



Skatteetaten

Norwegian Tax Administration Annual Report 2003



The Tax Administration in transition

Electronic services
 Organization and staff
 Development of legal rules

User orientation

Development of the Tax Administration website
 Introduction of pre-completed tax return forms
 Electronic services for delivery of returns by business enterprises

Keener focus on business and industry

More instruments are employed by the Tax Administration
 Cooperation with branch and interest organizations
 Cooperation with public agencies
 Cooperation with foreign authorities

The Tax Administration's operations in 2003

A correct and up-to-date population register
 3.3 million tax cards were produced for 2003
 More than 3.6 million tax returns were dealt with
 Assessed tax and National Insurance contributions total NOK 360.9 billion
 Assessment of Inheritance tax
 Assessment of VAT
 Collection of tax

Finance and staff

Organizational chart

The Tax Administration in transition

2
2
3
3
4
4
4
5



The Norwegian Tax Administration achieved good results in 2003. The Administration assessed taxes totalling NOK 572.8 billion, an increase of NOK 4.7 billion compared with the previous year. An increased number of tax audits resulted in increased detection of tax evasion. Compliance with the Administration's Service Declaration lead to reduction of processing time in most areas. The major processes were carried out without significant problems. The Director General of Taxation is well satisfied with the overall results.

5
6
7
8
8
8
9
9
9

Electronic services

The Tax Administration is engaged in activities aimed at improving public access to the Administration's services, among other things by development of the Administration's Internet services. Development of a new solution for delivery of pre-completed tax returns via the Internet has commenced. The solution will make it even easier for taxpayers to make corrections and additions and provide more information electronically. This will also enhance the efficiency of the Administration's work. The Internet solution for electronic tax returns will be fully developed by 2005.

11
11
12

An Internet service for notifying change of address to the National Population Register is currently being established.

13
15

A system for assessment of business enterprises and self-employed persons (SLN) is gradually being implemented in the Tax Administration. SLN provides facilities throughout the country for electronic delivery of tax returns and enclosures from business enterprises, as well as computer-aided case management for assessment staff. The solution has been well received by users in business and industry. From 2004, tax return enclosures can be delivered by means of AltInn, which is a project being carried out jointly by the Brønnøysund Register Centre, the Tax Administration and Statistics Norway. AltInn is an Internet-based reporting channel enabling business enterprises and private individuals to submit legally required returns simply, securely and effectively.

From 2004, business enterprises will be allowed longer time-limits for submission of tax return forms in order to allow more time from closure of accounts to delivery of the returns. Persons who submit returns electronically will have until 31 May to deliver the return forms, while those who choose to deliver on paper will have a deadline of 31 March. An additional consequence of the change is that checking of returns received can continue until 31 May the following year. On 1 January 2004, the Administration put into service a newly developed shareholder register. The main purpose of the register is to facilitate easier calculation of tax gains and losses due to sale of shares. Use of the register will simplify matters for both taxpayers and the Tax Administration.

Work is also under way on development of a new system for collective accounting of tax, National insurance contributions and employer's contributions (SKARP project). The solution will help to ensure more efficient collection of taxes, improved access to information and better services for business and industry and individual users. Pilot operations are due to commence in autumn 2005 and nation-wide implementation is planned to take place in 2007.

Organization and staff

In addition to developing the Administration's systems tools it is essential to develop the organization, the staff and senior officials in order to adapt the Administration to meet current and future requirements and expectations. During recent years several change processes have been implemented, involving reorganization of parts of the Tax Administration. 2003 was the second year that assessment was carried out after the structural change of the local tax assessment offices. The new organization has resulted in larger professional environments, and is better adapted to exchange of experience, competence building and division of labour. The Administration has succeeded in raising the level of control and in reallocating resources to assessment and control of business and industry.

2003 was the last year that the Tax Administration carried out payroll and accounting services for other government agencies. From 1 January 2004, financial services were gathered in the Norwegian Government Agency for Financial Management (SSØ).

The Tax Administration has initiated a project to assess the entire organization of the Administration. The aim of the work is to improve the functioning of the Administration, among other ways, by means of improved exploitation of the potential of new technology and new organizational structures. Competence building within the Administration is mainly associated with competence sharing during the course of daily work. Courses, training programmes and work-related seminars are provided locally as a support for competence building. The content and arrangement of such provisions is adapted to the needs of the individual offices.

The offices cooperate on local training provisions, observation and instructors. Study provisions and arrangements specially adapted for the Tax Administration in the areas of accounting, economics, archives and relations with the public are used actively. The Tax Administration has also made use of specially developed e-learning programmes for competence building in areas such as the previously mentioned system for assessment of business enterprises and self-employed persons (SLN). The Tax Administration works systematically on management development, for example, through a specially developed programme entitled "Growth, Enlightenment and Imagination".

