



NORWAY PROVIDES TAX GUIDANCE ON FRINGE BENEFITS FOR EMPLOYEES

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New [guidance](#) (Norwegian) on the taxation of fringe benefits from Norway's Tax Agency clarifies regulatory changes that took effect this year. Along with the guidance, a set of [questions and answers](#) (Norwegian) covers tax issues relating to fringe benefits from third parties, valuation and employee discounts.

TAX LIABILITY AND REPORTING FOR BENEFITS FROM THIRD PARTIES

Tax liability for fringe benefits requires a sufficient connection between the benefits and the employment relationship. Discounts, gifts and travel arising from the employer's business relations normally are taxable. Even if fringe benefits do not trigger tax liability, the employer still has duties related to reporting, tax deductions and social security contributions on those benefits.

VALUATION OF FRINGE BENEFITS

The starting point for valuation is the sales value in the retail market at the time the benefit is received. The employer may use the lowest possible sales value, but is not required to take this approach.

TAX EXEMPTION FOR EMPLOYEE DISCOUNTS

Tax-exempt employee discounts are defined as benefits from an employer or its customers or suppliers that:

- Are traded in the employer's business
- Don't exceed NOK 8,000 per year

No limit applies to the discount rate an employer can offer its employees — the exemption extends even to free-of-charge items or services. Under certain conditions, employers also can provide tax-free gifts up to NOK 2,000 per year to each employee.

RELATED RESOURCES

- [Guidance](#) (Norwegian) (Tax Agency, 6 May 2019)
- [Questions and Answers](#) (Norwegian) (Tax Agency, 6 May 2019)

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