

Budget 2017



- 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 2016 and 2017

(NOK million)

| | Estimated accounts 2016 | Adopted budget 2017 |
|---|-------------------------------|---------------------------|
| <i>Total revenue of the Fiscal Budget</i> | 1 158 390 | 1 180 571 |
| Revenue from petroleum activities | 149 671 | 163 771 |
| Revenue excluding petroleum revenue | 1 008 719 | 1 016 800 |
| <i>Total expenditure of the Fiscal Budget</i> | 1 249 234 | 1 301 806 |
| Expenditure on petroleum activities | 28 000 | 25 500 |
| Expenditure excluding petroleum expenditure | 1 221 234 | 1 276 306 |
| = Fiscal Budget surplus before transfers to the Pension Fund Global | -90 845 | -121 235 |
| - Net cash flow from petroleum activities | 121 671 | 138 271 |
| = Petroleum adjusted surplus | -212 516 | -259 506 |
| + Transferred from the Pension Fund Global | 212 516 | 259 506 |
| = <i>Fiscal Budget surplus</i> | 0 | 0 |
| + Net allocated to the Pension Fund Global | -90 845 | -121 235 |
| + Fund revenue from interest and dividends | 200 100 | 207 500 |
| = <i>Total surplus of the Fiscal Budget and the Pension Fund</i> | 109 255 | 86 265 |

Source: Ministry of Finance

The borrowing and lending transactions, and financing requirements, of the Fiscal Budget for 2016 and 2017

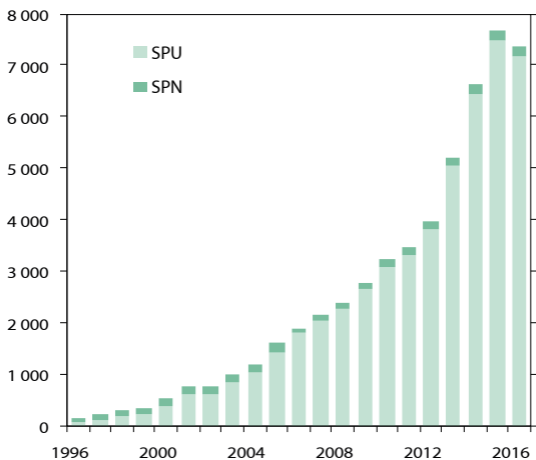
(NOK million)

| | Estimated accounts 2016 | Adopted budget 2017 |
|---|-------------------------------|---------------------------|
| <i>Borrowing and lending transactions excluding petroleum</i> | | |
| Lending, subscription for shares, etc. | 148 247 | 106 157 |
| - Repayment | 106 364 | 111 210 |
| - Fiscal Budget surplus | 0 | 0 |
| = Net financing requirements | 41 883 | -5 054 |
| + Debt instalments | 14 778 | 63 207 |
| = <i>Gross financing requirements of the Fiscal Budget</i> | 56 661 | 58 153 |

Source: Ministry of Finance

Market value of the Government Pension Fund Global.

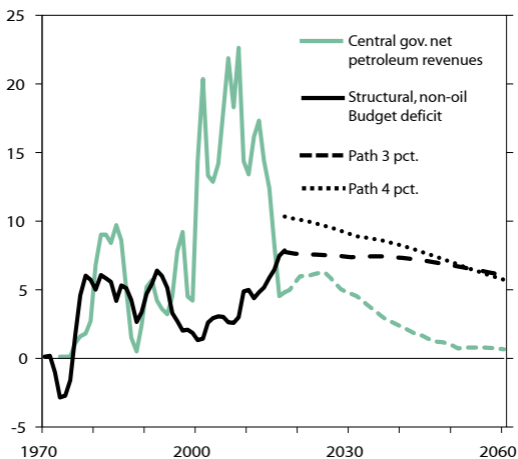
NOK billion. End of the year



Source: Ministry of Finance

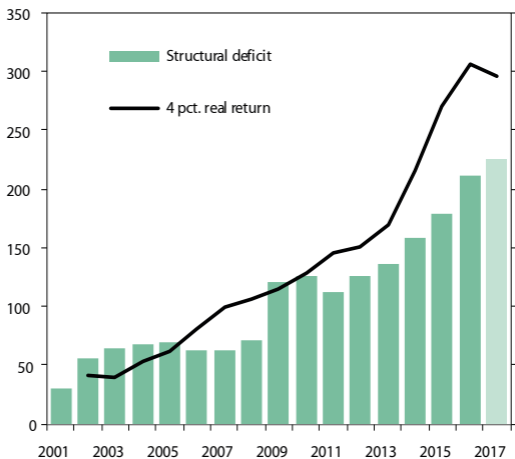
Government net petroleum revenues, structural non-oil budget deficit and expected real return on Government Pension Fund Global

Per cent of Mainland Norway GDP



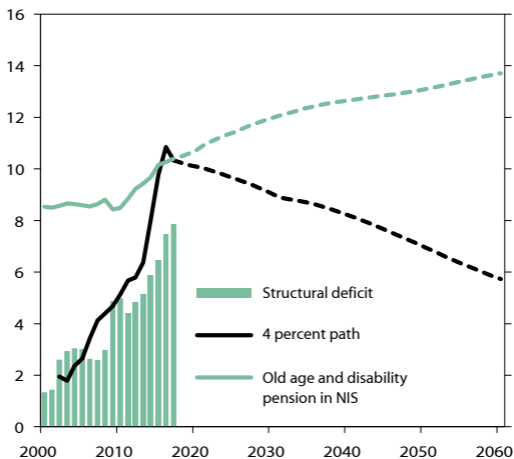
Source: Ministry of Finance

Expected real return on the Government Pension Fund and structural, non-oil deficit. NOK billion. 2015



