

Prop. 1 LS (2025–2026)

Chapter 1

1 Main tax policy features

1.1 The Government's tax policy objectives

The Government pursues a policy to safeguard the country, welfare and people's economy. In addition to financing public goods and welfare schemes, tax policy shall contribute to fair distribution and facilitate growth, value creation, good health and high environmental standard.

The Government's tax promise implies that total taxes on Norwegian private individuals and businesses will remain at the same level as today, and that the corporate income tax rate will not be increased. The increase in climate taxes continues, and the Government will take steps to ensure that the climate transition is fair. This means that increased climate taxes will be returned to taxpayers through broad reductions in other taxes. Similarly, closing tax loopholes or tightening certain taxes provides scope for reducing other taxes within the tax promise.

A priority in the Government's tax policy in the coming parliamentary period will be to present a white paper on a comprehensive tax reform, cf. petition resolutions in connection with the Storting's consideration of the 2024 white paper on Long-term Perspectives. A tax reform should include tax exchanges that can generate gains for the Norwegian economy. The petition resolution and the public debate on the tax system in recent years indicate that taxation of businesses and owners will be central to such reform efforts. At the same time, major changes in the tax system must be viewed as a whole for the system to be logically coherent and for different considerations to be properly balanced. This applies to efficiency, distribution, predictability, simplicity, a robust tax base and competitiveness.

The purpose of the white paper on a comprehensive tax reform will be to facilitate agreement on important elements of the tax system across political divides, which can be incorporated into subsequent annual budgets. That way, reasonable predictability can be achieved about the tax system across changing governments. To obtain input to the Government's work on a white paper and prepare the ground for a broad consensus, the Government will take the initiative to establish a broad-based tax commission. The aim is to present a white paper on a comprehensive tax reform in the course of 2027.

Irrespective of the work on a comprehensive tax reform, there is an ongoing need to maintain the tax system in order to maintain efficient and fair tax collection at low economic cost.

The Government's proposed tax programme for 2026 is partly based on simplifying and streamlining the tax system, closing tax loopholes and ensuring that the system is well adapted to changes in other regulations and structural changes. This will benefit both taxpayers and tax administration, while safeguarding the tax base.

1.2 Main features of the tax programme for 2026

In line with the tax promise and within a revenue-neutral tax programme, the Government proposes broad reductions that contribute to security for people's finances.

Income tax is reduced, among other things, through increased personal allowances and reduced National Insurance contributions on wages, benefits and self-employment income. This provides broad relief while maintaining the redistributive properties of the tax system. The proposal also makes it more profitable to work, as individuals are left with a little more after tax for each additional krone they earn.

The Government proposes to implement a randomised controlled trial with an in-work tax allowance for young people. The Government believes that there is a need for more knowledge about how a work allowance, and financial incentives in general, affect labour supply and labour force participation. A work allowance differs from general tax reliefs in that it is not granted on social security income. If social security recipients are to be excluded from broad tax reliefs, it must be justified on the grounds that this is necessary to get more people into work and fewer on benefits. The pilot scheme will provide knowledge about this.

The share of electric cars is now 95 per cent. This means that the goal of all new passenger cars being electric by 2025 has effectively been achieved. In the government's view, the time is ripe to phase out the benefits of electric cars in the VAT system. We should not have a system that subsidises the purchase of passenger cars rather than other consumption. In 2026, it is proposed to reduce the threshold for VAT on purchases of electric cars to NOK 300,000, and it is announced that the VAT benefits from the purchase of a new electric car will be completely removed from 2027. At the same time, it is proposed to adjust the registration tax on cars so that the system is simplified and the incentives to choose an electric car are safeguarded.

To reduce electricity costs for both households and businesses, the electricity tax is reduced to 4.18 øre per kWh throughout the year.

Other suggestions affecting individuals and households:

- The Finnmark allowance is increased by 50 per cent to NOK 45,000.
- The trade union allowance is increased to NOK 8,700, with the aim of increasing it up to NOK 10,000 during this parliamentary period.
- The parental allowance is reduced to NOK 15,000 for the first child and NOK 10,000 for children beyond that, in light of reduced prices in kindergartens and after-school care.
- A tax exemption allowance of NOK 100,000 will be introduced for young people from 13 to 19 years in Svalbard.
- The limit for the maximum deduction for individual pension savings is increased to NOK 25,000.
- Tax-free net income under the tax limitation rule is increased by NOK 10,000.
- A permanent scheme for deferred payment of wealth tax is introduced.
- The threshold for wealth tax is increased from NOK 1.76 million to NOK 1.90 million.
- The threshold for a high valuation of primary dwellings in the wealth tax is kept in nominal terms at NOK 10 million.
- The model that values housing in the wealth tax is improved.
- Some income tax thresholds are kept unchanged in nominal terms.

The Government proposes that climate taxes in 2026 follow the linear increase to NOK 2,400 per tonne of CO₂ at 2025 prices in 2030. After 2030, the Government proposes to continue the linear escalation, so that the tax will be NOK 3,400 at 2025 prices in 2035.

Other proposed changes to climate and environmental taxes:

- A general exemption from the CO₂ tax is introduced for mineral products for emissions subject to EU's Emission Trading System (ETS) outside the Effort Sharing Regulation
- A new rate is introduced in the CO₂ tax for mineral products for fishing in near and distant waters.
- The rate for domestic shipping subject to ETS is increased to NOK 799 per tonne of CO₂.
- The reduced rate for international shipping will be discontinued.
- The rate for the greenhouse industry is increased to 43.3 per cent of the general CO₂ tax rate.
- An exemption is introduced for cleaning of sulphur hexafluoride (SF₆).
- The road usage tax on diesel is increased by NOK 0.25 per litre over the rise in prices.

The Government proposes that several obvious loopholes in the tax system be closed. Among other things, it is proposed to close the possibility for financial institutions with operations abroad to obtain double interest deductions. This proposal follows up a decision by the Supreme Court on the distribution of interest deductions between businesses in Norway and abroad. From the day the budget is presented, a tax loophole in the real estate sector will be closed where capital gains taxation can be avoided through targeted tax planning. Loopholes in the VAT rules for international trade in services are also being closed. International enterprises can currently achieve more favourable tax treatment than national enterprises.

Other proposals affecting business activities:

- It is proposed to exempt mutual funds from ordinary tax on interest income, income from shares and income from financial instruments. This avoids, among other things, double taxation of interest income in the funds.
- The minimum rate for recognition of income in the agricultural account is lowered from 85 per cent to 80 per cent.
- Light electric vans are exempted from traffic insurance tax.
- Sectoral taxes under the Norwegian Communications Authority, the Norwegian Water Resources and Energy Directorate and Finanstilsynet are increased to finance investment in these sectors.

The Government is circulating a number of proposals for consultation:

- reduce the threshold of the resource rent tax and the natural resource tax on hydropower, from 10,000 kVA to 1,500 kVA
- clarify and simplify the rules on tax-paid up capital in companies
- more correct delimitation of the right to deduct the production tax from the resource rent tax on aquaculture.

1.3 Revenue effects of the proposed tax changes

Table 1.1 presents the estimated revenue effects in 2026 of the Government's proposed tax changes for 2026. The difference between accrued and booked effects of tax changes is explained in Box 1.1. In line with the Government's tax promise, the net accrued tax effects of the Government's proposal are estimated at zero in 2026.

