



## Central Office – Foreign Tax Affairs

Tax Topic no 11 – Year of Income 2016

Unofficial translation

### TAXATION OF NON-RESIDENT ENTERTAINERS AND SPORTS PERSONS IN NORWAY

Non-resident entertainers and sports persons (below named entertainers) who participate in events or perform as entertainers in Norway are to be taxed pursuant to the Foreign Artists Taxation Act. If their stay in Norway exceeds 183 days in the course of any 12-month period, or exceeds 270 days in the course of any 36-month period, they will according to the Norwegian Tax Act for tax purposes be considered as residents in Norway.

Entertainers resident within the EEA may claim to be taxed according to the regular tax legislation instead of the Foreign Artists Taxation Act. Such a claim must be put forward in the year following the income year. Tax deducted according to the Foreign Artists Taxation Act will then be transformed into tax paid according to the regular tax legislation.

#### **The obligation to report the event and to deduct and pay tax**

The event or performance must be reported to the Central Office - Foreign Tax Affairs (COFTA) no later than three (3) weeks before the scheduled date. The person who has engaged the entertainer, or the person who is organising the event, is the one obliged to report. The form RF-1091 «Information on artist(s) from event organiser/hirer-out of venue» is used for reporting the events or performances. The form RF-1091 is available at [www.taxnorway.no](http://www.taxnorway.no).

Based on the information provided in the form RF-1091 COFTA will prepare form RF-1092 «Tax Calculation Form» and send it to the person obliged to deduct tax pursuant to the Foreign Artists Taxation Act.

#### **The tax basis**

All economic compensation earned in connection with activities as an entertainer in Norway is taxable in Norway. This also applies to benefits in kind. Payments covering expenses must also be included in the tax basis, apart from payments covering documented travel expenses, board and lodging expenses and agent commission in connection with the event in Norway. If the entertainer pays for the travel, board and lodging expenses, the tax basis is reduced by the total sum of documented expenses.

No other expenses are deductible. If an entertainer cannot prove the expenses for board or travel with his/her own means of transport for himself/herself and his/her co-workers, but is likely to have incurred these expenses, the entertainer is entitled to deductions according to specified rates. These rates are adjusted every year.

#### **Deduction rates for the income year 2016**

##### **Board expenses**

The deduction rates per day for board expenses are:

- NOK 710/568 when staying at a hotel
- NOK 307 when staying at a boarding house
- NOK 200 when staying in a cabin or similar accommodation or flat/rooms with cooking possibilities

If the entertainer claims deductions for travel expenses, board and lodging and/or commission to an agent, the expenses must be stated in the tax calculation form submitted to the International Tax Collection Authority. The entertainer must therefore inform the person obliged to pay the tax about all his/her expenses, to ensure that the deductions are considered when calculating the tax basis. All documentation for which the entertainer claims deductions must be enclosed with the form submitted to the tax authorities.

When the entertainer claims deductions for expenses according to fixed rates, he/she must provide an overview of travel, board and lodging arrangements in connection with the event in Norway. The overview must include the following information:

- dates of departure from and arrival in his/her country of residence
- arrival in and departure from Norway

- how he/she travelled to/from Norway (means of transport and travel route). All tickets (copies) must be attached to the overview
- the name(s) and address(es) of the place(s) he/she stayed over night
- information on type of lodging used (hotels, boarding house, etc)

### **Transportation**

For the income year 2016, an entertainer is entitled to a deduction of NOK 3,80 per km to cover travel expenses when using his/her own means of transport.

### **The tax rate**

The tax rate is fixed once a year. The current rate is 15 per cent.

### **Liable for deduction and payment of tax**

The Norwegian event organiser must deduct tax before the fee is paid to the entertainer. When there is no Norwegian organiser, the person hiring out the site/venue for the event is obliged to deduct tax, but only if this person has access to the proceeds of the event through ticket sales or by other means. Otherwise the entertainer himself/herself is obliged to pay the tax.

### **Limitation in tax liability for non-resident entertainers**

It is possible to apply for tax exemption on fees to non-resident entertainers if the event or performance the entertainer participates in is part of a cultural exchange with another state, receiving public funds. Unless a tax convention states otherwise, the following points are to be taken into consideration:

- the event/performance must be financed fully or mainly by government, county or municipal funds and/or public funds provided by the authorities of another state
- the event/performance must be non-commercial

An application for tax exemption should be submitted to COFTA along with documentation that the event/performance meets the requirements for tax exemption.

If the tax authorities have not concluded as to whether or not tax exemption can be granted when the fee is due to be paid to the entertainer, tax must be deducted. The tax will be refunded if the application is granted.

### **Certifying tax paid in Norway**

When the tax is calculated and has been paid, the entertainer may contact the International Tax Collection Authority for a certificate confirming that the tax has been paid in Norway. The certificate can be used as documentation in the entertainer's country of residence for tax paid in Norway.

### **Tax regulations when the entertainer for tax purposes is considered resident in Norway according to the Norwegian Tax Act**

If the entertainer is considered resident in Norway because the stay exceeds 183 days within a 12-month period or 270 days within a 36-month period, the entertainer will be tax liable to Norway according to the Norwegian Tax Act - not the Foreign Artists Taxation Act - from the year previous to the year in which the entertainer is considered resident in Norway.

January 2016

Postal address:

P. O. Box 8031. NO-4068 Stavanger, Norway

Office address:

Lagårdsveien 46, NO-4010 Stavanger

Telephone + 47 51 96 96 00

Telefax + 47 51 96 96 96

E-mail: [sfu@skatteetaten.no](mailto:sfu@skatteetaten.no)

Website: [www.taxnorway.no](http://www.taxnorway.no)