Global Template Configuration

Norway

Last Updated: October 2018
### Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
</tr>
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<tbody>
<tr>
<td>22-Oct-2018</td>
<td>Updates to Travel Allowance and Mileage rates for 2018</td>
</tr>
<tr>
<td>03-Jan-2018</td>
<td>Updated Reduced VAT Rate from 10% to 12% effective 1-Jan-2018</td>
</tr>
<tr>
<td>04-Jan-2017</td>
<td>Updates to Travel Allowance and Mileage rates for 2017</td>
</tr>
<tr>
<td>04-Jan-2016</td>
<td>As of January 2016 the Incidental rate for International travel allowance was removed (bruspenger)</td>
</tr>
<tr>
<td>04-Jan-2016</td>
<td>Updated Reduced VAT Rate from 8% to 10% effective 1-Jan-2016</td>
</tr>
<tr>
<td>04-Jan-2016</td>
<td>Updates to the Tax Free Rate for Mileage up to 10,000 KM</td>
</tr>
<tr>
<td>30-Nov-2015</td>
<td>Updated Personal Car Mileage rates</td>
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Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution, and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
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Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT within the Template environment using pre-configured elements to support the statutory VAT requirements in Norway. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for Norway based on the following model:

- Best Practice configuration options - specific data entry fields and audit rules (where applicable) to control compliance before the expense claim is audited or processed
- 3 Receipt Types (Tax Receipt, Receipt and No Receipt)

The standard VAT rate in Norway is 25%. The rate of VAT on food and drink (excluding alcohol) is 15%, however VAT on the services connected with the serving of foodstuffs (consumption on premises, such as Restaurants) is calculated at the standard 25% rate. VAT is calculated at 12% on the supply of passenger transport services and hotel rooms (increased from 10% in January 2018). Some expenses are exempt from VAT.
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which we include special pre-configured tax handling in the template system.

Airfare

VAT is only applicable on Airfare expenses where the destination is domestic and the ticket is purchased within Norway. The VAT applied to domestic flights is at the reduced rate of 12% (increased from 10% in January 2018). Even if the City of Purchase selected by the user is within Norway in providing the necessary information to calculate VAT on Airfare the user will be required to select from the following options in a drop-down field:

- Domestic Trip
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status (Tax Receipt) the system will calculate whether the VAT is reclaimable.

Non-Reclaimable Expenses

The following expenses have the standard rate of VAT applied however these are non-reclaimable. These expense types will be setup in a separate VAT Group which sets the reclaim to 0% irrespective of the Receipt Type is selected.

- Alcoholic Beverages
- Breakfast
- Car Maintenance/Repairs
- Dinner
- Entertainment - Clients
- Entertainment - Staff
- Fuel
- Gifts - Clients
- Gifts - Staff
- Individual Meals
- Laundry
- Lunch
- Parking
- Relocation Expenses
Expense Types without Special Handling

**Standard 25%**
- Car Rental
- Courier/Shipping/Freight
- Internet/Online Fees
- Marketing/Promotional Costs
- Mobile Phone
- Office Equipment/Hardware
- Office Supplies/Software
- Postage
- Printing/Photocopying/Stationery
- Seminar/Course fees
- Telephone/Fax
- Tuition Reimbursement

**Reduced 12%** (increased from 10% in January 2018)
- Hotel
- Public Transport
- Taxi
- Train

**Zero/Exempt 0%**
- Airline Fees
- Bank Fees
- Currency Exchange Fees
- Fixed Meals
- Miscellaneous
- Newspapers/Magazines/Books
- Passports/Visa Fees
- Personal Car Mileage
- Professional Subscriptions
- Tips/Gratuities
- Tolls/Road Charges
Exclusions
Special VAT conditions for which we do not include special tax handling conditions:

None

Expense Types Not Activated

The following are a list of standard Expense Types not activated for Norway:

- Company Car Mileage
- Ex Pat Expenses
- Medical fees
- Non Reimbursable Expense
- Staff Awards/Incentives

Customers who wish to activate these expense types must request this via their Readiness Consultant or Implementation Project Manager.
Travel Allowance

Common Practice

The Norwegian travel allowance model compensates the employee for meals and incidentals and lodging expenses. The calculation is based on the number of hours of travel for each day of the trip.

The most common method of reimbursement is fixed allowances for meals and actual expenses for lodging. If the company reimburses above the government limits, these amounts must be tracked as taxable income to the employee.

