes in pct.
<b>Annual motor vehicle tax</b> , NOK per year			
Petrol vehicles and diesel vehicles with a factory-fitted particle filter	3,060	3,135	2.5
Diesel vehicles without a factory-fitted particle filter	3,565	3,655	2,5
Motorbikes	1,875	1,920	2.4
Tractors, mopeds, etc.	435	445	2.3
<b>Annual weight-based tax</b> , NOK per year	variable	variable	2.5
<b>Re-registration tax</b>	variable	variable	2.5
<b>Road usage tax on engine fuel</b>			
Petrol <sup>9</sup> , NOK per litre	4.87	4.99	2.5
Auto diesel <sup>10</sup> , NOK per litre	3.36	3.44	2.4
Bioethanol meeting the sustainability criteria, NOK per litre	4.87	4.99	2.5
Biodiesel meeting the sustainability criteria, NOK per litre	3.36	3.44	2.4
Natural gas, NOK pr Sm <sup>3</sup>	-	5.95	-
LPG, NOK per kg <sup>11</sup>	-	6.91	-
<b>Electricity tax</b> , NOK per kWh			
General rate	0.1415	0.16	13.1
Reduced rate	0.0045	0.0048	6.7
<b>Base tax on mineral oil, etc.</b>			
Mineral oil, NOK per litre	1.590	1.630	2.5
Mineral oil in the wood-processing industry, production of dyes and pigments, NOK per litre	0.126	0.147	16.7
<b>Tax on lubricating oil</b> , NOK per litre	1.98	2.13	7.6
<b>CO<sub>2</sub> tax</b>			
Petroleum activities, NOK per litre or Sm <sup>3</sup>	1.00	1.02	2.0
Mineral oil, general rate, NOK per litre	0.90	0.92	2.2
Mineral oil subject to road usage tax, NOK per litre	1.09	1.12	2.8
Mineral oil for domestic aviation, NOK per litre	1.05	1.08	2.9
Mineral oil for the wood-processing, herring meal and fish meal industries, NOK per litre	0.31	0.31	-
Mineral oil for fishing and catching in inshore waters, NOK per litre	0.27	0.28	3.7
Petrol, NOK per litre	0.95	0.97	2.1
Natural gas, NOK per Sm <sup>3</sup>	0.82	0.84	2.4
LPG, NOK per kg	1.23	1.26	2.4
Reduced rate for natural gas, NOK per Sm <sup>3</sup>	0.05	0.057	14.0

<sup>9</sup> Petrol with a sulphur content of 10 ppm or lower.

<sup>10</sup> Diesel with a sulphur content of 10 ppm or lower. This rate also applies to biodiesel that does not meet the sustainability criteria.

<sup>11</sup> Will be implemented from 1 July 2016

<b>Tax category</b>	<b>2015- rules</b>	<b>2016- rules</b>	<b>Changes in pct.</b>
<b>Sulphur tax</b> , NOK per litre	0.081	0.133	64.2
<b>Tax on NO<sub>x</sub> emissions</b> , NOK per kg	19.19	21.17	10.3
<b>Tax on trichloroethene (TRI) and tetrachloroethene (PER)</b> , NOK per kg	68.05	69.75	2.5
<b>Tax on hydrofluorocarbons (HFC) and perfluorocarbons (PFC)</b> , NOK per tonne of CO <sub>2</sub> equivalents	354	383	8.2
<b>Tax on chocolate and sugar products, etc.</b> , NOK per kg	19.31	19.79	2.5
<b>Tax on non-alcoholic beverages</b>			
Finished products, NOK per litre	3.19	3.27	2.5
Concentrate (syrup), NOK per litre	19.43	19.92	2.5
Lemonade and syrup based on fruit, berries or vegetables, without added sugar, NOK per litre	3.19	1.64	-48.6
Concentrate based on fruit, berries or vegetables, NOK per litre	19.43	9.96	-48.7
<b>Sugar tax</b> , NOK per kg	7.47	7.66	2.5
<b>Tax on beverage packaging</b> , NOK per unit			
Base tax, disposable packaging	1.12	1.15	2.7
Environmental tax			
a) Glass and metals	5.45	5.59	2.6
b) Plastics	3.29	3.37	2.4
c) Cartons and cardboard	1.35	1.38	2.2
<b>Air passenger tax</b> , NOK/passenger <sup>12</sup>	-	80	-
<b>Stamp duty</b> , pct. of sales price	2.5	2.5	-

<sup>12</sup> Will be implemented from 1 April 2016

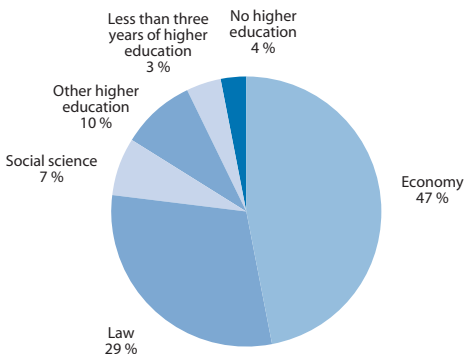
Source: Ministry of Finance.



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