

# Tax-free incomes in Norway

There are many types of incomes in Norway, that you don't have to pay taxes of. I divided most of them in 6 large groups:



## Work incomes

Salaries and wages are generally taxable, but there are exceptions. For instance, certain allowances and reimbursements related to work may be tax-free.

### 1. Work After Mediation (Arbeid etter megling)

Work performed in connection with mediation between parties (e.g., conflict resolution) is tax-free if agreed upon in writing.

### 2. Work on Your Own House (Arbeid på eget hus)

The value of work done by you or your household on your own home or cabin during your regular free time is not considered taxable income. However, if you take time off from your regular work hours to work on your house, it becomes taxable.

### 3. Hobby income (Hobbyvirksomhet)

Income generated from hobbies is primarily tax-free. However, if you produce a product, there is still a maximum amount of 4,000 NOK that you can earn tax-free.

### 4. Artist Income (Kunstnerlønn)

Artist income granted by the Norwegian Parliament (Stortinget) is tax-free.

### 5. Salary Tax-Free card (Frikort)

If your total income does not exceed 70,000 NOK, it will be tax-free. This threshold is known as the frikortgrensen (tax-free card limit).

### 6. Salary Below the Amount Threshold (Lønn under beløpsgrense)

There are several types of salary income that are exempt from taxation. A distinction is made between individuals/companies and so-called tax-free institutions. Payments from tax-free institutions can be higher.

- **Company to Individual:** When the total salary payment from a company to an individual during an income year does not exceed 1,000 NOK, it is not required to report the amount as salary income, and the income will be tax-free. If the amount exceeds 1,000 NOK, the entire amount becomes taxable.
- **Private Homes:** For private assignments in the employer's home, the threshold is 6,000 NOK.
- **Housing Cooperatives (Boligsameier):** Payments to board members in housing cooperatives are tax-free if the amount is below 1,000 NOK.
- **Associations and Institutions:** Payments from tax-free companies, associations, and institutions are tax-free if the amount does not exceed 10,000 NOK in the tax year.
- **Expense Reimbursements:** Non-taxable expense reimbursements for covering additional costs related to a member's efforts for their organization are tax-free up to 10,000 NOK. The same applies to reimbursements for transportation to and from events where the organization participates.

## **7. Salary upon death (Etterlønn ved dødsfall)**

Salary paid after the occurrence of death is only taxable for the portion that exceeds 1.5 times the basic amount in the National Insurance Scheme (1,5G)

## **8. Cultural and honorary prizes (Kultur og ærespriser)**

Such awards given by the state, county, or municipality are not considered as income.

## **9. Scholarships (Stipender)**

- Travel scholarships are tax-free as long as the amount is used to cover travel expenses.
- Work-related scholarships are generally taxable income when they are associated with employment. Expenses incurred in fulfilling the purpose of the scholarship are then deductible.

## **10. Dimming Money, Solo provider allowance, etc. (Dimmepenger, forsørgertillegg)**

Dismissal allowance after completing military service is tax-free income. The same applies to breadwinner allowances and educational bonuses in the Armed Forces.

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## Pensions

Pensions received from pension schemes are often tax-free up to a certain limit.

## Job benefits

Some job-related benefits, known as “frynsegoder,” are not subject to taxation. These can include things like company cars, mobile phones, and other perks.

### 1. Pension (pensjoner)

Low pension incomes are tax-free. For instance, pension incomes up to 260,122 NOK in 2024 will be exempt from taxation.

### 2. Salary upon death (Etterpensjon ved dødsfall)

Salary paid after the occurrence of death is only taxable for the portion that exceeds 1.5 times the basic amount in the National Insurance Scheme (1,5G)

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### 1. Work Clothing and Uniform (Arbeidstøy og uniform)

Free uniforms or work clothing are not considered taxable income if they are unsuitable for private use.

### 2. Company Cabin (Bedriftshytte)

A cabin made available to employees is tax-free. The requirement is that all employees have the right to rent or borrow the cabin. If the company has fewer than 10 employees, the tax office may consider the cabin as private and reject the exemption from tax.

### 3. Newspapers (Avis)

The benefit of private access to one or more newspapers or news services covered by the employer is not considered taxable income when there is a legitimate need for such access.

### 4. Company Health Services (Bedriftshelsetjeneste)

Health services provided through company health services are tax-free.

### 5. Glasses (Briller)

Employer-provided reading glasses (referred to as “databriller”) needed for work (e.g., computer use) are tax-free.

### 6. Computer Equipment Lent by the Employer (Datautstyr utlånt fra arbeidsgiver)

Computer equipment lent by the employer for work-related purposes is not taxable as long as it is justified by work needs.

### 7. Company Car (Firmabil)

Company cars are not tax-free, but they can still provide cost-effective vehicle ownership. Company cars are subject to a standard tax calculation and are added to your income. However, using a company car for private purposes can still be more cost-effective than owning a private car, especially if you use the company car extensively for personal use. In this sense, there is a certain tax-free benefit.

