OUTLINE FOR EXAMINATION OF BORDER TAX PRACTICES

Norwegian Replies

The delegation of Norway has supplied the following answers to the questions in the outline (Spec(68)98 and Add.1).

A. General consumption taxes

Retail

The Norwegian tax is a single-stage tax levied at the retail stage and applies to most movable goods.

1. Imports are taxed at the time of importation only if the goods are imported for direct consumption. Goods not imported for immediate consumption will not be charged at import provided the importer is duly registered by the competent authorities. In this case the tax will be levied as for domestic goods at the time the goods are sold for consumption. For capital equipment the tax is levied at import if the importer is not distributor of the goods in question.

2. The tax covers imported and domestic goods without differentiation.

3. At present the rate of tax is 12 per cent of the price paid including the amount of the tax. In the case of imports the tax is imposed on the basis of the rules for evaluation of goods for customs duty purposes.

4. Yes.

5. Business firms pay tax on goods purchased for their own use. Capital equipment is subject to the same taxation as goods intended for immediate consumption. (See paragraph 1.) No border adjustments are made on import or export of products on the basis of the tax firms pay when purchasing capital equipment.

6. See paragraph 2 above.

7. The tax is general and without regional differentiation.

8. Tourists may bring articles for personal use up to NKr 350 - duty and tax free. Furthermore there are some minimum exemptions for small mail gift parcels from abroad.
B. Selective excise taxes

1. Selective excise taxes are levied on alcohol (spirits, wine, beer etc.), tobacco manufactures, motor vehicles, petrol, certain non-alcoholic beverages, cosmetics, jewellery of precious metal and imitation jewellery. The tax base varies according to the product. In principle, however, the taxes are non-discriminatory in such a way that the effect of the taxation on home produced and imported goods should be identical.

2. There is no production of motor vehicles in Norway.

3. Excise taxes are not levied on exports.

4. See paragraphs 1 and 3.

5. The selective excise taxes are collected on sales from producer/wholesaler to retailer. Firms must pay excise taxes provided they do not purchase the goods for distribution to retailers.

6. See paragraph 3.

7. Upon sale from wholesaler to retailer.

8. There exist no regional differences with respect to selective excise taxes.

9. See paragraph A8 (retail).

C Overlapping indirect tax systems

Goods subject to selective excise taxes are not exempted from the general consumption tax.

III. Miscellaneous

Revenue from the Norwegian general consumption tax and selective excise taxes are not earmarked for particular purposes. The system of indirect taxes does not provide for border tax adjustments, nor does the system of direct taxes (income and capital tax).

The direct taxes do not differentiate between production for export and for the domestic market. The Norwegian-tax system contains no provisions aimed at furthering investment apart from the regulations concerning ordinary and accelerated depreciation and tax-free reserves.

A number of Double Taxation Conventions have been concluded between Norway and foreign countries. Furthermore unilateral relief from double taxation is possible in special cases.