Development of legal rules

In 2003, the Directorate of Taxes received 282 requests for advance rulings on tax matters. In order to increase the level of service, it is desirable that the local tax assessment offices also are able to provide such rulings. A proposal containing a detailed description has been submitted to the Ministry of Finance for consideration. The Administration also wishes to ensure the continuous development and rationalization of regulations. It is, for example, important to adapt regulations in order to enable the development of new electronic solutions and to make it easier for taxpayers to act correctly. The Directorate of Taxes has investigated the possibility of introducing a rule where the pre-completed tax return is automatically regarded as delivered unless changes and additions are submitted by the taxpayer. Taxpayers will however continue to be responsible for ensuring that the tax return is complete and correctly filled in. It is assumed that this arrangement, if implemented, would apply to approximately 1.7 million taxpayers, and that it would result in labour saving for both the taxpayer and the Tax Administration.

User orientation

One of the Tax Administration's strategies involves developing good products adapted to the needs of the Administration's target groups. The Administration conducts user surveys in order to determine taxpayers' needs and wishes with regard to its services.

In 2003, we conducted the third in a series of questionnaire surveys aimed at establishing business enterprises' and self-employed persons' view of the Administration. The survey showed that business enterprises' and self-employed persons' overall impression of the Administration is relatively positive and unchanged. Almost 80 per cent of the respondents feel that they are treated respectfully by the Tax Administration, and that the Administration behaves in a professional manner (76 per cent) and provides satisfactory responses (74 per cent). A total of 82 per cent of those who had delivered returns electronically considered this to be a simplification. These persons also had a better overall impression of the Administration.

During the 1990s there has been a major focus on development of new IT systems and services. This has made it easier for taxpayers and has increased the efficiency of the Administration's procedures.

Development of the Tax Administration's website – www.skatteetaten.no

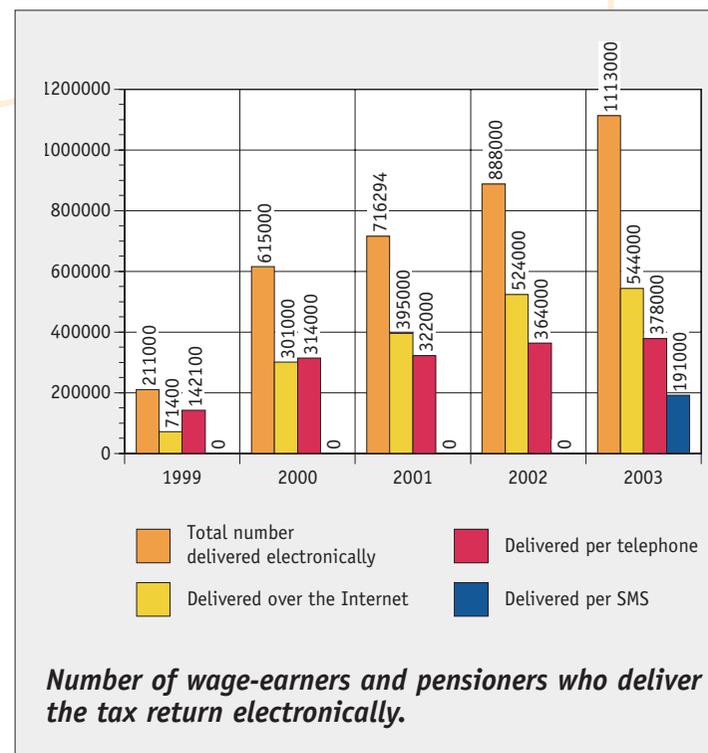
This website provides access to the Tax Assessment ABC, the VAT Handbook, guidelines for filling in forms, decisions provided in advance rulings, etc. Help with tax computation, ordering of forms, guides, copies of tax cards and changes to tax cards are examples of services provided by the Administration website. In 2003, over 200 000 tax cards, tax exemption cards, copies of tax cards and forms for requesting changes to tax cards were ordered via the Internet. Approximately 21 per cent of all changes to tax cards are changes based on use of the tax card service via the Internet. This amounts to a 40 per cent increase in the use of the Internet service compared with 2002.

Introduction of pre-completed tax return form

In April over 3.4 million wage-earners and pensioners received an individual pre-completed tax return form with a provisional tax assessment for the fiscal year of 2002. Over 1.1

million people chose to deliver the tax return via telephone, SMS or Internet. Norway was the first country in Europe to offer delivery of tax returns via SMS in 2003. A total of 191 000 wage-earners and pensioners made use of this service.

Approximately 50 per cent of taxpayers delivered pre-completed tax returns without making any changes or additions. Almost 90 percent received tax settlement notices in June. The remainder received tax assessment notices in October owing to joint assessment or a need for further follow-up of the results from checks carried out.



Electronic services for delivery of returns by business enterprises

Almost 120 000 business enterprises and self-employed persons delivered tax returns electronically in 2003. The number is double that of 2002 and comprises 40 per cent of Norway's limited companies and 15 per cent of self-employed persons.

Delivery of VAT returns via the Internet has also increased. In relation to the number of VAT-liable enterprises, the percentage increased from 17.6 per cent for the first quarter to 20.6 per cent for the fourth quarter of 2003. The advantage for the business enterprise or self-employed person is that the system provides notification of computation errors and errors in filling in the form, as well as rapid delivery of the return, resulting in quicker VAT refunds.