## **8. Company Trips (Firmatur)**

Seminars are always tax-free. The same applies to recreational trips without professional content. The requirement is that all or a significant group of employees participate. Maximum two overnight stays at a hotel, and family members can also join without triggering tax liability. Note: Joint arrangements like theatre, football matches, operas, etc., are considered taxable welfare benefits. Season tickets for employees are likely also taxable.

## **9. Moving Expenses (Flytteutgifter)**

When moving due to a new job, the employer can cover moving costs tax-free. This includes moving trucks, moving personnel, travel expenses, meals, and accommodation related to the move.

## **10. Gifts (Gaver)**

Gifts in an employment relationship are generally taxable. However, there are exceptions related to round birthdays and milestone anniversary years for the company.

- The annual tax-free gift limit is 5,000 NOK in 2023 and 2024. It is no longer necessary for gifts to be part of a general arrangement in the company.
- Employee for 20 years and each subsequent decade: 8,000 NOK
- Gift for weddings and 50/60/70/75/80-year birthdays or retirement after at least 10 years: 4,000 NOK
- Company's 25-year anniversary (or divisible by 25): 4,000 NOK
- Company's 50-year anniversary (or divisible by 50): 4,000 NOK
- Employee retiring or leaving: 4,000 NOK
- The Christmas party is a tax-free benefit, including for employees' families. The same applies to Christmas gifts up to the annual total limit of 5,000 NOK in value.

## **11. Health Studios and Company Sports (Helsestudio og bedriftsidrett)**

Group training sessions with employees at health studios are tax-free. However, individual training at health studios is taxable. On-site fitness rooms at the workplace are always tax-free, as are hired

instructors at the workplace. Subsidies to company sports clubs are also tax-free.

## **12. Home office (Hjemmekontor)**

If you have a home office in your own residence, relevant expenses can be covered tax-free by your employer. You can either receive 2,128 NOK per year tax-free from your employer or the office's share of the actual costs of your home, such as insurance, external maintenance, office maintenance, municipal fees, electricity, etc. If the office constitutes 5% of the total area of your home, you can have 5% of the housing expenses covered tax-free. However, remember that it is the employer who makes the decision, and you are not entitled to this benefit.

## **13. Kantine (Cafeteria) and Other Food/Drink**

Reasonably priced food in the workplace cafeteria is tax-free as long as the employees' payment covers the raw material costs. Coffee, tea, milk, juice, and fruit can also be offered tax-free by the employer. Overtime meals can be covered tax-free by the employer.

## **14. Mobile Phones, Landlines, and Broadband (Mobiltelefon, telefon og bredbånd)**

Mobile phones, landlines, and broadband are partially taxed using a standard rule. If your employer covers significant expenses, this becomes a valuable benefit. The employer can cover the costs of one or more of these communication services up to a total of 4,392 NOK. Whether you receive coverage for one or multiple devices, the amount remains the same. This additional income of 4,392 kroner is added to your total income for tax purposes. If your employer covers more than this amount, the excess is tax-free. For example, if your employer covers both mobile and broadband expenses, totaling 9,500 NOK per year, you will still be taxed on an income of 4,392 kroner, while the remaining 5,108 NOK are tax-free.

## **15. Parking (Parkering)**

Free parking associated with the workplace remains tax-free.

## **16. Employee Discounts (Personalrabatter)**

The upper limit for discounts is 8,000 NOK. The discount should be assessed based on the market value in the end-user market.

## **17. Smoking Cessation Courses (Røykeavvenningskurs)**

It is tax-free to let the employer help you quit smoking.

### **18. Student loans – write off (Studielån – nedskriving)**

Employees working in Finnmark or certain selected municipalities in Troms have their student loans written off by 10% annually. The maximum annual amount is 30,000 NOK. This is not taxable income.

### **19. Education in Employment (Utdanning i arbeidsforhold)**

You can have your education paid for by your employer as long as certain criteria are met. To make education tax-free, it is a requirement that the employer must benefit from your education. Education can take place both externally and internally, including abroad.

The tax exemption covers costs such as tuition, examination fees, textbooks, and other materials directly related to education. It can also cover travel and additional expenses for stays away from home, including return trips.

### **20. Annual Fee, Payment Cards (Årsavgift, betalingskort)**

If you travel extensively for work, your employer can cover the annual fee tax-free.

### **21. Interest on loans from the employer (Rente på lån fra arbeidsgiver)**

- For inexpensive loans from the employer, the interest is tax-free up to the so-called reference interest rate. If you have an even lower loan interest rate from your employer, the difference compared to the reference interest rate must be taxed. The reference interest rate fluctuates throughout the year based on interest rate changes.
- The interest rate on home loans determines the size of the mortgage. In comparison to the very cheapest home loan offers, the reference interest rate no longer provides any advantage.