Our standard template for Travel Allowances includes the following additional features:

- Fixed Meals Allowances based on Government Published Tax Free Rates
- Inclusive of Government Published Higher Rates for Domestic Travel
- Tracking of over limit allowances where Higher Rates are used
- Inclusive of Provided Meal Deductions
- Inclusive of Accommodation Type with and without cooking facilities
- Inclusive of Domestic Overnight Allowances for staying with friends and family

For more information please see the section Allowance Rules Overview

Allowance Rates

The government publishes the meals allowance amounts on an annual basis for all domestic locations and specific international countries. Typically, the Norwegian government will provide rate updates annually with dates effective from January 1st.

2018 Rate Updates

In 2018 agreements between the government and the workers’ organisations were significantly delayed, with new rates and rules finally published in June with an effective date of June 22nd, 2018. The rates set out for 2017 continued to be valid through the start of 2018 until the new rates and dates came into effect.

Changes in Domestic agreements:

- Allowance for travel over 12 hours with overnight accommodation (full day) increased from NOK 733 to **NOK 754**.
- For full day domestic allowance there is a new **tax-free limit imposed of NOK 569**, meaning employees will receive a lower Tax-free allowance amount for full days of travel in Norway that in recent years where the full amount was tax free. See the section Taxability for Domestic Full Day Allowances for more information.
- Allowance for travel over 12 hours without overnight accommodation (partial days) is increased from NOK 537 to **NOK 552**.
• Allowance for travel of 6 hours up to 12 hours has increased from NOK 289 to **NOK 297**.
• For journeys lasting more than 24 hours, the last day of a multi-day trip will receive:
  o **NOK 297** from 6 hours to 12 hours
  o **NOK 552** if over 12 hours
  o Previous determination gave a full allowance of NOK 733 for last days of a multi-day trip where the duration was 6 hours or more.
• Provided Meal Deductions are **20% for Breakfast, 30% for Lunch and 50% for Dinner** based on the rate of travel over 12 hours (NOK 754).
• Overnight Allowance remains at **NOK 430**

**Changes in Foreign agreements:**

• Rates per country have been updated.
• Allowance for travel from 6 hours to 12 hours is reduced from 2/3rds of the current country's allowance to **50% of the current country's allowance**.
• For journeys lasting more than 24 hours, the last day of a multi-day trip will receive
  • **50% of the country's current rate** for 6 hours up to 12 hours
  • **Full allowance** for the current country if 12 hours or more.
  • Previous determination gave a full allowance for last days of a multi-day trip where the duration was 6 hours or more.
• Provided Meal Deductions have changed from 10% to **20% for Breakfast, 40% to 30% for Lunch**, while **Dinner remains at 50%**. The deduction must always be based on the full rate of travel for 12 hours.

**Taxability for Domestic Full Day Allowances**

• The new Domestic full day allowance rate in 2018 has increased from NOK 733 to **NOK 754**, however the government has also introduced a new Tax-free limit of **NOK 569**. This means that customers implementing Norway TA now have 2 options available:
  o Pay the new higher state rate of **NOK 754** and track the difference between this rate and the new Tax-free limit of NOK 569 as taxable income to the employee - **NOK 185**.
    **NOTE:** This is the default setup for the Concur Travel Allowance template.
  o Pay the new lower Tax-free allowance rate of **NOK 569**, meaning that employees will receive a lower allowance amount for full days of travel in Norway that in recent years.
    **NOTE:** By default, this feature is not activated. If customers wish to configure travel allowance to reimburse only the lower rate this will require working with your Concur Implementation Consultant to update the default configuration.

**Taxability Allowances for Other Accommodation**

• In addition, the Tax-free limit for meals allowances when staying in Other Accommodation (other than a hotel) has also changed
• Without cooking facilities – reduced from NOK 315 to **NOK 159**
• With cooking facilities – reduced from NOK 205 to **NOK 88**
Allowance Rules Overview

The following is a brief overview of the core rules and calculations provided as part of the standard Norway travel allowance solution. For further information, or to review the rules in greater detail, please refer to the Travel Allowance Configuration Guide for Norway.

- The basis for the meals allowance is the number of hours for that day of travel.
- A day of travel is the 24-hour period from the time the trip commences to the same time the following day. A day of travel ends at 24 hours (when the next day commences) or when the employee returns from a business trip to his workplace or home.
- The allowance location for a day of travel is the location in which the traveller stayed the longest. The day of return travel uses the travel allowance rate of the last location visited (generally where the traveller spent the previous night).
- If several countries were visited during the same day, the country in which the traveller had the longest stay decides the travel allowance rate.
- For mixed trips, the foreign location will have precedence over the domestic location. The allowance location is the foreign location that has the maximum duration.
- The meals allowance can vary based on the type of lodging used by the traveller. Here the allowance is adjusted according to the following example for a domestic Norway location.
  - Hotel - NOK 754
  - Other arrangement without cooking facilities - NOK 159
  - Other arrangement with cooking facilities - NOK 88
- For a domestic single-day trip (trip without an overnight stop) or for the last day of a domestic multiple-day trip (trip with an overnight stop) the following allowances apply:
  - 0-6 hours - NOK 0
  - 6-12 hours - NOK 297
  - 12 hours - NOK 552
- For an international single-day trip (trip without an overnight stop) or for the last day of an international multiple-day trip (trip with an overnight stop) the following allowances apply:
  - 0-6 hours - NOK 0
  - 6-12 hours - 50% of destination's allowance
  - 12 hours+ - 100% of destination's allowance
- A fixed overnight allowance of NOK 430 is paid for Domestic destination locations. This is given to the traveller in lieu of the hotel allowance when the traveller stays with friends, in a caravan, or other lodging arrangement not
otherwise covered by the lodging types. There is no fixed overnight allowance for International travel.