Table 1.1 Estimated revenue effects in 2026 of the Government's proposed tax programme for 2026. Negative numbers signify easing. The estimates have been calculated in relation to the benchmark system for 2026. NOK million

	2026	
	Accrued	Booked
Personal income tax	-4,159	-4,301
Increase the personal allowance to NOK 114,210	-1,315	-1,315
Reduce National Insurance contributions on wages/benefits and self-employment income	-2,345	-2,345
Introduce a pilot scheme with work allowances for young people	-500	-500
Increase the limit on individual retirement savings.....	-150	-150
Reduce the parental allowance to NOK 15,000/10,000	190	50
Adjust the tax limitation rule ¹	-9	-9
Increase the Finnmark allowance from NOK 30,000 to NOK 45,000.....	-175	-175
Increase the trade union deduction from NOK 8,250 to NOK 8,700.....	-29	-29
Introduce an allowance for young people in Svalbard	-1	-1

Nominal continuation, interaction effects, etc.	175	173
Wealth tax	0	0
Increase the threshold for wealth tax from NOK 1.76 million to NOK 1.90 million	-525	-525
Improve the model for valuing housing	435	435
Introduce a permanent scheme for deferred payment of wealth tax	-10	-10
Maintain the threshold for primary dwellings of more than NOK 10 million nominal	100	100
Business taxation	1,440	-140
Reform taxation of mutual funds	-570	0
Follow up the Supreme Court's decision on interest deductions	2,000	0
Closing tax loopholes in the real estate sector ²	200	50
Reduce the recognition of income in the agricultural accounts scheme from 85 per cent to 80 per cent.	-190	-190
Climate and environmental taxes	1,608	1,448
Increase taxes on non-ETS emissions	2,200	2,000
Compensate public carriers	-120	-120

Introduce a general exemption for businesses subject to ETS.....	-526	-482
Increase the rate for domestic shipping subject to ETS	37	34
Increase the rate for the greenhouse industry	13	12
Adjust the rate for fishing and trapping in distant waters...	6	6
Introduce an exemption when cleaning SF ₆	-2	-2
Abolish the reduced rate for international shipping	0	0
Car taxes	680	640
Simplify the one-time registration tax	200	180
Exempt light electric vans from traffic insurance tax	-20	-10
Increase the road usage tax on diesel (mineral oils and biodiesel)	500	470
Other excise duties	-4,000	-2,330
Introduce a common rate of 4.18 øre per kWh in the electricity tax	-4,000	-2,330
Value added tax	4,400	3,770
Reduce the threshold for electric cars to NOK 300,000	4,000	3,500
Closing gaps in VAT on cross-border services from July 1, 2026	400	270

Sectoral taxes	31	31
Increase the sectoral tax under the Norwegian Communications Authority.....	8	8
Increase the sectoral tax under the Norwegian Water Resources and Energy Directorate.....	7	7
Increase the sectoral tax under the Financial Supervisory Authority of Norway	17	17
Proposed new tax changes in 2026	0	-882

¹ Accrued revenue effect in 2025 is NOK -9 million. This is carried on in 2026.

² Accrued revenue effects in 2025 are NOK 50 million. This is carried on in 2026.

Source: Ministry of Finance.

Some of the government's proposals will have an impact on taxpayers beyond 2026. Table 1.2 shows the revenue effects in the years 2027 and 2028 for those of the Government's proposals that have accrued effect beyond 2026. The Government's tax promise means that the accrued austerity measures that will be implemented in 2027 and 2028 as a result of the proposals in the 2026 budget will be matched by at least corresponding tax and fee reductions in the proposals for the 2027 and 2028 budgets.

Table 1.2 Accrued effects in subsequent fiscal years of proposed tax changes in the 2026 budget. NOK million

	2027	2028
Introduce a permanent scheme for deferred payment of wealth tax ¹	-	10
Closing tax loopholes in the real estate sector	700	-

Reduce the recognition of income into the agricultural accounts scheme from 85 per cent to 80 per cent ²	120	60
Exempt light electric vans from traffic insurance tax	-40	0
Reduce the threshold for electric cars to NOK 300,000	500	500
Closing gaps in VAT on cross-border services from 1 July 2026	400	-
Increase the sectoral tax under the Norwegian Communications Authority.....	10	-
Total accrued effects beyond the budget year	1,690	570

¹ Accrues in 2030, but is technically recorded in 2028.

² The long-term effect is NOK -10 million, discounted net present value.

Source: Ministry of Finance.

Box 1.1 The relationship between accrued and booked effect of a tax change

The accrued effect of a tax change expresses the change in the taxpayer's payment obligation in a particular income year. This is the actual impact of a proposal or decision, which is most important from the taxpayers' perspective and influences their decisions and adaptation. It is the accrued effect that is relevant in an overview of overall tax changes over a period and for the Government's tax promise.

However, the central government budget is settled in *book values*. Booked proceeds describe when the tax change is entered into the government's account. The relationship between accrued and booked effect in each year depends on payment dates, etc., and varies between taxes and duties. Normally, the following applies:

- Income tax changes for individuals are booked in full in the budget year.
- Tax changes for companies are booked in full in the year following the budget year.
- For changes in employer's National Insurance contributions and value added tax, five out of six payment dates are recorded in the budget year.
- For changes in the electricity tax, three out of four payment dates are recorded in the budget year.
- For changes in other excise duties, eleven out of twelve payment dates are recorded in the budget year.

The fact that income tax for individuals is fully booked in the budget year is new from 1 January 2026. In connection with the consideration of Prop. 91 L (2024–2025) *Endringer i skatteforvaltningsloven og skattebetalingsloven mv.* The Storting decided to discontinue the tax deduction account scheme with effect from 1 January 2026, see Recommendation 469 L (2024–2025) and Legislative Decision 92–101 (2024–2025). This means that from 2026, virtually all income tax from individuals will enter the income year, compared with five out of six payment dates previously.

Table 1.3 presents estimated booked tax revenues for 2026, as well as estimates for 2025 and accounting figures for 2024, broken down by chapter and item.

Table 1.3 Booked tax revenues broken down by chapter and item. NOK million

Chapter	Item	Designation	Accounts 2024	Budget estimate 2025		
				Balanced budget	Projections NB26	Proposal 2026
5501		Taxes on wealth and income.....				
	70	Bracket tax, wealth tax, etc. from personal taxpayers.....	125,611	136,081	133,300	157,737
	72	Community tax, etc., from personal taxpayers.....	156,048	151,373	157,300	206,453
	74	Corporate income taxes, etc., from non-personal taxpayers outside the petroleum sector.....	142,918	129,100	123,400	129,450
	76	Withholding tax, dividends.....	13,375	13,250	14,000	14,100
	77	Withholding tax, interest payments	15	25	20	20
	78	Withholding tax, royalties.....	0	0	1	1