### **22. Interest on loans from the employer - below 3/5-G (Rente på lån fra arbeidsgiver - under 3/5-G)**

If the loan from the employer is below 3/5 of the National Insurance basic amount (71,112 NOK), it can be provided without interest as long as it is repaid within one year.

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## Social security benefits

Social security benefits, including unemployment benefits and disability benefits, are generally tax-free.

### 1. Child support (Barnebidrag)

Child support is tax-free (and not deductible).

### 2. Child benefit (Barnetrygd)

Child benefit is tax-free income. The child benefit is 1510 NOK per month for children over 6 years old. For children under 6 years old, the rate is 1,766 NOK per month for 2024.

### 3. Housing allowance (Bostøtte)

Housing allowance from the Housing Bank is not taxable income.

### 4. Benefit related to birth or adoption (Engangsstønad ved fødsel eller adopsjon)

The grant is 92,648 NOK and is tax-free. This is benefit you get if you didn't work up right for parental leave money.

### 5. Benefit related to funeral (Gravferdsstønad)

This is a means-tested benefit that provides support to cover funeral expenses.

### 6. Benefit related to illness (Grunnstønad)

Intended to cover extra expenses due to illness. The size of the basic support depends on the size of the additional costs.

### 7. Assistance allowance (Hjelpestønad)

Assistance allowance is provided if you have a special need for care and supervision.

### 8. Benefit related to staying home with child from 1 to 2 years old (Kontantstøtte)

This benefit is tax-free. Full benefit is 7500 NOK a month and it reduced if your child goes to kindergarten part-time.

### 9. Social assistance (Sosial hjelp)

Social benefit is the support when you used up all other resources and can not provide for yourself and family. This income is not taxable.

### 10. Childcare support (Stønad til barnetilsyn)

## Capital incomes, that can be kept out of taxation

Certain types of income that would typically be considered capital income may be exempt from tax.

As a single mother or father, you may be entitled to receive tax-free childcare support, allowing you to work, study, or seek employment. This is usually granted if you provide documentation, that your working hours are outside of normal opening time of child care or school and you need extra childcare.

### **11. Support for improving functional capacity in work or daily life (Stønad til bedring av funksjonsevnen i arbeidsliv eller i dagligliv)**

For individuals with disabilities, there are various benefits that can be claimed. These can include things like a car, guide dog, interpreter assistance, etc. All of these are tax-free.

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#### **1. House Sales (Boligsalg)**

Profit from the sale of a home is tax-free if you have lived in it for at least 12 out of the last 24 months. Otherwise, the tax on the profit will be 22% in 2024.

#### **2. Home Rental (Boligutleie)**

It's tax-free to rent a part of your own house. But you need to see that the part you are renting out is not more expensive, than part you live in yourself. If you rent out less than half of the rental value, it is tax-free. If you rent out more, the surplus will be taxed at 22% in 2024.

#### **3. Lottery Winnings, Norsk Tipping, Random Winnings (Gevinst i Lotto, Norsk Tipping, tilfeldige gevinster)**

Random winnings from domestic or foreign games, competitions, lotteries, etc., where the value of each individual prize is 10,000 NOK or less, are tax-free. If the winnings exceed 10,000 NOK, the entire amount is taxable unless it falls under one of the categories:

- Norsk Tipping AS
- Totalisator games covered by the totalisator game law
- Raffles covered by the lottery law
- Gambling and lotteries in another EEA state that are deemed equivalent to games or lotteries legally offered in Norway and are subject to public supervision and control in the home state.
- Publicly accessible events organized by mass media.

If you have received winnings from any of these sources that exceed 10,000 NOK, the prize should still be reported in your tax



return and serves as a control function regarding potential wealth increase.

#### **4. Cabin Rental (Hytteutleie)**

There is a tax-free portion of 10,000 NOK for cabin rentals. Any excess amount is considered 85% income and is taxed at a rate of 22%.

#### **5. Dividends (Utbytte)**

Dividends paid below the shielding rate are tax-free. For 2023, this rate was 3.2%.

#### **6. Currency (Valuta)**

Gains from the sale of travel currency are not taxable (losses are not deductible).

#### **7. Sale of Household Goods and Chattels (Innbo og løsøre - salg av)**

Gains from the sale of privately used household goods and chattels are not taxable income.

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#### **1. Life Insurance/Capital Insurance (Livsforsikring/kapitalforsikring)**

Payouts from your own life insurance/capital insurance by an insurance company upon death or at another time are not taxable income.

#### **2. Compensation for Permanent Injury (Menerstatning)**

Compensation for permanent injury and non-economic damages are tax-free. Compensation for occupational injuries is also tax-free.

#### **3. Interest on Tax Refunds (Renter ved tilbakebetaling av skatt)**

Interest on tax refunds is tax-free.

#### **4. Damage Compensation (Skadeerstatning)**

## Compensations

Compensation payments, such as insurance payouts or damages, may be tax-free.