Source: Ministry of Finance

Pension expenditures and the 4 percent path



Source: Ministry of Finance

Key figures for the petroleum sector

| | 2015 | 2016 | 2017 | 2018 | Oil price sensitivity 2017 ¹ |
|--|------|------|------|------|---|
| Assumptions: | | | | | |
| Crude oil price, NOK per barrel | 430 | 371 | 425 | 447 | |
| Production, Mill. Sm³ o.e. | | | | | |
| - Crude oil and NLG | 113 | 115 | 110 | 105 | |
| - Natural gas | 115 | 117 | 113 | 113 | |
| NOK billion: | | | | | |
| Paid taxes ² | 110 | 58 | 59 | 70 | 2.5 |
| Net revenues from SDØE | 93 | 56 | 70 | 69 | 1.8 |
| Net cash flow ³ | 218 | 125 | 138 | 149 | 4.3 |

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

2) Income tax and special tax on petroleum income. Area fee and tax on CO₂ emissions etc.

3) 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

| | 2016-rules | 2017-rules | Change 2016-2017 |
|---|------------|------------------------|------------------|
| Annual child benefit rate | NOK 11 640 | NOK 11 640 | - |
| Single parent rate (children 0-3 years old) ¹ | NOK 7 920 | NOK 7 920 | - |
| 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 7 500 ² | NOK 1 500 |
| Monthly full rate cash benefit for children aged 19-23 months | NOK 6 000 | NOK 7 500 ² | NOK 1 500 |

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.

1) Applicable only to single parents receiving transitional benefit.

2) From 1.8.2017.

Source: Ministry of Finance

Fiscal Budget revenue and expenditure 2017, excluding borrowing and lending transactions (NOK billion)

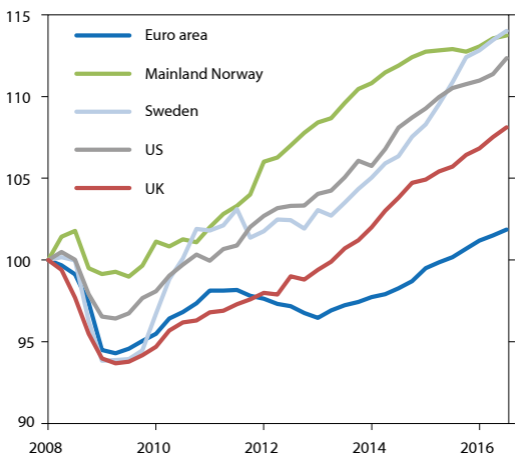
| | |
|--|----------------|
| Fiscal Budget revenue (excl. petroleum) | 1 016.8 |
| Sum direct and indirect taxes from Mainland Norway | 935.6 |
| Taxes on wealth and income | 239.9 |
| Employer's and employee's social security contributions | 316.7 |
| Value added tax | 270.3 |
| Excise duties on tobacco and alcohol | 20.8 |
| Excise duties on cars, petrol, etc. | 45.1 |
| Excise duties on electricity | 10.5 |
| Customs revenue | 3.3 |
| Other indirect taxes | 29.1 |
| Interest and dividends | 26.9 |
| Revenue from government business operations | 2.5 |
| Other revenue | 51.7 |
| Fiscal Budget expenditure (excl. petroleum) | 1 276.3 |
| Sum National Insurance Scheme | 460.5 |
| Retirement pension | 215.0 |
| Sickness allowance | 41.1 |
| Other social security payouts (social causes) | 134.6 |
| Disability and medical rehabilitation | 31.5 |
| Maternity, paternity and adoption pay | 21.0 |
| Unemployment benefit and payments relating to occupational rehabilitation | 17.4 |
| General grants to local governments | 160.6 |
| Regional health enterprises (hospitals) | 141.2 |
| Transport and communications (including operation and maintenance of classified roads) | 67.2 |
| Defence | 51.2 |
| Higher education and tertiary vocational education | 36.5 |
| Foreign aid (ODA approved)* | 32.6 |
| Police and public prosecution | 19.1 |
| Child benefit and cash benefit | 16.9 |
| Agricultural Agreement | 14.6 |
| Interest on government debt | 11.6 |
| Other expenditure | 264.3 |
| Petroleum adjusted surplus | -259.5 |
| Government net cash flow from petroleum sector | 138.3 |

* 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.

Source: Ministry of Finance

GDP, seasonally adjusted volume indices

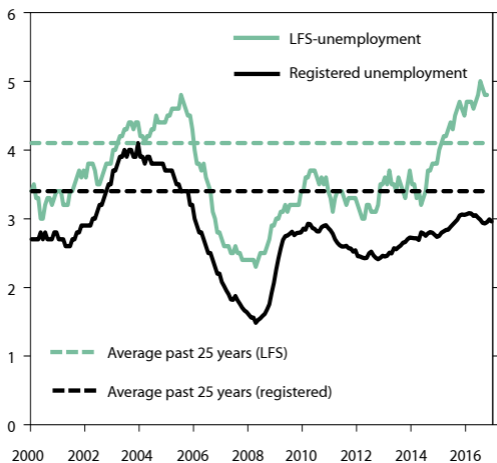
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Sources: OECD, Statistics Norway and Macrobond

Unemployment. Percentage of the labor force.

