Fişa suspiciunii de plagiat / Sheet of plagiarism's suspicion	Indexat la: 65/04

Opera suspicionată (OS) Suspicious work	Opera autentică (OA) Authentic work

OS	Popeangă, V., Popeangă, V.N., Impozitarea în Norvegia / Taxation in Norway, In: Analele Universității "Constantin Brâncuşi" din Târgu Jiu, Seria Economie, Nr. 2/2010 / Annals of the „Constantin Brâncuşi" University of Târgu Jiu, Economy Series, Issue 2/2010, p.83-90.
OA	* * *, Taxation trends in the European Union. Part III - Developments in the Member States, Eurostat, Disponibil la: http :// www . pedz . uni-mannheim . de / daten / edz-h / gdz / 08 / NO . pdf, 2008, p.222-225.

Incidența minimă a suspiciunii / Minimum incidence of suspicion	
p.84:29s – p.85:22s / p.84:29d – p.85:22d,	p.223:27 – p.223:40
p.85:26s – p.85:45s / p.85:26d – p.85:45d	p.224:1 – p.224:7
p.86:45s – p.87:46s / p.86:45d – p.87:46d	p.224:21 – p.224:37
p.88:12s – p.88:37 / p.88:8d – p.88:35	p.225:4 – p.225:15

http://www.pedz.uni-mannheim.de/daten/edz-h/gdz/08/NO.pdf

NORWAY

	1995	2000	2001	2002	2003	2004	2005	2006	2006	
A. Structure of revenues								% of GDP	*€ bn*	*Ranking [1]*
Indirect taxes	16.0	13.6	13.4	13.4	13.0	12.8	12.2	12.3	*33.0*	*n.a.*
VAT	9.4	8.4	8.4	8.5	8.2	8.1	7.9	8.0	*21.4*	*n.a.*
Excise duties and consumption taxes	3.4	2.8	2.7	2.7	2.7	2.4	2.3	2.2	*5.8*	*n.a.*
Other taxes on products (incl. import duties)	2.6	1.9	1.8	1.7	1.6	1.8	1.6	1.6	*4.3*	*n.a.*
Other taxes on production	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.6	*1.6*	*n.a.*
Direct taxes	16.2	20.1	20.2	19.8	19.5	21.1	22.4	23.0	*61.5*	*n.a.*
Personal income	10.3	10.3	10.4	10.7	10.5	10.3	9.7	9.1	*24.4*	*n.a.*
Corporate income	4.8	8.9	8.9	8.1	8.0	9.8	11.8	12.9	*34.6*	*n.a.*
Other	1.0	0.9	0.9	1.0	1.0	1.0	1.0	0.9	*2.5*	*n.a.*
Social Contributions	9.8	8.9	9.2	9.9	9.8	9.4	8.9	8.7	*23.4*	*n.a.*
Employers´	5.8	5.3	5.6	5.9	5.9	5.7	5.4	5.3	*14.3*	*n.a.*
Employees´	4.0	3.6	3.7	3.9	3.9	3.7	3.5	3.4	*9.1*	*n.a.*
Self- and non-employed	-	-	-	-	-	-	-	-		
B. Structure according to level of government								% of GDP		
Central Government	24.0	27.3	26.6	27.6	26.3	28.0	28.8	29.7	*79.6*	*n.a.*
State Government[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	*n.a.*	*n.a.*
Local Government	8.2	6.4	7.0	5.6	6.2	5.9	5.8	5.6	*14.9*	*n.a.*
Social Security Funds	9.8	8.9	9.2	9.9	9.8	9.4	8.9	8.7	*23.4*	*n.a.*
EU Institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	*n.a.*	*n.a.*
C. Structure according to economic function								% of GDP		
Consumption	14.6	12.7	12.6	12.8	12.4	12.2	11.7	11.8	*31.5*	*n.a.*
Labour	18.5	17.5	18.0	19.0	18.8	18.2	17.0	16.4	*43.8*	*n.a.*
Employed	17.5	16.5	17.0	17.9	17.8	17.2	16.0	15.5	*41.4*	*n.a.*
Paid by employers	5.9	5.4	5.6	6.0	5.9	5.7	5.4	5.4	*14.4*	*n.a.*
Paid by employees	11.7	11.1	11.4	12.0	11.9	11.5	10.6	10.1	*27.1*	*n.a.*
Non-employed	0.9	1.0	1.0	1.0	1.0	1.0	0.9	0.9	*2.4*	*n.a.*
Capital	8.8	12.2	12.1	11.3	11.0	12.9	14.8	15.9	*42.6*	*n.a.*
Capital and business income	6.5	10.6	10.6	9.8	9.5	11.4	13.5	14.5	*38.9*	*n.a.*
Income of corporations	4.8	8.9	8.9	8.1	8.0	9.8	11.8	12.9	*34.6*	*n.a.*
Income of households	0.6	0.8	0.8	0.7	0.7	0.7	0.7	0.7	*1.9*	*n.a.*
Income of self-employed (incl. SSC)	1.1	0.9	0.9	1.0	0.9	0.9	1.0	0.9	*2.4*	*n.a.*
Stocks of capital / wealth	2.3	1.6	1.5	1.5	1.5	1.5	1.4	1.4	*3.7*	*n.a.*
TOTAL	42.0	42.6	42.9	43.1	42.3	43.3	43.5	44.0	*117.9*	*n.a.*
								% of GDP		
Of which environmental taxes	2.3	1.5	1.3	3.4	3.3	3.3	3.0	3.0	*8.1*	*n.a.*
Energy	1.1	0.7	0.6	1.5	1.5	1.3	1.2	1.2	*3.1*	*n.a.*
Transport	0.3	0.3	0.3	1.4	1.4	1.5	1.4	1.5	*3.9*	*n.a.*
Pollution/Resources	1.0	0.6	0.5	0.5	0.5	0.5	0.3	0.4	*1.0*	*n.a.*
D. Implicit tax rates								%		*Ranking [1]*
Consumption	30.9	31.1	30.6	29.7	28.5	28.9	29.7	31.1		*n.a.*
Labour employed	37.4	38.3	38.4	38.7	39.0	39.2	38.5	38.0		*n.a.*
Capital	-	-	-	-	-	-	-	-		
Capital and business income	-	-	-	-	-	-	-	-		
Corporations	-	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-	-		
p.m.:										
Real GDP growth (annual rate)	4.2	3.3	2.0	1.5	1.0	3.9	2.7	2.2		
Output gap (potential)	-	-	-	-	-	-	-	-		