79	Withholding tax, rental income.....	17	15	20	20
5502	Financial activity tax				
70	Tax on payrolls	2,809	2,704	3,000	3,100
71	Tax on profits.....	3,737	2,400	3,700	3,900
5506 70	Tax on inheritance and gifts	30	0	40	0
5507	Tax on petroleum production				
71	Ordinary tax on wealth and income	132,693	119,310	121,100	93,300
72	Special tax on petroleum income.....	278,774	259,215	252,800	198,200
74	Area fee, etc.	1,180	1,300	1,500	1,600
5508 70	Tax on CO ₂ emissions in petroleum activities on the continental shelf	7,695	9,155	8,400	9,400
5509 70	Tax on NO _x emissions in the petroleum sector on the continental shelf	-3	1	1	1

5511	Customs revenues				
70	Customs duties.....	3,622	3,550	3,500	3,300
71	Auction revenues from tariff quotas	313	300	315	300
5521 70	Value added tax.....	387,935	409,258	403,000	420,970
5526 70	Tax on alcohol.....	16,446	16,800	16,300	16,300
5531 70	Tax on tobacco products, etc.	7,672	7,600	7,700	7,700
5536	Tax on motor vehicles, etc.				
71	One-time fee	7,982	6,589	7,200	7,180
72	Traffic insurance tax...	10,591	10,190	9,950	9,290
73	Annual weight-based tax	281	290	290	300
75	Re-registration fee.....	1,757	1,850	1,800	1,900
5538	Road usage tax on fuel				
70	Road usage tax on petrol	3,573	3,280	3,100	3,000
71	Road usage tax on auto diesel.....	6,768	6,520	6,300	6,570

72	Road usage tax on natural gas and LPG	3	4	3	3
5540 70	Tax on power production	-174	0	0	0
5541 70	Electricity tax.....	9,719	10,803	9,700	4,770
5542	Tax on mineral oils, etc.				
70	Base tax on mineral oils, etc.....	0	0	0	0
71	Tax on lubricating oils, etc.	117	120	120	125
5543	Environmental tax on mineral products, etc.				
70	CO ₂ tax on mineral products	15,954	18,437	18,100	19,538
71	Sulphur tax.....	3	10	2	2
5546 70	Waste incineration tax	598	695	690	690
5547	Tax on hazardous chemicals				
70	Trichloroethene (TRI)...	0	0	0	0

71	Tetrachloroethene (PER).....	0	-	-	-
5548	Environmental tax on certain greenhouse gases				
70	Tax on HFCs and PFCs	405	355	500	540
71	Tax on SF ₆	83	60	150	170
5549 70	Tax on NO _x	36	30	45	45
5550 70	Environmental tax on pesticides	50	65	65	65
5551	Taxes related to mineral operations				
70	Tax on subsea limestone extraction, etc.	3	1	1	1
71	Annual tax related to minerals	18	20	21	23
5552 70	Tax on farmed fish	1,339	1,350	1,550	1,510
5553 70	Tax on wild marine resources	132	130	130	130
5554 70	Tax on wind power	324	395	355	385

5557	70	Tax on sugar, etc.	212	200	210	220
5559		Tax on beverage packaging				
	70	Base tax on disposable packaging	2,837	3,000	3,000	3,100
	71	Environmental tax on cardboard.....	59	60	60	65
	72	Environmental tax on plastics.....	48	55	50	50
	73	Environmental tax on metals.....	9	10	15	15
	74	Environmental tax on glass.....	7	5	5	5
5561	70	Air passenger tax.....	2,226	1,850	1,850	1,900
5565	70	Stamp duty.....	12,565	12,200	14,000	15,500
		Sectoral taxes1	4,797	4,711	4,922	5,173
5583	70	Frequency and number tax	407	675	675	430
5584	70	Abolished taxes, and interest and coercive fines on excise duties..	54	0	0	0

5700	National Insurance Scheme revenues				
71	National Insurance contributions	185,986	197,170	196,400	231,189
72	Employer's National Insurance contributions	268,526	269,420	274,500	283,011
Total.....		1,818,183	1,811,986	1,805,156	1,862,746

¹ The changes in sectoral taxes are shown in Table 1.1 and Chapter 15.

Source: Ministry of Finance.

Table 1.4 shows booked effects of proposed new rule changes in 2026, broken down by chapter and item.

Table 1.4 Estimated booked revenue effects of the tax programme for 2026, broken down by chapter and item. Calculated in relation to the benchmark system for 2026. NOK million

Chap.	Item	Designation	Change
5501		Taxes on wealth and income ¹	
70	Step tax and wealth tax, etc.....		-182
72	Community tax, etc., from personal taxpayers.....		-1,959
74	Corporate income taxes, etc., from non-personal taxpayers outside the petroleum sector		50

	76	Withholding tax on dividends.....	0
	77	Withholding tax on interest payments	0
	78	Withholding tax on royalty payments	0
	79	Withholding tax on rent payments for certain physical assets	0
5502		Financial activity tax	
	70	Tax on payrolls.....	0
	71	Tax on profits.....	0
5506	70	Tax on inheritance and gifts	0
5507		Tax on petroleum production	
	71	Ordinary tax on wealth and income ..	0
	72	Special tax on petroleum income	0
	74	Area fee, etc.	0
5508	70	Tax on CO ₂ emissions in the petroleum sector on the continental shelf	0
5509	70	Tax on NO _x emissions in the petroleum sector on the continental shelf	0

5511		Customs revenues	
	70	Customs duties.....	0
	71	Auction revenues from tariff quotas .	0
5521	70	Value added tax.....	3,770
5526	70	Tax on alcohol.....	0
5531	70	Tax on tobacco products, etc.	0
5536		Tax on motor vehicles, etc.	
	71	One-time fee	180
	72	Traffic insurance tax.....	-10
	73	Annual weight-based tax	0
	75	Re-registration fee.....	0
5538		Road usage tax on fuel	
	70	Road usage tax on petrol.....	0
	71	Road usage tax on auto diesel	470
	72	Road usage tax on natural gas and LPG.....	0
5540	70	Tax on power production	0

5541	70	Electricity tax.....	-2,330
5542		Tax on mineral oils, etc.	
	70	Base tax on mineral oils and biodiesel, etc.	0
	71	Tax on lubricating oils, etc.	0
5543		Environmental tax on mineral products, etc.	
	70	CO ₂ tax.....	1,488
	71	Sulphur tax.....	0
5546	70	Waste incineration tax	0
5547		Tax on hazardous chemicals	
	70	Trichloroethene (TRI).....	0
	71	Tetrachloroethene (PER)	0
5548	70	Tax on hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs)	60
	71	Tax on SF ₆	20
5549	70	Tax on NO _x	0
5550	70	Environmental tax on pesticides.....	0

5551		Taxes relating to mineral operations	
	70	Tax on subsea limestone extraction, etc.	0
	71	Annual tax related to minerals.....	0
5552	70	Tax on farmed fish	0
5553	70	Tax on wild marine resources	0
5554	70	Tax on wind power	0
5557	70	Tax on sugar, etc.....	0
5559		Tax on beverage packaging	
	70	Base tax on disposable packaging	0
	71	Environmental tax on cardboard	0
	72	Environmental tax on plastics	0
	73	Environmental tax on metals	0
	74	Environmental tax on glass	0
5561	70	Air passenger tax.....	0
5565	70	Stamp duty.....	0
		Sectoral taxes ₂	31

5583	70	Frequency and number fee.	0
5700		National Insurance Scheme revenues	
	71	National Insurance contributions	-2,361
	72	Employer's National Insurance contributions.....	11

¹ Effects apply to the central and local government sectors. Reference is made to Section 3.3 for a discussion of municipal tax revenues.