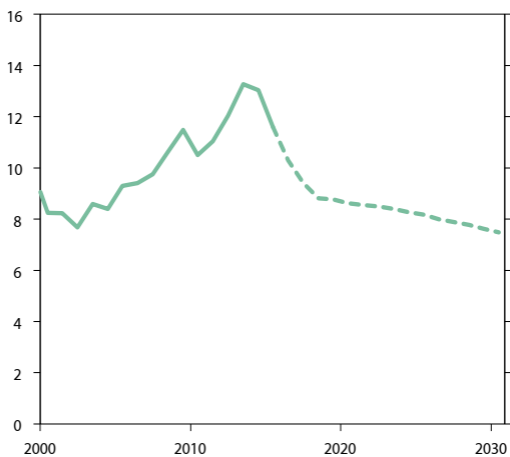
Seasonally adjusted



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

Demand from the petroleum sector

Percent of GDP Mainland Norway

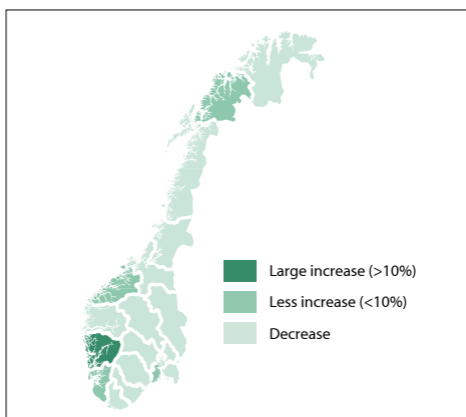


Source: National budget 2017

Developments in registered unemployment over the last year

Darker color indicates larger increase, grey indicates decline.

December 2015 - December 2016



Source: Norwegian Labor and Welfare Organization and Ministry of Finance

Expenditure and revenue for the fiscal year 2017 (1000 NOK)

Expenditure

| | Total expenditure | Operation expenditure | New construction | Transfers to others | Lending and borrowing transactions |
|--|----------------------|-----------------------|-------------------|----------------------|------------------------------------|
| Royal House | 247 534 | 21 009 | - | 226 525 | - |
| Government | 404 600 | 404 600 | - | - | - |
| Parliament | 2 270 700 | 1 526 700 | 514 000 | 230 000 | - |
| Supreme Court | 108 462 | 108 462 | - | - | - |
| Ministry of Foreign Affairs | 36 807 422 | 7 314 992 | 79 378 | 28 097 692 | 1 315 360 |
| Ministry of Education and Research | 58 665 886 | 5 341 713 | 28 049 | 53 296 124 | - |
| Ministry of Culture | 13 648 194 | 1 947 185 | 31 490 | 11 669 519 | - |
| Ministry of Justice and Public Security | 59 373 470 | 35 922 653 | 2 719 272 | 20 731 545 | - |
| Ministry of Local Government and Modernisation | 187 258 963 | 5 518 933 | 2 774 054 | 178 965 976 | - |
| Ministry of Labour and Social Affairs | 36 747 264 | 19 023 226 | 665 130 | 12 558 908 | 4 500 000 |
| Ministry of Health and Care Services | 158 241 408 | 5 206 066 | 25 961 | 153 009 381 | - |
| Ministry of Children and Equality | 28 313 382 | 8 525 359 | 7 639 | 19 780 384 | - |
| Ministry of Trade, Industry and Fisheries | 11 869 060 | 4 184 050 | 1 274 400 | 6 166 610 | 244 000 |
| Ministry of Agriculture and Food | 18 034 146 | 1 771 947 | 3 992 | 16 258 207 | - |
| Ministry of Transport and Communications | 71 219 013 | 15 153 134 | 16 722 100 | 35 843 779 | 3 500 000 |
| Ministry of Climate and Environment | 10 378 982 | 2 849 460 | 666 408 | 6 863 114 | - |
| Ministry of Finance | 113 937 339 | 15 467 139 | 307 300 | 34 836 100 | 63 326 800 |
| Ministry of Defence | 51 248 190 | 35 080 502 | 15 500 484 | 667 204 | - |
| Ministry of Petroleum and Energy | 13 431 222 | 1 656 030 | 17 000 | 5 326 192 | 6 432 000 |
| Various expenditure | 4 181 873 | 4 181 873 | - | - | - |
| State banks | 111 839 858 | 734 402 | 68 560 | 14 584 146 | 96 452 750 |
| Government petroleum activities | 25 500 000 | - | 25 500 000 | - | - |
| Government business operations | 3 318 250 | -248 336 | 3 566 586 | - | - |
| National Insurance Scheme | 460 531 826 | - | - | 460 531 826 | - |
| Government Pension Fund Global | 138 271 000 | - | - | 138 271 000 | - |
| Total expenditure | 1 615 848 044 | 171 691 099 | 70 471 803 | 1 197 914 232 | 175 770 910 |

| | Fiscal Budget ex the National Insurance Scheme | National Insurance Scheme | Fiscal Budget incl. the National Insurance Scheme |
|--|--|---------------------------|---|
| 1. Revenue (ex repayments and transfers from the Government Pension Fund Global) | 861 654 866 | 318 916 140 | 1 180 571 006 |
| 2. Expenditure (ex lending, debt instalments) | 979 545 308 | 460 531 826 | 1 440 077 134 |
| Operation expenditure | 171 691 099 | - | 171 691 099 |
| New construction | 70 471 803 | - | 70 471 803 |
| Transfers to others | 599 111 406 | 460 531 826 | 1 059 643 232 |
| Transfers to the Government Pension Fund | 138 271 000 | - | 138 271 000 |
| 3. Surplus before borrowing and lending transactions before transfer from the Government Pension Fund Global (1-2) | -117 890 442 | -141 615 686 | -259 506 128 |
| 4. Transfers from the Government Pension Fund Global | 259 506 128 | - | 259 506 128 |
| 5. Surplus before borrowing and lending transactions (3+4) | 141 615 686 | -141 615 686 | - |