See ANNEX B for classification of taxes and ANNEX C for explanatory notes.

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the Länder in AT and DE, the gewesten en gemeenschappen / régions et communautés in BE and comunidades autónomas in ES.

n.a.: not applicable, - : not available

Source: Commission Services

Overall trends in taxation

Structure and development of tax revenues

Norway's total tax to GDP ratio amounted to 44.0 % in 2006; a value which exceeds by more than four percentage points the weighted European Union average. Compared with other Nordic countries, Norway's ratio is slightly higher than Finland's, but well below the Danish and Swedish level. The level and structure of revenues in Norway are clearly influenced by the important role played by oil and gas extraction in the economy.

The Norwegian tax system is characterised by a high share of direct taxes, accounting in 2006 for 52.1 % of revenue, i.e. 18.3 percentage points above the EU-27 (weighted) average; amongst EU countries, only Denmark displays a higher share of direct tax revenues at 61.5 %. Revenues from indirect taxes and from social contributions correspondingly cover a smaller share of budgetary revenue; they are also lower than the EU average in terms of their ratio to GDP. The high revenue from direct taxes is attributable in particular to the corporate tax which yields, as a share of GDP, almost ten percentage points more than the EU-27 average; note, however, that this result is due to a statistical reclassification of tax revenue, which now considers the receipts from the special tax on petroleum income alongside the ordinary corporate income tax, doubling its revenue. As for indirect taxes, the VAT share (8.0 % of GDP) and the share of excise duties (2.2 % of GDP) are clearly below the EU-27 averages (7.0 % and 2.7 % of GDP, respectively).