² The changes in sectoral taxes are shown in Table 1.1 and Chapter 15.

Source: Ministry of Finance.

1.4 Social and geographical profile of the tax programme

Social distributional effects

The main objective of most taxes is to generate revenue for central government. In addition, some taxes have a particular objective of redistributing taxes through the tax system. The tax on earned income and taxable transfers is therefore progressive with a personal allowance and with a bracket tax where the tax rate increases with the income in five brackets. The wealth tax also has a distributional policy rationale that contributes to overall progressivity. The division of labour between taxes that have an explicit task of redistributing and other taxes helps to ensure that the tax system can be redistributive without unnecessarily compromising efficient use of resources (see Chapter 2).

All taxes affect the distribution of income, wealth and consumption. For taxes that do not have an explicit redistribution purpose, the relationships will often be more complex and unclear. For example, the impact of tax changes may vary depending on the proportion of income typically spent on specific goods or services by households with low incomes, relative to households with higher incomes. The extent to which tax changes are passed on to prices is determined by market conditions and will influence the extent to which, for example, a tax reduction benefits households. Who bears a tax change in economic terms is also relevant for corporate income tax. Taxes on companies can translate into both reduced wages and profits. The distribution of the tax burden between owners and wage earners determines the distributional effects of the tax.

The various tax changes proposed by the Government should be viewed in conjunction with each other to obtain a picture of the overall distributional effects. At the same time, it is difficult to quantify the effects of all the proposals. This may be due to a lack of data or because too many uncertain assumptions are required to adequately attribute the effects of a proposal to different households.

The income and wealth tax has explicit redistribution purposes, and for these types of taxes there is a good data and model basis for analysing how changes in the main rules affect different income or wealth groups in the short term. Income tax relief is one of the government's top priorities. To measure the distributional effects of these reductions, the proposals are compared with the 2025 rules applied to 2026 (the benchmark system) (Table 1.5). In the table, taxpayers are broken down by gross income and divided into ten equally sized groups. The estimates include changes in rates, allowances and thresholds in personal income taxation. The isolated, net income tax reduction resulting from the changes included in the calculations is estimated at about NOK 3.9 billion.

Table 1.5 shows that the proposal provides broad income tax relief, which benefits the vast majority of taxpayers. It is estimated that 98 per cent of taxpayers will receive reduced or unchanged income tax. 85 per cent of taxpayers are estimated to get a relief of more than NOK 200.

The main elements of the proposed income tax consist of reducing National Insurance contributions on wages/benefits and self-employment income by 0.1 percentage point and increasing the personal allowance by NOK 1,535 beyond the reference for 2026. The reduction in National Insurance contributions reduces the average tax on income from employment and social security by 0.1 percentage point on both low and high incomes. Measured in NOK, tax relief increases with income. This is reflected in Table 1.5.

An increased personal allowance provides equal relief measured in NOK for everyone with a high enough ordinary income to benefit from the increased deduction. In isolation, this contributes to increased redistribution because the relative easing is greatest on low incomes. This is reflected in the fact that the relief measured as a percentage of gross income is greatest in decile 3 in Table 1.5.

In decile 1, a slight tightening is estimated. This is related to the nominal continuation of the exemption card limit, and the fact that this group on average pays very little tax. The fact that the exemption card limit is kept nominally unchanged must be seen in the context of the Government's historic lifting of the exemption card limit in last year's budget. The limit was then increased from NOK 70,000 to NOK 100,000. A limit of NOK 100,000 is easy to relate to

for this group of taxpayers, typically young people, which may indicate that the limit should be adjusted upwards at regular intervals rather than indexed annually.

The overall distributional effects of the proposed income tax changes are broadly neutral. The average easing as a share of income is approximately the same for low and high incomes. This maintains the degree of redistribution in the income tax.

The Gini coefficient is a widely used measure to measure the degree of inequality. A higher Gini coefficient implies greater inequality. Overall household-adjusted income inequality measured by Gini is projected to increase slightly by 0.01 per cent compared to the benchmark system for 2026.

The most important changes to income tax that are not included in Table 1.5 are the proposals to implement a pilot scheme with work allowances for young people and to reduce the amount limits in the parental allowance.

The proposed changes to the wealth tax are also not included in Table 1.5. This is related to the fact that it is only possible to calculate the distributional effects of an increased threshold and nominal continuation of the threshold for a lower valuation discount for primary dwellings compared with the reference for 2026. However, the changes in the wealth tax are overall revenue-neutral: A revision of Statistics Norway's valuation model for dwellings will, when taken in isolation, result in increased wealth tax revenues, which in their entirety are used to ease wealth tax. Including only an increased threshold would therefore have given a skewed picture of the overall effects. Nevertheless, it is estimated that, on average, the overall changes in wealth tax will result in a slight increase in the tax burden for individuals with the highest incomes and wealth.

Table 1.5 Estimated distributional effects of income tax changes for persons aged 17 and over. Deciles broken down by gross income. Negative numbers are tax reductions. Compared to the benchmark system for 2026

Decile	Gross income ¹ NOK	Average tax under the benchmark alternative. NOK	Average tax under the benchmark alternative. Per cent	Average tax change. NOK ²	Change in per cent of gross income. Per cent

1	0 – 177,600.....	2,200	3.2	200	0,2
2	177,600 – 323,800	16,800	6.4	-200	-0,1
3	323,800 – 410,200	46,000	12.5	-600	-0,2
4	410,200 – 494,600	75,600	16.7	-600	-0,1
5	494,600 – 580,800	105,200	19.6	-800	-0,1
6	580,800 – 671,600	133,600	21.3	-800	-0,1
7	671,600 – 771,800	162,800	22.6	-1.000	-0,1
8	771,800 – 906,000	205,400	24.6	-1.200	-0,1
9	906,000 – 1,167, 600	282,000	27.7	-1.400	-0,1
10	1,167,600 and above	690,800	35.7	-2.000	-0,1
Total		170,600	25,1	-800	-0.1

¹ Includes total pre-tax income. This includes wages, self-employment, capital, social security and pension income, as well as other taxable and tax-free benefits.

² The figures are rounded to the nearest NOK 200.

Sources: Ministry of Finance and Statistics Norway's tax model, LOTTE-Skatt.

In the Government's proposal, the net accrued tax effects are estimated at zero in 2026. Reductions in income tax and electricity tax have been financed through tightening measures in areas such as value added tax and CO₂ tax, and closing gaps in business taxation. The easing and most of the restrictions affect large sections of the population. Measured in NOK, both the relief and the tightening are greatest for taxpayers on high incomes.

Reduced electricity tax provides broad relief on a necessity good. For 2026, it is proposed to reduce the tax on electricity to a common rate that will apply all year round, of 4.18 øre per kWh. The proposal provides broad relief to both households and businesses. For an average home, the proposal is estimated to provide an annual saving of NOK 900. There is a clear positive correlation between household electricity consumption and income. On average, high-income households will experience greater savings than low-income households. At the same time, electricity is partly a necessity that all households consume, regardless of income. Low-income households will thus receive the largest savings as a share of income. In addition, part of the tax relief given to businesses will probably end up with households through, inter alia, lower prices. The business sector's share of the tax reduction is estimated at about 40 per cent. Assuming that the tax reduction for the business sector translates into lower prices for a wide range of product groups, there is reason to assume that households with the largest consumption will also receive the largest share of the price reduction measured in NOK. Measured as a share of income, the easing will be more evenly distributed.