Revenue

| | Total revenue | Operation revenue | Revenue related to new construction | Taxes, duties and other transfers | Repayments |
|---|---------------|-------------------|-------------------------------------|-----------------------------------|-------------|
| Taxes on wealth and income | 239 857 000 | - | - | 239 857 000 | - |
| Employer's and employee's social security contributions | 316 658 000 | - | - | 316 658 000 | - |
| Customs revenue | 3 340 000 | - | - | 3 340 000 | - |
| Value added tax | 270 300 000 | - | - | 270 300 000 | - |
| Excise duties on alcohol | 13 500 000 | - | - | 13 500 000 | - |
| Excise duties on tobacco | 7 300 000 | - | - | 7 300 000 | - |
| Excise duties on cars | 28 760 000 | - | - | 28 760 000 | - |
| Other excise duties | 55 900 254 | - | - | 55 900 254 | - |
| Total taxes and duties | 935 615 254 | - | - | 935 615 254 | - |
| Interests from government business operations | 89 184 | - | - | 89 184 | - |
| Other revenue from government business operations | 2 439 834 | 200 | 2 422 134 | 17 500 | - |
| Total revenue from government business operations | 2 529 018 | 200 | 2 422 134 | 106 684 | - |
| Interests from state banks | 8 686 047 | - | - | 8 686 047 | - |
| Interests from cash balance and other | 3 136 360 | - | - | 3 136 360 | - |
| Dividends exclusive Statoil | 15 102 602 | - | - | 15 102 602 | - |
| Interests and dividends (ex Government business operations and Statoil) | 26 925 009 | - | - | 26 925 009 | - |
| Revenue from the ministries | 34 030 725 | 17 756 894 | 381 157 | 15 892 674 | - |
| Transfer from Norges Bank | 17 700 000 | - | - | 17 700 000 | - |
| Return of assets from The State Bank Insurance Fund | - | - | - | - | - |
| Total other revenue | 51 730 725 | 17 756 894 | 381 157 | 33 592 674 | - |
| Revenue from government petroleum activities | 95 500 000 | 66 400 000 | 25 400 000 | 3 700 000 | - |
| Taxes and duties on extraction of petroleum | 59 203 000 | - | - | 59 203 000 | - |
| Dividends from Statoil | 9 068 000 | - | - | 9 068 000 | - |
| Total petroleum revenue | 163 771 000 | 66 400 000 | 25 400 000 | 71 971 000 | - |
| Repayments | 117 617 483 | - | - | - | 117 617 483 |
| Government Pension Fund Global | 259 506 128 | - | - | 259 506 128 | - |
| Total revenue | 1 557 694 617 | 84 157 094 | 28 203 291 | 1 327 716 749 | 117 617 483 |

| | Fiscal Budget ex the National Insurance Scheme | National Insurance Scheme | Fiscal Budget incl. the National Insurance Scheme |
|---|--|---------------------------|---|
| Borrowing and lending transactions: | | | |
| 6.Loans, debt instalments, subscription of shares overall | 175 770 910 | - | 175 770 910 |
| Loans to the state banks | 96 452 750 | - | 96 452 750 |
| Debt instalments | 63 207 000 | - | 63 207 000 |
| Other loans, subscription of shares | 16 111 160 | - | 16 111 160 |
| 7.Repayments | 117 617 483 | - | 117 617 483 |
| 8.Loans (net) (6-7) | 58 153 427 | - | 58 153 427 |
| 9.Overall financing requirements – of cash balance and borrowing and lending assets (8-5) | -83 462 259 | 141 615 686 | 58 153 427 |

Macroeconomic developments

Percentage change from previous year¹

| | NOK billion ² | | | |
|---|--------------------------|---------|---------|------|
| | 2015 | 2016 | 2017 | 2018 |
| Private consumption | 1 341.3 | 1.4 | 2.3 | 2.6 |
| Public consumption | 727.3 | 2.6 | 1.7 | - |
| Gross fixed capital formation | 729.6 | 0.0 | 1.6 | 1.8 |
| Of which: | | | | |
| Oil activities ³ | 187.2 | -14.0 | -10.0 | -6.8 |
| Mainland business sector | 225.5 | 1.8 | 4.4 | 4.8 |
| Residential construction | 162.5 | 8.7 | 5.6 | 4.0 |
| Public sector | 152.4 | 5.3 | 5.1 | - |
| Final demand from Mainland Norway | 2 609.0 | 2.5 | 2.6 | 2.7 |
| Exports | 1 165.5 | -0.3 | -0.4 | 0.9 |
| Of which: | | | | |
| Crude oil and natural gas | 448.7 | 1.7 | -4.1 | -3.6 |
| Traditional goods | 371.6 | -1.5 | 4.6 | 5.9 |
| Imports | 996.3 | -0.5 | 3.0 | 3.4 |
| Of which: | | | | |
| Traditional goods | 581.0 | 0.0 | 3.6 | 4.4 |
| Gross Domestic Product | 3 117.4 | 1.2 | 0.6 | 1.3 |
| Of which: Mainland Norway | 2 620.0 | 1.0 | 1.7 | 2.4 |
| Memo: | | | | |
| Employment. Persons | - | 0.2 | 0.7 | 1.1 |
| Unemployment rate (LFS, per cent of labour force) | - | 4.7 | 4.6 | 4.3 |
| Consumer price index | - | 3.4 | 2.0 | 1.9 |
| Consumer price index adjusted for tax changes and excluding energy products (CPI-ATE) | - | 3.0 | 2.1 | 2.0 |
| Wage growth | - | 2.4 | 2.7 | 3.0 |
| Crude oil price (NOK per barrel) ⁴ | - | 371 | 425 | 447 |
| Gross National Income (NOK billion) ⁴ | - | 3 263.3 | 3 404.9 | - |

1) Percentage change is calculated in fixed prices.