As of 2006, 67.5 % of taxes and social contributions were paid to the central government, while local government (municipalities and counties) received 12.7 % of the total, a share somewhat above the EU (weighted) average (10.4 %). Social security revenues constitute a relatively low share of government receipts, 19.9 % compared to 35.7 % on the EU-27 average.

The overall tax ratio has been on a slow upward trend since 1995. Direct taxes from personal income relative to GDP have been relatively stable during the 1990s until today. Taxes on corporate income, however, have almost tripled since 1995, mainly due to a sharp increase in petroleum tax revenue. The increase has been particularly notable since 2003: almost five percent of GDP. In contrast, social security contributions have followed a slight downward trend.

Taxation of consumption, labour and capital; environmental taxes

Revenue from taxation on consumption, at 11.8 % of GDP, has fallen substantially since its 1998 peak (14.8 % of GDP). Current levels are slightly above the EU-27 (weighted) average (11.1 % of GDP). The ITR on consumption (31.1 % in 2006), however, is well above the EU-27 average (19.9 %), only comparable to those of the other Nordic countries, and has been on the increase since 2003. This difference in ratios is due to a remarkably low share of the final consumption expenditure of households when compared to Norway's GDP (less than 40 %).

Taxation on labour has been on the decline since 2002 in revenue terms, but the ITR on labour has been more or less stable, oscillating around a level of 38.5 % for the entire period under observation. The value of 38.0 % recorded in 2006 is between the EU-27 (weighted) average and the EA-15 one (36.7 % and 39.0 %, respectively). It is just above the Danish value and significantly below the levels recorded in Sweden and Finland.

Owing to data limitations, no ITR on capital is available for Norway. Capital taxation yields, at 15.9 % of GDP, a very high level of revenue, more than two-thirds above the EU-27 (weighted) average ratio and increasing. Oil taxation, which is booked as a tax on the stocks of capital/wealth, contributes significantly to this peculiarity; as mentioned above, the special tax on petroleum income alone accounts for half of the revenue from corporate income; oil companies then also pay corporate income tax at the ordinary rate. The country in the EU that raises the highest amount of taxes from capital is the UK, at 11.9 % of GDP.

Norway levies a wide range of environmental taxes, including not only the traditional excises on mineral oils but also significant levies on electricity consumption, CO_2 emissions, greenhouse gases HFC and PFC, pesticides, sulphur and so on. Transport taxes, in particular, are high, owing to a heavy tax burden on vehicles, but energy taxes, at 1.2 % of GDP, yield significantly less revenue than the EU average. Pollution/resource taxes yield 0.4 % of GDP, a comparatively high value; note that this amount does not include the special tax on oil companies' profits. Overall, in 2006 the share of environmental related tax revenues on GDP has been 3.0 % compared to 2.6 % for the EU-27 (weighted) average.

Current topics and prospects; policy orientation

The 2008 budget introduces adjustments in current legislation rather than far-reaching reforms. The main tax rates remain unchanged; the budget nevertheless introduced some changes in order to strengthen the redistributional profile of the tax system. For instance, the rebate of 15 per cent on share values for net wealth tax purposes was abolished, and the threshold for the net wealth tax was raised.

The allowance for labour union fees and the parent allowance were increased. A new scheme for tax exemption of private pension schemes was introduced. The former tonnage tax regime for shipping companies was replaced with a new one in order to make it equally competitive as those of other European countries. Furthermore, the government aims at increasing the revenue from environmental taxes and reducing other taxes to make the tax system 'greener'. The CO_2 tax on mineral oil for air travel and the tax on diesel fuel were increased. The annual tax on cars will now be differentiated according to environmental criteria.

Main features of the tax system

Personal income tax

Norway, like several other Nordic countries, has adopted a dual tax system. Income from labour and pensions is taxed at progressive rates, while the remaining forms of income are (mainly) taxed at a flat rate.