A change in the value added tax exemption for electric vehicles will result in the greatest tax increase at the top of the income distribution. The Government proposes that the VAT exemption for electric cars be reduced from NOK 500,000 to NOK 300,000 in the central government budget for 2026. In 2024, households with the 20 per cent highest incomes bought about 40 per cent of new electric cars. The distributional effects of the proposal are described in more detail in section 11.2.3.

The changes in business taxation result in a more accurate tax for companies, but do not affect the broader business sector. Closing tax loopholes for financial institutions and the real estate sector (tax planning using the so-called "multi-stage model") are tax increases for businesses with substantial revenue effects. The proposals will not reduce incentives to invest in Norwegian business activities. Therefore, it is reasonable to assume that the increases will mainly be borne by the shareholders of the companies concerned, i.e. companies in the financial industry and companies that own land or rental apartments. Shareholders' equity income largely accrues to those with high incomes.

An increase in the CO₂ tax will probably result in the largest tax increase at the bottom of the income distribution but is returned to households through broad tax reductions. The Government proposes that climate taxes in 2026 follow the linear increase to NOK 2,400 per tonne of CO₂ at 2025 prices in 2030. About two-thirds of the CO₂ tax is paid by companies and the rest is paid by households. The CO₂ tax levied directly on households is regressive. This means that

households with lower incomes receive the largest increase as a share of disposable income.¹ At the same time, the increase is greatest in NOK for households with higher incomes. It is assumed that the portion of the tax paid by firms is passed on to large parts of households through higher prices. It is uncertain to what extent this is being done, and whether low- or high-income households are experiencing the greatest cost inflation.

Geographical distributional effects

The geographical distributional effects of the proposed income tax programme for 2026 are minor. Table 1.6 presents the estimated average tax change from the Government's proposed income tax changes for people in six centrality zones. The tax changes included in the table are the same as in Table 1.5. Zone 1 is the most central and includes Oslo and some neighbouring municipalities, while zone 6 is the least central. Table 1.6 shows that the estimated average tax cuts are relatively evenly distributed across Norway.

A somewhat greater average relief is estimated in Norway's least central municipalities. The proposal to increase the Finnmark allowance to NOK 45,000 contributes to this. The deduction is granted to persons residing in the priority zone in Nord-Troms and Finnmark, and the proposal provides a maximum tax reduction of NOK 2,650 compared with the benchmark system. On average, as a result of an increased Finnmark allowance, the greatest relief is given to persons residing in the least central municipalities in Norway.

Table 1.6 Estimated geographical distributional effects of income tax changes for persons aged 17 and over. Negative numbers are tax reductions. Compared to the benchmark system for 2026

Centrality zone	Number	Average gross income incl. tax-free benefits. NOK	Average tax under the benchmark alternative. NOK	Average tax change. ¹ NOK
S01.....	905,800	779,000	219,000	-800

¹ Menon (2024). Distributional effects of climate policy.

S02.....	1,207,500	685,800	175,400	-800
S03.....	1,176,400	649,600	156,200	-800
S04.....	738,600	639,000	149,000	-800
S05.....	420,000	633,000	147,200	-800
S06.....	199,300	618,000	141,800	-1,000
Not identified ²	8,000	158,200	11,600	0
Total	4,655,700	678,800	170,600	-800

¹ The figures are rounded to the nearest NOK 200.

² Some taxpayers are unable to place in a centrality zone due to lack of information.

Sources: Ministry of Finance and Statistics Norway's tax model, LOTTE-Skatt.

1.5 Tax rates and thresholds

Table 1.7 presents key tax rates, allowances and thresholds in 2025 and the Government's proposal for 2026. After adjustment for projected growth in wages, pensions or prices, etc., from 2025 to 2026, the general allowances and thresholds have been rounded off. The upward adjustment may therefore deviate somewhat from the level indicated by the various growth projections. Wage growth is estimated at 4.0 per cent, consumer price inflation at 2.2 per cent and pension growth at 3.1 per cent. Reference is made to the proposed tax decisions in this proposition and to the overview of allowances and thresholds on the Ministry's website.

Table 1.7 Tax rates, allowances and thresholds in 2025 and proposals for 2026

	2025 rules	Proposal 2026	Change 2025–2026
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Tax on ordinary income

Individuals	22 %	22 %	-
Individuals in the priority zone ¹	18.5 %	18.5 %	-
Companies ²	22 %	22 %	-

Tax on resource rent industries

Petroleum (special tax) ³	71.8 %	71.8 %	-
Hydropower (resource rent tax) ⁴	57.7 %	57.7 %	-
Aquaculture (resource rent tax) ⁵	32.1%	32.1%	-
Wind power (resource rent tax) ⁵	32.1%	32.1%	-

Bracket tax

Bracket 1

Threshold	NOK 217,400	NOK 226,100	4 %
Rate	1.7 %	1.7 %	-

Bracket 2

Threshold	NOK 306,050	NOK 318,300	4 %
Rate	4.0%	4.0%	-

Bracket 3

Threshold	NOK 697,150	NOK 725,050	4 %
Rate	13.7%	13.7%	-

Bracket 4

Threshold	NOK 942,400	NOK 980,100	4 %
Rate	16.7 %	16.7 %	-

Bracket 5

Threshold	NOK 1,410,750	NOK 1,467,200	4 %
Rate	17.7 %	17.7 %	-

National Insurance contributions

Lower threshold for paying National Insurance contributions	NOK 99,650	NOK 99,650	-
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Levelling rate	25 %	25 %	-
Rate			
Wage income.....	7.7 %	7.6 %	-0.1 pp
Fishing and childcare ⁶	7.7 %	7.6 %	-0.1 pp
Other self-employment income	10.9 %	10.8 %	-0.1 pp
Pension income, etc.....	5.1 %	5.1 %	-
<i>Rate on gross income for foreign employees (withholding tax).....</i>	25 %	25 %	-
<i>Employer's National Insurance contributions</i>			
Zone I	14.1%	14.1%	-
Zone Ia ⁷	14.1/10.6%	14.1/10.6%	-
Zone II	10.6%	10.6%	-
Zone III	6.4%	6.4%	-
Zone IV	5.1%	5.1%	-

Zone IVa	7.9%	7.9%	-
Zone V	0%	0%	-
<i>Maximum effective marginal tax rates</i>			
Wage income, excluding employer's National Insurance contributions .	47.4%	47.3%	-0.1 pp
Wage income, incl. employer's National Insurance contributions	53.9 %	53.8 %	-0.1 pp
Pension income ⁸	44.8%	44.8%	-
Self-employment income	50.6 %	50.5 %	-0.1 pp
Dividends, excluding corporate income tax ..	37.8 %	37.8 %	-
Dividends, including corporate income tax ⁹	51.5 %	51.5 %	-
<i>Personal allowance</i>	NOK 108,550	NOK 114,210	5.2 %