2) National accounts current prices.

3) Excl. services.

4) Current prices.

Sources: Statistics Norway and Ministry of Finance.

Tax rates, allowances and thresholds in 2016 and in 2017

| | Rules 2016 | Rules 2017 | Change 2016-2017 |
|--|-------------|-------------|------------------------|
| Tax on ordinary income | | | |
| Individuals ¹ | 25 pct. | 24 pct. | -1 percentage point |
| Enterprises ² | 25 pct. | 24 pct. | -1 percentage point |
| Bracket tax | | | |
| <i>Bracket 1</i> | | | |
| Threshold | NOK 159,800 | NOK 164,100 | 2.7 pct |
| Rate | 0.44 pct. | 0.93 pct. | 0.49 percentage points |
| <i>Bracket 2</i> | | | |
| Threshold | NOK 224,900 | NOK 230,950 | 2.7 pct. |
| Rate | 1.7 pct. | 2.41 pct. | 0.71 percentage points |
| <i>Bracket 3</i> | | | |
| Threshold | NOK 565,400 | NOK 580,650 | 2.7 pct. |
| Rate ³ | 10.7 pct. | 11.52 pct. | 0.82 percentage points |
| <i>Bracket 4</i> | | | |
| Threshold | NOK 909,500 | NOK 934,050 | 2.7 pct. |
| Rate | 13.7 pct. | 14.52 pct. | 0.82 percentage points |
| Employees' social security contribution | | | |
| Lower threshold for the payment of employees' social security contribution | | | |
| | NOK 49,650 | NOK 54,650 | 10.1 pct. |
| Levelling rate | 25.0 pct. | 25.0 pct. | - |
| <i>Rate</i> | | | |
| Wage income | 8.2 pct. | 8.2 pct. | - |
| Fishing, hunting and childminding ⁴ | 8.2 pct. | 8.2 pct. | - |
| Income from other self-employment | 11.4 pct. | 11.4 pct. | - |
| Pension income, etc. | 5.1 pct. | 5.1 pct. | - |
| Employers' social security contribution⁵ | | | |
| 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. | - |

1) The rate for taxpayers in Nord-Troms and Finnmark is reduced from 21.5 pct. in 2016 to 20.5 pct. in 2017.

2) The special tax on petroleum activities and the economic rent tax on hydropower plants are increased from 53 and 33 pct. respectively in 2016 to 54 and 34.3 pct. in 2017.

3) The rate is 8.7 pct. in bracket 3 for taxpayers in Nord-Troms and Finnmark in 2016. This rate is increased to 9.52 pct. in 2017.

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

5) In zone Ia, employers' social security contribution shall be paid at a rate of 10.6 pct. until the difference between the 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 2017, 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.

| | Rules 2016 | Rules 2017 | Change 2016-2017 |
|--|-------------|-------------|------------------------|
| Maximum effective marginal tax rates | | | |
| Wage income, excl. employers' social security contribution | 46.9 pct. | 46.7 pct. | -0.2 percentage points |
| Wage income, incl. employers' social security contribution | 53.5 pct. | 53.3 pct. | -0.2 percentage points |
| Pension income ⁶ | 43.8 pct. | 43.6 pct. | -0.2 percentage points |
| Income from self-employment ⁴ | 50.1 pct. | 49.9 pct. | -0.2 percentage points |
| Dividends and distributions ⁷ | 46.6 pct. | 46.6 pct. | - |
| Personal allowance | | | |
| Class 1 | NOK 51,750 | NOK 53,150 | 2.7 pct. |
| Class 2 | NOK 76,250 | NOK 78,300 | 2.7 pct. |
| Basic allowance against wage income and benefits | | | |
| Rate | 43.0 pct. | 44.0 pct. | 1 percentage point |
| Lower limit | NOK 4,000 | NOK 4,000 | - |
| Upper limit ⁸ | NOK 91,450 | NOK 94,750 | 3.6 pct. |
| Basic allowance against pension income | | | |
| Rate | 29.0 pct. | 29.0 pct. | - |
| Lower limit | NOK 4,000 | NOK 4,000 | - |
| Upper limit | NOK 73,600 | NOK 75,000 | 1.9 pct. |
| Special wage income allowance⁹ | NOK 31,800 | NOK 31,800 | - |
| Special allowance for sole providers | NOK 51,804 | NOK 51,804 | - |
| Special tax credit for pensioners | | | |
| Maximum amount | NOK 29,880 | NOK 29,940 | 0.2 pct. |
| <i>Downscaling, level 1</i> | | | |
| Threshold | NOK 184,800 | NOK 188,700 | 2.1 pct. |
| Rate | 15.3 pct. | 15.3 pct. | - |
| <i>Downscaling, level 2</i> | | | |
| Threshold | NOK 278,950 | NOK 284,350 | 1.9 pct. |
| Rate | 6.0 pct. | 6.0 pct. | - |
| The tax limitation rule | | | |
| Levelling rate | 55.0 pct. | 55.0 pct. | - |
| <i>Tax-exempted net income</i> | | | |
| Single person | NOK 139,400 | NOK 143,150 | 2.7 pct. |
| Married person | NOK 128,150 | NOK 131,600 | 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 | - |

6) For persons who are subject to the special tax credit for pensioners, the maximum effective marginal tax rate may be up to 46.8 pct.

7) Includes corporation tax and adjustment factor for dividends. In 2016 the corporation tax is 25 pct. and the adjustment factor for dividends is 1.15. In 2017 the corporation tax is 24 pct. and the adjustment factor for dividends is 1.24 pct.

8) The sum of the basic allowance against wage income and the basic allowance against pension income shall not exceed the maximum basic allowance against wage income, i.e. NOK 94,750 in 2017.