- For any meal the employee received without charge, the allowance amount should be reduced to account for that meal (applies to both domestic and foreign allowances):
  - Breakfast - 20%
  - Lunch - 30%
  - Dinner - 50%

- If a trip lasts longer than 28 continuous days at the same location outside of Norway, the meals allowance is reduced to 75% of the original amounts (from the 29th day).

  **NOTE:** This % value can be changed or the feature deactivated upon request

**Adjustment to Tax-Free Allowance for Full Domestic Days**

With the new rates for 2018 effective Jun-22-2018 came an update to the tax-free amounts for full day domestic allowances. In previous years only amounts paid above the full daily allowance rate (in 2017 this was 733 NOK) would be taxable to the employee, therefore employees could receive a full domestic daily allowance tax-free.

As of Jun-22-2018 the government adjusted the **tax-free threshold** for full day domestic allowances to **569 NOK**. This means that employees receiving the full 754 NOK when staying in a Hotel would be subject to income tax on the difference between – which amounts to **185 NOK taxable**.
Special Considerations

Account Codes Based on Type of Trip

Clients can set different account codes based on the nature of the trip – multi-day domestic, extended multi-day domestic, multi-day international, extended multi-day international, single-day domestic, single-day international. This option is typically used by clients needing a different account code to indicate the wage type.

The values for the trip types for Norway are as follows:

- Extended Multi-Day Domestic
- Extended Multi-Day International
- Multi-Day Domestic
- Multi-Day International
- Single Day Domestic
- Single Day International
- Multi-Day Domestic Other With Cooking
- Multi-Day Domestic Other Without Cooking
- Multi-Day International Other With Cooking
- Multi-Day International Other Without Cooking
- Domestic Overnight
- International Overnight
- Domestic Incidentals Only
- International Incidentals Only

**NOTE:** By default, this feature is not activated. If customers wish to configure travel allowance to support Account Codes based on Trip Type this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

Meal Allowance for Domestic Single-Day Trips (Alternative Method)

There is an optional alternative method for calculating meal allowances for domestic single day trips. This option uses time bands and the allowance for each one is set per client needs. Time bands are numbers of hours that determine the amount of the allowance (for example 0-6 hours; 6-12 hours; 12-24 hours).

This option requires more complexity in loading rates but allows the greatest flexibility in reimbursing the traveller. This allows the company to define the allowance based on the duration of travel for the day.

**NOTE:** By default this feature is not activated. If customers wish to configure the alternate method for calculating Meal Allowance for Domestic Single-Day Trips this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

Exclusions

None
**Mileage Rates**

**Personal Car Mileage**

Personal Car Mileage in Norway is pre-configured with the following rates:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Tax Free Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>NOK <strong>3.50</strong> per km</td>
</tr>
</tbody>
</table>

*NOTE*: Updates to mileage rates in recent years have resulted in a lower tax-free amount per km (NOK 3.50/km) when compared to the commonly paid State Agreement rates for using your own vehicle for business (NOK 3.90/km). This means taxable amounts apply (NOK 0.40/km) for all companies that follow the State Agreement rates. If customers wish to configure the State Agreement rate and track the Taxable over limit amounts this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

**Company Car Mileage**

No statutory Company Car Mileage rates are configured as part of the Template for Norway.

**Exclusions**

**Personal Car Mileage (Additional Vehicle Types)**

A single rate Personal Mileage configuration exists to support only the vehicle type of Car. Rates for additional vehicle types are published by the government however these are not commonly used. These are:

- Car (Tromsø)*
- Car (Special Roads)
- Car (Equipment)
- Motorcycle/Moped
- Bicycle
- Snowmobile

* Tromsø is a northern municipality on the small island of Tromsøya located inside the Arctic Cirde

*NOTE*: If customers wish to configure these additional vehicle rates this will require working with your Concur Implementation Consultant to scope the additional configuration work required.