Basic allowance against wage income, etc.¹⁰

Rate	46 %	46 %	-
Upper limit.....	NOK 92,000	NOK 95,700	4 %

Basic allowance against pension income¹⁰

Rate	40 %	40 %	-
Upper limit.....	NOK 73,150	NOK 75,400	3.1%

Tax credit for pension income

Maximum amount.....	NOK 36,000	NOK 37,100	3.1%
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Downscaling, bracket 1

Threshold	NOK 276,400	NOK 284,950	3.1%
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Rate	16.7 %	16.7 %	-
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Downscaling, bracket 2

Threshold	NOK 422,950	NOK 436,050	3.1%
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Rate	6.0%	6.0%	-
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Tax limitation rule¹¹

Levelling rate	55 %	55 %	-
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Tax-free net income

Single person.....	NOK 157,450	NOK 163,750	4 %
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Married person	NOK 145,550	NOK 151,350	4 %
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Wealth supplement

Rate	1.5 %	1.5 %	-
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Single person.....	NOK 200,000	NOK 200,000	-
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Married person	NOK 100,000	NOK 100,000	-
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Special allowance in

Finnmark and Northern

<i>Troms (the priority zone)¹</i>	NOK 30,000	NOK 45,000	50 %
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Special allowance for

seafarers

Rate	30 %	30 %	-
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Upper limit.....	NOK 83,000	NOK 83,000	-
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Special allowance for fishermen

Rate	30%	30%	-
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Upper limit.....	NOK 154,000	NOK 154,000	-
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Special allowance against self-employment income from agriculture, etc.¹²

Income-independent allowance.....	NOK 95,800	NOK 95,800	-
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Rate applicable to amounts in excess of the income-independent allowance.....	38%	38%	-
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Maximum total allowance.....	NOK 200,850	NOK 200,850	-
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Maximum deduction for payments to individual pension savings

NOK 15,000	NOK 25,000	67 %
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*Allowance for travel
between home and work*

Rate per km	1,83 kr	1,87 kr	2.2 %
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Lower limit of the deduction	NOK 15,250	NOK 15,600	2.3 %
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Upper limit.....	NOK 100,880	NOK 103,100	2.2 %
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<i>Maximum allowance for donations to voluntary organisations.....</i>	NOK 25,000	NOK 25,000	-
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<i>Maximum deduction for paid union dues, etc.....</i>	NOK 8,250	NOK 8,700	5.5 %
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*Home Savings for Youth
Below the Age of 34 (BSU)*

Tax deduction rate.....	10 %	10 %	-
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Maximum annual savings	NOK 27,500	NOK 27,500	-
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Maximum total savings under the scheme.....	NOK 300,000	NOK 300,000	-
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*Parental allowance for
documented childcare
expenses*

Upper limit¹³

One child.....	NOK 25,000	NOK 15,000	-40 %
Supplement per child beyond the first.....	NOK 15,000	NOK 10,000	-33 %

Wealth tax¹⁴

Municipality

Threshold	NOK 1,760,000	NOK 1,900,000	8 %
Rate	0.525 %	0.35 %	-0.175 pp

State

Threshold, bracket 1	NOK 1,760,000	NOK 1,900,000	8 %
Rate, bracket 1	0.475 %	0.65 %	0.175 pp
Threshold, bracket 2...	NOK 20.7 million	NOK 21.5 million	3.9 %
Rate, bracket 2	0.575 %	0.75 %	0.175 pp

Valuation¹⁵

Primary residence.....	25 %	25 %	-
High-valuation primary dwelling ¹⁶	70 %	70 %	-
Secondary residence (and assigned debt)	100 %	100 %	-
Shares (incl. commercial property) and assigned debt.....	80 %	80 %	-
Operating assets (and assigned debt).....	70 %	70 %	-

Financial activity tax

Financial activity tax on payrolls	5 %	5 %	-
Financial activity tax on profits.....	3 %	3 %	-

Depreciation rates

Asset group a (office machinery, etc.).....	30%	30%	-
Asset group b (acquired goodwill)	20%	20%	-
Asset group c (heavy goods vehicles, lorries, buses, vans, etc.).....	24%	24%	-
Asset group d (passenger cars, machinery and equipment, etc.).....	20%	20%	-
Asset group e (ships, vessels, rigs, etc.).....	14%	14%	-
Asset group f (aircrafts, helicopters).....	12%	12%	-
Asset group g (facilities for transmission and distribution of electricity and electrotechnical equipment in power companies)	5%	5%	-
Asset group h (buildings and installations, hotels, etc.) ¹⁷	4 (6/10/20)%	4 (6/10/20)%	-

Asset group i (office buildings)	2%	2%	-
Asset group j (technical facilities in office buildings and other commercial buildings) ..	10%	10%	-

¹ The priority zone for Finnmark and Nord-Troms includes all 18 municipalities in Finnmark in addition to the municipalities Karlsøy, Storfjord, Kåfjord, Skjervøy, Nordreisa, Kvænangen and Lyngen in North Troms.

² The tax rate on ordinary income for businesses subject to financial activity tax is 25 per cent in both 2025 and 2026.

³ Since calculated corporate income tax is deducted from the special tax base, a formal tax rate of 71.8 per cent will correspond to an effective tax rate of 56 per cent.

⁴ Since resource rent-related corporate income tax is deducted from the resource rent tax base, a formal tax rate of 57.7 per cent will correspond to an effective tax rate of 45 per cent.

⁵ Since resource rent-related corporate income tax is deducted from the resource rent tax base, a formal tax rate of 32.1 per cent will correspond to an effective tax rate of 25 per cent.

⁶ Self-employed persons engaged in fishing, as well as in childcare in their own home (children under the age of 12 or with special care needs) pay National Insurance contributions on self-employment income at the rate of 7.7 per cent in 2025 and 7.6 per cent in 2026. The lower National Insurance contribution rate for fishing is related to the fact that these industries pay product tax, which is intended to cover, inter alia, the difference between this rate and the rate for other self-employment income.

⁷ In zone Ia, employer's National Insurance contributions shall be paid at a rate of 10.6 per cent until the difference between what the enterprise pays in employer's National Insurance contributions at this rate and what the enterprise would have paid in employer's National Insurance contributions at a rate of 14.1 per cent is equal to the tax-free allowance. For the excess tax base, the rate of 14.1 per cent is applied. In 2026, the tax-free allowance is NOK 850,000 per enterprise.

⁸ For persons covered by the tax credit for pension income, the highest effective marginal tax rate may be up to 47.8 per cent in both 2025 and 2026.

⁹ Includes corporate income tax and an upward adjustment factor for dividends, etc. In both 2025 and 2026, corporate income tax is 22 per cent and the upward adjustment factor for dividends, etc., is 1.72.

¹⁰ Taxpayers with both wage income, etc., and pension income will receive the sum total of the minimum deductions from wage income and pension income. The upper limit on the minimum allowance against wage income applies as the upper limit on the sum of the minimum allowances.

¹¹ The tax-free net income under the tax limitation rule increases by NOK 10,000. The change applies from the 2025 tax year. See section 3.2.6.

¹² The income-independent deduction from the reindeer husbandry allowance is NOK 95,800, and the maximum allowance is NOK 200,850 in 2026.