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

| | Rules 2016 | Rules 2017 | Change 2016-2017 |
|---|---------------|---------------|---------------------|
| Special allowance in Finnmark and Nord-Troms | | | |
| Class 1 | NOK 15,500 | NOK 15,500 | - |
| Class 2 | NOK 15,500 | NOK 15,500 | - |
| Seamen's allowance | | | |
| Rate | 30.0 pct. | 30.0 pct. | - |
| Upper limit | NOK 80,000 | NOK 80,000 | - |
| Fishermen's allowance | | | |
| Rate | 30.0 pct. | 30.0 pct. | - |
| Upper limit | NOK 150,000 | NOK 150,000 | - |
| Special allowance against income from self-employment in agriculture, etc. | | | |
| Income-independent allowance | NOK 63,500 | NOK 63,500 | - |
| Rate applicable to amounts in excess of the income-independent allowance | 38.0 pct. | 38.0 pct. | - |
| Maximum overall allowance | NOK 166,400 | NOK 166,400 | - |
| Special allowance for high expenses due to illness¹⁰ | | | |
| Lower limit | NOK 9,180 | NOK 9,180 | - |
| Maximum annual allowance for payments to individual pension schemes | | | |
| | NOK 15,000 | NOK 15,000 | - |
| Allowance for travel between home and work | | | |
| Rate per km | NOK 1.50/0.70 | NOK 1.56/0.76 | 4 pct./8.6 pct. |
| Lower allowance limit | NOK 22,000 | NOK 22,000 | - |
| Maximum allowance for donations to charities | | | |
| | NOK 25,000 | NOK 30,000 | 20 pct. |
| Maximum allowance for paid trade union subscriptions, etc | | | |
| | NOK 3,850 | NOK 3,850 | - |
| Home investment savings scheme for people below the age of 34 years (BSU) | | | |
| Tax deduction rate | 20.0 pct. | 20.0 pct. | - |
| Maximum annual savings | NOK 25,000 | NOK 25,000 | - |
| Maximum total savings in the scheme | NOK 300,000 | NOK 300,000 | - |
| Parental allowance for documented childminding and childcare expenses | | | |
| <i>Upper limit</i> | | | |
| One child | NOK 25,000 | NOK 25,000 | - |
| Supplement per additional child | NOK 15,000 | NOK 15,000 | - |

10) The special allowance for high expenses due to illness is continued in 2017 with same rules as in 2016.

| | Rules 2016 | Rules 2017 | Change 2016-2017 |
|---|---------------|---------------|---------------------|
| Net wealth tax¹¹ | | | |
| <i>Local government</i> | | | |
| Threshold | NOK 1,400,000 | NOK 1,480,000 | 5.7 pct. |
| Rate | 0.7 pct. | 0.7 pct. | - |
| <i>Central government</i> | | | |
| Threshold | NOK 1,400,000 | NOK 1,480,000 | 5.7 pct. |
| Rate | 0.15 pct. | 0.15 pct. | - |
| <i>Valuation discounts (as percentage of market value)</i> | | | |
| Primary dwelling | 75 pct. | 75 pct. | - |
| Secondary dwellings ¹² | 20 pct. | 10 pct. | 10 pp. |
| Commercial buildings ¹³ | 20 pct. | 20 pct. | - |
| Other operating assets and shares | - | 10 pct. | 10 pp. |
| Financial tax on wages | - | 5 pct. | 5 pp. |
| Depreciation rates | | | |
| <i>Asset group a</i> (office equipment, etc.) | | | |
| | 30 pct. | 30 pct. | - |
| <i>Asset group b</i> (acquired goodwill) | | | |
| | 20 pct. | 20 pct. | - |
| <i>Asset group c</i> (heavy goods vehicles, lorries, buses, vans, etc.) ¹⁴ | | | |
| | 20/22 pct. | 24/30 pct. | 2/4/10 pp. |
| <i>Asset group d</i> (passenger cars, machinery and equipment, etc.) ¹⁵ | | | |
| | 20 (30) pct. | 20 pct. | -/(10) pp. |
| <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 distri- bution of electricity and electrotechnical equipment in power companies) | | | |
| | 5 pct. | 5 pct. | - |
| <i>Asset group h</i> (buildings and installations, hotels, etc.) ^{16,17} | | | |
| | 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. | - |

11) 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.

12) The table shows the valuation rebate for secondary dwellings directly owned by tax payers subject to net wealth tax (primarily personal tax payers). Secondary dwellings owned by non-listed companies are not subject to a valuation rebate for 2017. Such real estate will indirectly be comprised of the new valuation rebate of 10 pct. for shares and operating assets.

13) The table shows the effective valuation rebate for commercial property. The effective valuation rebate equals the nominal rebate of 20 pct. for commercial properties owned by tax payers subject to net wealth tax (personal tax payers, trusts, etc.). For commercial properties owned by non-listed companies the rebate corresponds to the combined effect of the rebate of 11 pct. in the company as well as the new valuation rebate of 10 pct. for shares and operating assets.

14) The ordinary depreciation rate for asset group c is 20 pct. in 2016. The depreciation rate for lorries, heavy goods vehicles and buses is 22 pct. in 2016. In 2017 the maximum depreciation rate for all operating assets in this asset group, except electric vans, is 24 pct. Electric vans may be depreciated at a rate of 30 pct.

15) An initial depreciation rate of 10 pct. for operating equipment in asset group d was introduced from 2014. This initial depreciation rate is abolished from 2017.

16) 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.

