Executive summary

In December 2017, the Norwegian Parliament approved the 2018 Fiscal Budget in line with the Government’s proposal dated 12 October 2017. SAF-T (Standard Audit File – Tax) will be introduced in Norway from 1 January 2020.

Detailed discussion

Fiscal budget

The following changes were enacted and came into effect from 1 January 2018 unless otherwise stated below:

- The corporate income tax rate is reduced from 24% to 23%.
- For companies taxed under the special petroleum tax regime and the hydro power regime, the reduction in corporate tax rate is offset by a corresponding increase in the special tax rates for these regimes.
- The low Value Added Tax (VAT) rate of 10% is increased to 12%. This VAT rate applies to i.e., passenger transport, accommodation (hotel), public broadcasting and entry to cinemas, sports events, amusement parks and adventure centers.
A limitation to the right to deduct tax losses in cases where dividend distributions are tax-exempt under a tax treaty. The change will come into effect retroactively from 12 October 2017.

The possibility to deduct group contributions to European Economic Area (EEA) companies with tax losses from a previous business in Norway.

Certain changes to the interest expense limitation rules, in relation to both the amount of interest expense that can be carried forward by partnerships with tax losses (with effect from 2017) and the definition of financial institutions (with effect from income year 2018).

SAF-T

The Norwegian Ministry of Finance has adopted an administrative regulation confirming that SAF-T will be introduced in Norway with effect from 1 January 2020.

The Norwegian SAF-T requirements will initially include: general ledger; accounts receivable; and accounts payable. Data will have to be provided to the tax authorities in XML format, extracted from the company’s accounting or ERP system. It can then be filed through the public tax portal, Altinn.

Endnote

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