¹³ For children aged 12 and over with special needs for care and care, the limits of NOK 25,000 for one child and NOK 15,000 per child will be retained beyond the first in 2026.

¹⁴ The thresholds are for single taxpayers. For spouses, whose taxes are assessed jointly on joint wealth, the thresholds are double those specified in the table.

¹⁵ The valuation applies to assets owned directly by the taxpayer liable for wealth tax.

¹⁶ A high-valuation primary dwelling applies to the part of the property value that exceeds NOK 10 million in both 2025 and 2026.

¹⁷ Livestock buildings in agriculture can be depreciated at higher rate of 6 per cent. Buildings with such a simple structure that their useful life must be assumed not to exceed 20 years, can be depreciated at a rate of 10 per cent. The rate of 10 per cent also applies to facilities where the useful life must be assumed not to exceed 20 years. Costs for the establishment of fruit and berry fields can be depreciated on a declining balance basis at a rate of 10 and 20 per cent, respectively.

Source: Ministry of Finance.

Table 1.8 presents the current rates for value added tax and excise duties, as well as the proposed rates for 2026. All excise duties have generally been adjusted upwards by 2.2 per cent to take into account expected inflation. Minor deviations may be due to rounding of the rates. Reference is also made to the decision on indirect taxes proposed in this proposition.

Table 1.8 Tax rates in 2025 and proposed rates for 2026

Tax category	2025 rules	Proposal 2026	Change in pct.
<i>Value added tax, per cent of sales value</i>			
Standard rate	25	25	-
Reduced rate	15	15	-
Low rate	12	12	-
<i>Tax on alcohol</i>			
Spirits-based beverages above 0.7 per cent alcohol by volume, NOK per vol. per cent per litre	9.03	9.23	2.2
Other alcoholic beverages from 4.7 to 22 per cent alcohol by volume, NOK per vol. per cent per litre	5.29	5.41	2.3
Other alcoholic beverages up to and including 4.7 per cent alcohol by volume, NOK per volume per cent per litre			
0.0–0.7 volume per cent.....	-	-	-
0.7–2.7 volume per cent.....	3.64	3.72	2.2
2.7–3.7 volume per cent.....	13.68	13.98	2.2

3.7–4.7 volume per cent.....	23.68	24.20	2.2
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Fermented alcoholic beverages from 3.7 to 4.7 per cent alcohol by volume, produced at small breweries.....	Vary	Vary	-
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Tax on tobacco products

Cigars, NOK per 100 grams.....	324	331	2.2
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Cigarettes, NOK per 100 pcs.....	324	331	2.2
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Smoking tobacco, NOK per 100 grams	324	331	2.2
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Snus, NOK per 100 grams	100	102	2.0
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Chewing tobacco, NOK per 100 grams	132	135	2.3
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Cigarette paper, NOK per 100 pcs.....	4.96	5.07	2.2
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E-liquids containing nicotine, NOK per 100 ml	526	538	2.3
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Tobacco for heating, NOK / 100 grams.....	324	331	2.2
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Other nicotine products, NOK per 100 grams.....	49.70	50.79	2.2
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Registration tax on vehicles

Passenger cars, etc. Tax group a¹

All passenger cars

Kerb weight, NOK per kg

first 500 kg.....	0	0	-
Rest	12.44	12.71	2.2

Passenger cars, etc., with internal combustion engine

Kerb weight, NOK per kg

first 1,200 kg.....	-	0	-
Rest	-	260	-

CO₂ emissions, NOK per g/km

first 100 g/km	-	800	-
next 50 g/km	-	1,600	-
next 75 g/km	-	3,200	-
Rest	-	5,000	-

Vans class 2. Tax group b²

Kerb weight, NOK per kg

first 1,200 kg.....	-	0	-
Rest	-	30	-
CO ₂ emissions, NOK per g/km			
first 100 g/km	-	300	-
next 50 g/km	-	600	-
Rest	-	1,200	-
Campers. Tax group c			
Kerb weight, NOK per kg			
first 500 kg.....	0	0	-
next 700 kg.....	6.57	6.71	2.1
next 200 kg.....	16.36	16.72	2.2
next 100 kg.....	51.14	52.26	2.2
Rest	59.47	60.78	2.2
Piston displacement.....	Vary	Vary	-
Motorcycles. Tax group f ³			
Piston displacement tax, NOK per cm ³			
first 500 cm ³	0	0	-

next 400 cm ³	35.55	36.33	2.2
Rest	83.07	84.90	2.2
CO ₂ emissions, NOK per g/km			
first 75 g/km	0	0	-
next 60 g/km	790,95	808,35	2.2
Rest	1,069.48	1,093.01	2.2
Snowmobiles. Tax group g			
Kerb weight, NOK per kg			
first 100 kg	16,70	17,06	2.2
next 100 kg	33,39	34,13	2.2
Rest	66,77	68,23	2.2
Engine power, NOK per kW			
first 20 kW	26,81	27,40	2.2
next 20 kW	53,65	54,83	2.2
Rest	107,27	109,63	2.2
Piston displacement, NOK per cm ³			
first 500 cm ³	0	0	-

Rest	11,74	12,00	2.2
Minibuses. Tax group j ⁴			
Percentage of passenger car tax	-	23	-
<i>Traffic insurance tax, NOK per day⁵</i>			
Passenger cars, vans, etc.	6,38	6,52	2.2
Diesel cars without factory-fitted particulate filter.....	7,93	8,10	2.1
Motorcycles	5,39	5,51	2.2
Tractors, mopeds, etc.	0,38	0,39	2.6
Electric cars.....	8,96	9,16	2.2
<i>Annual weight-based tax, NOK per year</i>	Vary	Vary	-
<i>Re-registration fee.....</i>	Vary	Vary	-
<i>Road usage tax on fuel</i>			

Petrol, NOK per litre	4.16	4.25	2.2
Mineral oils, NOK per litre.....	2.69	3.00	11.5
Bioethanol, NOK per litre	2.12	2.17	2.4
Biodiesel, NOK per litre	2.69	3.00	11.5
Natural gas, NOK per Sm ³	3.05	3.12	2.3
LPG, NOK per kg.....	3.98	4.07	2.3

Electricity tax, NOK 0.01/kWh⁶

Standard rate	12.53	4.18	-66.6
Lower standard rate in January-March	9.79	-	-
Reduced rate	0.60	0.60	0

<i>Tax on lubricating oil, kr/litre</i>	2.62	2.68	2.3
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CO₂ tax on mineral products

Petrol, NOK per litre	3.25	3.80	16.9
Mineral oils, NOK per litre			

General rate	3.79	4.42	16.6
domestic aviation.....	3.58	4.18	16.8
domestic aviation subject to ETS ⁷	1.77	0	-
domestic shipping subject to ETS ⁸	1.96	2.15	9.7
subject to ETS ⁷	0.25	0	-
fishing in distant waters	0.93	1.11	19.4
fishing in near and distant waters ⁹	-	2.76	New
international shipping ¹⁰	-	-	-
Natural gas, NOK per Sm ³			
General rate	2.80	3.26	16.4
chemical reduction, etc. ¹¹	-	0.82	-
greenhouse industry	0.42	1.41	235.7
domestic shipping subject to ETS ⁸	1.46	1.59	8.9
subject to ETS ⁷	0.066	0	-
fishing in distant waters	0.70	0.82	17.1
fishing in near and distant waters ⁹	-	2.04	New
international shipping ¹⁰	-	-	-