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

Rates of indirect tax in 2016 and 2017

| Tax category | Rules 2016 | Rules 2017 | Changes in pct. |
|---|------------|------------|-----------------|
| Value added tax, pct. of sales value | | | |
| Standard rate | 25 | 25 | - |
| Reduced rate | 15 | 15 | - |
| Low rate | 10 | 10 | - |
| Tax on alcoholic beverages | | | |
| Spirits-based beverages in excess of 0.7 pct. alcohol by volume, NOK per pct. alcohol and per litre | 7.31 | 7.46 | 2.1 |
| Other alcoholic beverages from 4.7 to 22 pct. alcohol by volume, NOK per pct. alcohol and per litre | 4.76 | 4.86 | 2.1 |
| 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 | 3.27 | 3.34 | 2.1 |
| c) 2.7 – 3.7 pct. alcohol by volume | 12.29 | 12.54 | 2.0 |
| d) 3.7 – 4.7 pct. alcohol by volume | 21.29 | 21.72 | 2.0 |
| Tax on tobacco products | | | |
| Cigars, NOK per 100 grams | 250 | 255 | 2.0 |
| Cigarettes, NOK per 100 units | 250 | 255 | 2.0 |
| Smoking tobacco, NOK per 100 grams | 250 | 255 | 2.0 |
| Snuff, NOK per 100 grams | 101 | 103 | 2.0 |
| Chewing tobacco, NOK per 100 grams | 101 | 103 | 2.0 |
| Cigarette paper, NOK per 100 units | 3.82 | 3.90 | 2.1 |
| Motor vehicle registration tax | | | |
| <i>Passenger cars, etc. Tax group a¹</i> | | | |
| Weight, NOK per kg ² | | | |
| first 350 kg (150 kg in 2016) | 0 | 0 | - |
| next 850 kg (1 000 kg in 2016) | 38.08 | 26.51 | - |
| next 200 kg (250 kg in 2016) | 83.01 | 66.05 | - |
| next 100 kg | 166.04 | 206.41 | - |
| remainder | 193.11 | 240.06 | - |
| Engine power, NOK per kW | | | |
| first 70 kW | 0 | 0 | - |
| next 30 kW | 125.59 | 0 | -100.0 |
| next 40 kW | 363.67 | 0 | -100.0 |
| remainder | 900.01 | 0 | -100.0 |
| NO _x emissions, NOK per mg/km | 57.95 | 70.93 | 22.4 |
| CO ₂ emissions, NOK per g/km ³ | | | |
| first 75 g/km (95 g/km in 2016) | 0 | 0 | - |
| next 25 g/km (15 g/km in 2016) | 896.76 | 914.70 | - |
| next 30 g/km | 903.68 | 995.49 | - |
| next 70 g/km | 2 106.65 | 2 685.98 | - |
| remainder | 3 382.16 | 3 449.80 | - |

- 1) Group a: Passenger cars, class 1 vans and buses shorter than 6 metres with up to 17 seats. Piston displacement is used as the tax component for vehicles whose CO₂ emissions are not specified.
- 2) It is not specified percentage change for the weight component since there are changes in both fixed points and rates in 2017.
- 3) It is not specified percentage change for co2 component since there are changes in both fixed points and rates in 2017.

| Tax category | Rules 2016 | Rules 2017 | Changes in pct. |
|---|------------|------------|-----------------|
| allowance for emissions below 75 g/km (95 g/km in 2016), applicable down to 40 g/km and only to vehicles emitting less than 75 g/km (95 g/km in 2016) | 918.82 | 937.20 | - |
| allowance for emissions below 40 g/km only applicable to vehicles emitting less than 40 g/km | 1 081.03 | 1 102.65 | - |
| <i>Vans class 2. Tax group b.⁴</i> | | | |
| weight, pct. of passenger car tax | 22 | 20 | -2 pct. pts. |
| engine power, pct. of passenger car tax | 22 | - | - |
| NO _x emissions, pct. of passenger car tax | 50 | 75 | 25 pct. pts. |
| CO ₂ emissions, pct. of passenger car tax | variable | variable | - |
| <i>Camper vans. Tax group c.⁵</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 | 8 092 | 8254 | 2.0 |
| Engine power tax, NOK per kW | | | |
| first 11 kW | 0 | 0 | - |
| remainder | 256.25 | 261.38 | 2.0 |
| Piston displacement tax, NOK per cm ³ | | | |
| first 125 cm ³ | 0 | 0 | - |
| next 775 cm ³ | 32.94 | 33.60 | 2.0 |
| remainder | 72.24 | 73.68 | 2.0 |
| <i>Snowmobiles. Tax group g</i> | | | |
| Weight, NOK per kg | | | |
| first 100 kg | 13.52 | 13.79 | 2.0 |
| next 100 kg | 27.04 | 27.58 | 2.0 |
| remainder | 54.06 | 55.14 | 2.0 |
| Engine power, NOK per kW | | | |
| first 20 kW | 21.72 | 22.15 | 2.0 |
| next 20 kW | 43.43 | 44.30 | 2.0 |
| remainder | 86.84 | 88.58 | 2.0 |
| Piston displacement, NOK per cm ³ | | | |
| first 200 cm ³ | 2.38 | 2.43 | 2.1 |
| next 200 cm ³ | 4.76 | 4.86 | 2.1 |
| remainder | 9.5 | 9.69 | 2.0 |
| <i>Taxis. Tax group h.⁶</i> | | | |
| weight, pct. of passenger car tax | 40 | 40 | - |
| engine power, pct. of passenger car tax | 40 | - | - |
| NO _x emissions, pct. of passenger car tax | 100 | 100 | - |
| CO ₂ emissions, pct. of passenger car tax | variable | variable | - |
| <i>Minibuses. Tax group j.⁷</i> | | | |
| pct. of passenger car tax | 40 | 40 | - |

4) Group b: Class 2 vans. Change specified in percentage points. The highest level of the CO₂ component does not apply to group b, and the second-highest level will remain at 25 pct. of the tax on passenger cars.