The basic element of the personal income tax is levied on so-called 'ordinary' income, which includes all kinds of income, but also various allowances. The tax rate on 'ordinary' income is 28 %; this rate combines State, county and municipal taxes (Finnmark and Nord-Troms benefit, however, from a lower 24.5 % rate).

The surtax ('toppskatt' in Norwegian) is the progressive element of the PIT. It is levied on the so-called 'personal income' – i.e. gross wage income, gross pension income and a calculated income for the self-employed – provided annual personal income exceeds NOK 420 000. The surtax is levied at a rate of 9 % on income between NOK 420 000 and NOK 682 000 and at a rate of 12 % on income exceeding NOK 682 000.

The 2006 tax reform abolished the imputation system of taxation of dividends. The reform introduced a tax exempt amount on dividends received by individuals equivalent to the risk-free return on invested capital (this is normally set at the after-tax return on 3-month government paper). This tax-free return may be carried forward and be set against future dividend income or capital gains; the excess is taxed at the ordinary rate of 28 %. This, in combination with lower marginal tax rates on labour income, has made it no longer particularly profitable to have labour income taxed as dividends, thus reducing the problem of income shifting.

Corporate taxation

Companies are subject to corporate income tax of 28 %. Income and capital gains are pooled and taxed at the same rate. Special regimes apply to activities related to the exploration for and exploitation of petroleum resources.

Until 31 December 2003, an imputation system applied to taxation of dividends for corporate shareholders. This was replaced with an exemption regime for corporate shareholders with effect from 1 January 2004. Dividends derived by corporate shareholders from resident companies, savings banks and unit trusts are always exempt from tax. Capital gains on the disposal of shares in such entities are also exempt. In general, all expenses incurred in acquiring, securing and maintaining income are deductible. Royalties and management fees are generally deductible, but must be made on an arm's-length basis if such payments are made to related parties. Expenses incurred in order to earn exempt income, e.g. dividends and capital gains on shares, are not deductible. Thus, the deductibility of costs for holding companies is limited. Capital gains derived from the sale of business assets are normally included in taxable income (with profit and loss account deferral).

Losses may be carried forward to be set off against profits in succeeding years. A tax credit is granted to companies engaging in research and development projects approved by the Research Council of Norway.

VAT and excise duties

The Norwegian VAT standard rate is 25 %, and has general use. There is a reduced rate of 14 % on foodstuffs and a rate of 8 % on passenger transport, broadcasting services, admission to cinemas, accommodation in hotels and camping sites and business letting of holiday homes. A zero rate applies to the sale of books and newspapers.

Wealth and transaction taxes

There is an inheritance and gift tax with a zero-rate up to taxable amounts of NOK 250 000 (€ 38 890). From this level, the rates range from 8 % to 30 %, depending on the status of the beneficiary and the size of the taxable amount.

Resident individuals are subject to national net wealth tax above certain thresholds (tax rates from 0.2 % to 0.4 %) and municipal net wealth tax (0.7 %) with respect to their worldwide net wealth. The tax base was broadened in 2007 and in 2008, by increasing tax values for homes and other real estate and by broadening the base for securities, but at the same time higher basic allowances were granted. The wealth tax is due independently of the income tax; there is, however, a rule limiting the total tax burden to 80 % of total net income.

Social contributions

The national insurance contributions payable by employees are computed on gross salary and pension income. The general rate of 7.8 % applies to employment income including benefits in kind and remuneration of directors, members of committees, and so on. A reduced rate of 3 % applies to pensions and life annuities, as well as to employment income derived by individuals under 17 or over 69 years. There is an exemption for incomes up to NOK 39 600 (€ 4 985) from the contributions. For income above this amount, the contributions are at a balancing rate of 25 % until the general rate of 7.8 % on all income is achieved. The contributions payable by individuals are not deductible for income tax purposes. Regionally differentiated rates in employers' social security contributions were reintroduced in 2007.

The self-employed pay national insurance contributions at a rate of 11 %.