LPG, NOK per kg

General rate	4.22	4.92	16.6
chemical reduction, etc. ¹¹	-	1.23	-
greenhouse industry	0.63	2.13	238.1
domestic shipping subject to ETS ⁸	2.21	2.40	8.6
subject to ETS.....	0	0	-
fishing in distant waters	1.05	1.23	17.1
fishing in near and distant waters ⁹	-	3.08	-
international shipping ¹⁰	-	-	-

Waste incineration tax, NOK per tonne CO₂

Non-ETS emissions	830	848	2,2
Emissions subject to ETS.....	182	186	2,2

Tax on HFCs and PFCs, NOK per tonne CO₂

equivalents	1,405	1,639	16.7
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<i>Tax on SF₆, kr/kg SF₆.....</i>			
Pure SF ₆	33,018	38,517	16.7
SF ₆ included in products.....	6,604	7,708	16.7
 <i>CO₂ tax in the petroleum sector</i>			
mineral oils, NOK per litre.....	2.51	2.57	2.4
natural gas, NOK per Sm ³	2.21	2.26	2.3
natural gas discharged into the atmosphere, NOK per Sm ³	20.17	23.53	16.7
 <i>Sulphur tax, ear/litre.....</i>	 15.70	 16.00	 1.9
 <i>Tax on NO_x, kr/kg.....</i>	 26.36	 26.94	 2.2
 <i>Tax on farmed fish, kr/kg.....</i>	 0.965	 0.985	 2.1

<i>Tax on wild marine resources, percentage of gross sales amount less fee to fishermen's sales association.....</i>	0.42	0.42	-
<i>Tax on wind power, øre/kWh.....</i>	2.37	2.42	2.1
<i>Tax on sugar, kr/kg</i>	9.46	9.67	2.2
<i>Tax on beverage packaging, NOK per unit</i>			
Base tax, disposable packaging.....	1.42	1.45	2.1
Environmental tax			
glass and metal	6.91	7.06	2.2
plastic.....	4.18	4.27	2.2
cardboard and cartons.....	1.70	1.74	2.4
<i>Air passenger tax, NOK per passenger</i>			
Low rate	60	61	1.7
High rate	342	350	2.3

<i>Stamp duty, per cent of sales value</i>	2.5	2.5	-
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¹ Group a: Passenger cars, etc. It is proposed that the rate structure for cars with internal combustion engines be simplified with changes in the tax base, threshold and tax rates. The table therefore only presents proposals for new regulations, not current regulations. The proposal implies that most passenger cars with internal combustion engines will receive a tax increase of NOK 20,000 to NOK 30,000.

² Group b: Vans class 2. It is proposed that the rate structure for vans be simplified with changes in the tax base, threshold and tax rates. The table therefore only presents proposals for new regulations, not current regulations. The proposal means that most vans with internal combustion engines will receive a tax increase of NOK 8,000 to NOK 16,000.

³ Group f: Motorcycles. Vehicles for which CO₂ emissions are not registered are subject to tax per unit and tax on engine power, in addition to piston displacement tax.

⁴ Group j: Buses less than 6 metres in length with up to 17 seats, of which at least 10 are forward-facing. It is proposed that the rate structure for minibuses be simplified with changes in the tax base, threshold and tax rates. The table therefore only presents proposals for new regulations, not current regulations.

⁵ The tax that each insurance policy triggers is calculated on the basis of the tax rates that applied when the insurance started to run. For insurance policies that were subscribed or had their main expiry date before 1 March 2025, the 2024 rates apply. The 2025 rates apply to insurance policies that were subscribed or had their main expiry date between 1 March 2025 and 28 February 2026. For insurance policies that are subscribed or have their main expiry date after 1 March 2026, the 2026 rates apply.

⁶ It is proposed to merge the two rates of electricity tax into a single rate that will apply for the whole year. In connection with the Revised National Budget 2025, the general rate of electricity tax, which applies to April to December, was set at 12.53 øre per kWh. The rate came into effect on 1 October 2025 but will be replaced by the new rate of 4.18 øre per kWh from 1 January 2026.

⁷ A general exemption is introduced for emissions subject to ETS that are not covered by the Effort Sharing Regulation, including for domestic aviation and industry subject to ETS, provided that the exemption is in line with the state aid rules.

⁸ A reduced rate will be introduced for domestic shipping subject to ETS, provided that this is in line with the state aid rules.

⁹ A separate rate is introduced for fishing in near and distant waters.

¹⁰ In connection with the national budget for 2025, it was decided to introduce a reduced tax for international shipping. The levy has not come into effect. The proposal will not be tabled until 2026.

¹¹ It has been decided to introduce a tax on natural gas and LPG for chemical reduction, etc., if businesses subject to ETS can be exempted from the tax. The levy has not come into effect.

Source: Ministry of Finance.

1.6 Distribution of public tax revenues

Table 1.9 provides a general overview of the main groups of taxes and the parts of the public sector that receive revenues from each main group. Total tax revenues are estimated at NOK 2,124 billion in 2025. Of this, about 86 per cent accrues to central government, 12 per cent to local government and 2 per cent to county municipalities.

Table 1.9 Accrued taxes by tax creditor. Estimates for 2025. NOK billion

	Total	Municipal		
		State	ity	County
<i>Personal taxpayers</i>	770.0	488.3	236.1	45.6
Tax on ordinary income	419.0	154.1	219.3	45.6
Tax on personal income.....	119.9	119.9	-	-
National Insurance contributions.....	197.9	197.9	-	-
Wealth tax.....	33.1	16.3	16.8	-

<i>Companies (whose taxes are payable in arrears).....</i>	129.5	127.8	1.4	0.3
Income tax (including power plants)....	128.4	126.8	1.4	0.3
Wealth tax.....	1.1	1.1	-	-
<i>Financial activity tax</i>	6.9	6.9	-	-
Tax on payrolls.....	3.0	3.0	-	-
Tax on profits	3.9	3.9	-	-
<i>Property tax</i>	18.5	-	18.5	-
<i>Employer's National Insurance contributions.....</i>	270.0	270.0	-	-
<i>Fees</i>	519.4	519.4	-	-
Value added tax	406.0	406.0	-	-
Excise duties and customs duties ¹	113.4	113.4	-	-

<i>Petroleum</i>	336.2	336.2	-	-
Tax on income.....	326.9	326.9	-	-
Tax on extraction, etc.	9.3	9.3	-	-
<i>Other taxes</i>	73.4	67.7	4.8	1.0
National Insurance and pension premiums, other central government accounts ²	43.9	38.1	4.8	1.0
Tax on dividends foreign share- holders.....	14.0	14.0	-	-
Other taxes ³	15.5	15.5	-	-
Total taxes	2,124.0	1,816.2	260.9	46.8

¹ Excluding certain excise duties and sectoral taxes that are recognised as taxes in the central government budget but are grouped as property income or user payments in the national accounts.

² These include the Norwegian Public Service Pension Fund.

³ This includes some revenue items that are grouped as tax revenues in the national accounts but are not recognised as tax revenues in the fiscal budget.

Source: Ministry of Finance.