5) Group c: Camper vans. Change specified in percentage points. No NO_x component applicable.

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

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

| Tax category | Rules 2016 | Rules 2017 | Changes in pct. |
|---|------------|------------|-----------------|
| Annual motor vehicle tax, NOK per year | | | |
| Petrol vehicles and diesel vehicles with a factory-fitted particle filter | 3 135 | 2 820 | -10.0 |
| Diesel vehicles without a factory-fitted particle filter | 3 655 | 3 290 | -10.0 |
| Motorbikes | 1 920 | 1 960 | 2.1 |
| Tractors, mopeds, etc. | 445 | 455 | 2.2 |
| Annual weight-based tax, NOK per year | variable | variable | 2.0 |
| Re-registration tax | variable | variable | 2.0 |
| Road usage tax on engine fuel | | | |
| Petrol ⁸ , NOK per litre | 4.99 | 5.19 | 4.0 |
| Auto diesel ⁹ , NOK per litre | 3.44 | 3.80 | 10.5 |
| Bioethanol subject to the blending obligation, NOK per litre | 4.99 | 5.19 | 4.0 |
| Biodiesel subject to the blending obligation, NOK per litre | 3.44 | 3.80 | 10.5 |
| Natural gas, NOK pr Sm ³ | 0 | 0 | - |
| LPG, NOK per kg | 0.69 | 1.43 | 107.2 |
| Electricity tax, NOK per kWh | | | |
| Standard rate | 16.00 | 16.32 | 2.0 |
| Reduced rate | 0.48 | 0.48 | - |
| Base tax on mineral oil, etc. | | | |
| Mineral oil, NOK per litre | 1.630 | 1.603 | -1.7 |
| Mineral oil in the pulp and paper industry, production of dyes and pigments, NOK per litre | 0.147 | 0.147 | - |
| Tax on lubricating oil, NOK per litre | 2.13 | 2.17 | 1.9 |
| CO₂ tax | | | |
| Petroleum activities, gas, CO ₂ , oil, condensate, NOK per litre or Sm ³ | 1.02 | 1.04 | 2.0 |
| Petroleum activities, natural gas emitted to air, NOK per Sm ³ | 1.02 | 7.16 | 602.0 |
| Mineral oil, standard rate, NOK per litre | 0.92 | 1.20 | 30.4 |
| Mineral oil subject to road usage tax, NOK per litre | 1.12 | 1.20 | 7.1 |
| Mineral oil for domestic aviation, NOK per litre | 1.08 | 1.10 | 1.9 |
| Mineral oil for the pulp and paper industry, herring meal and fish meal industries, NOK per litre | 0.31 | 0.32 | 3.2 |
| Mineral oil for fishing and catching in inshore waters, NOK per litre | 0.28 | 0.29 | 3.6 |
| Petrol, NOK per litre | 0.97 | 1.04 | 7.2 |
| Natural gas, NOK per Sm ³ | 0.84 | 0.90 | 7.1 |
| LPG, NOK per kg | 1.26 | 1.35 | 7.1 |
| Reduced rate for natural gas, NOK per Sm ³ | 0.057 | 0.057 | - |

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

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

Source: Ministry of Finance

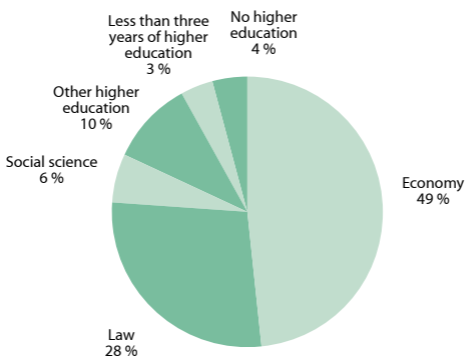
| Tax category | Rules 2016 | Rules 2017 | Changes in pct. |
|--|-------------------|-------------------|------------------------|
| Sulphur tax , NOK per litre | 0.133 | 0.136 | 2.3 |
| Tax on NO_x emissions , NOK per kg | 21.17 | 21.59 | 2.0 |
| Tax on trichloroethene (TRI) and tetrachloroethene (PER) , NOK per kg | 69.75 | 71.15 | 2.0 |
| Tax on hydrofluorocarbons (HFC) and perfluorocarbons (PFC) , NOK per tonne of CO ₂ equivalents | 383 | 450 | 17.5 |
| Tax on chocolate and sugar products, etc. , NOK per kg | 19.79 | 20.19 | 2.0 |
| Tax on non-alcoholic beverages | | | |
| Finished products, NOK per litre | 3.27 | 3.34 | 2.1 |
| Concentrate (syrup), NOK per litre | 19.92 | 20.32 | 2.0 |
| Lemonade and syrup based on fruit, berries or vegetables, without added sugar, NOK per litre | 1.64 | 1.67 | 1.8 |
| Concentrate (based on fruit, berries or vegetables), NOK per litre | 9.96 | 10.16 | 2.0 |
| Sugar tax , NOK per kg | 7.66 | 7.81 | 2.0 |
| Tax on beverage packaging , NOK per unit | | | |
| Base tax, disposable packaging | 1.15 | 1.17 | 1,7 |
| Environmental tax | | | |
| a) Glass and metals | 5.59 | 5.70 | 2.0 |
| b) Plastics | 3.37 | 3.44 | 2.1 |
| c) Cartons and cardboard | 1.38 | 1.41 | 2.2 |
| Air passenger tax , NOK/passenger | 80 | 82 | 2.5 |
| Stamp duty , pct. of sales price | 2.5 | 2.5 | - |



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