Keener focus on business and industry

A survey of clandestine employment carried out by the Economic Department of the University of Oslo for the period from 1980 to 2003 shows a decrease in the number of persons in Norway involved in illegal moonlighting. Every tenth person in Norway was involved in moonlighting in 1980 compared with every twentieth person in 2003. The change in attitudes to clandestine employment is ascribed to lower taxes, reduction in the availability of clandestine employment and improved tax ethics. Although the attitude to economic crime is better than it used to be, large amounts of money are not declared for taxation. The potential for evasion is considerable, indicating the need for major efforts in this area on the part of the Tax Administration.

Tax evasion methods are being developed at a pace and extent which demand further efforts. The difficulty of exercising controls is exacerbated by the fact that trade and economic relations are more international than they were and involve greater use of electronic means of transmission. In the work on strengthening the Administration's efforts in relation to business and industry, several instruments are employed in improving efficiency. Organization of resources, competence building and correct use of technology are important measures.

It has been important to rationalize the major production tasks in order to free resources for increased efforts in relation to business and industry, particularly for the local tax assessment offices. Implementation of the system for pre-completed tax returns, development of services for electronic delivery of tax returns and reorganization of the assessment administration from 435 to 99 assessment offices are measures that have been employed in achieving this. As a result of this focus, the local tax assessment offices are able to allocate an increasing proportion of their resources to assessment and control of business enterprises by means of both assessment procedures and on-site audits. In addition to traditional tax audits and control of employers, the Administration has focused on a more varied and targeted use of instruments in the Administration's control activities. This may involve controls and measures of varying form and content conducted by the Tax

Administration alone or in cooperation with other agencies and bodies. Carrying out control measures in cooperation with other agencies and interest organizations has shown good results and given valuable experience.

More instruments are employed by the Tax Administration

Information and guidance

In order to make it easier for business enterprises to act correctly, regular information meetings on tax rules and filing requirements are held for Norway's accountants and auditors. The Administration attempts to reach all newly established business enterprises and self-employed persons with information and guidance. The Tax Administration places a considerable emphasis on activities to raise the awareness of young people, such as arrangements at schools and stands at exhibitions in order to meet people in different target groups.

Increased visibility

As a stage in detecting illegalities and encouraging better compliance with regulations, the Tax Administration emphasizes the need to make inspection work more visible. One of the means adopted is active use of the media in connection with targeted inspections. In addition to the effects of detection on the inspected parties, there is reason to believe that the preventive effects of media attention are considerable.

Increased trade knowledge and market insight

In connection with more targeted inspections, the Tax Administration has given priority to acquiring greater knowledge of the various industrial sectors and increased market insight as a basis for its inspection activities. Activities in relation to various branches, e.g. restaurants and the construction trade, have been intensified. The inspections have resulted in a number of reported cases of economic crime that are being investigated by the police. Many of the cases involve evasion of tax on large amounts of turnover and income.

Monitoring large construction projects

In the case of large construction projects, the Administration wishes to be a step ahead in order to ensure that projects are carried out in a responsible manner and to prevent irresponsible companies from gaining a foothold. The Administration has learned useful lessons from its positive experience of the monitoring during the construction of Gardermoen

Airport. The main objective is to make it easier for business enterprises and employees to act correctly at the same time as the Administration's attention ensures compliance with the rules. In this way, good routines and familiarity with regulations are established from the start of a project. Such measures are expected to lead to better effects than retrospective controls.

Increased inspection activities

County tax assessment offices, local tax assessment offices and local tax collection offices carried out a total of more than 18 000 on-site inspections in 2003. This was 10 per cent more than in 2002. Several types of inspections were involved, some of them in cooperation with other public bodies. Some examples are given below:

- *In week 42, the Tax Administration carried out the third inspection that year of construction sites in Sør-Trøndelag*

Inspectors from the county tax assessment office, the tax collection office and several local tax assessment offices inspected 95 construction sites in Trondheim, Røros, Holtålen, Orkdal, Rissa, Bjugn, Ørland, Hitra and Frøya. This operation focused on small construction sites, such as new houses, renovation of blocks of flats and the like. At the construction sites, 613 persons and 257 enterprises were inspected.

- 12 enterprises were fully operative without being registered.
- 41 persons who are not Norwegian nationals later received visits from the police for control of work permits and residence permits.
- Some persons stated that work was carried out as a favour without remuneration.
- Some of the inspected persons were in receipt of social security benefits.
- Several persons ran away or refused to answer the inspectors' questions.

- *In November, 370 of Oslo's 1000 bars and restaurants were inspected*

The results showed one out of three employees in the restaurant trade to be moonlighting. In a tax raid on 160 restaurants in Oslo, 35 per cent of the employees were found to be unregistered and to be working illegally. In addition to working illegally, a number of them were in receipt of social security benefits. The inspected restaurants evade tax in excess of NOK 30 million a year. Inspections in other counties confirm the dubious reputation of the trade.

- *Restaurants and catering establishments in Nordland were inspected in December*

The Christmas party season is the peak season for restaurant and catering establishments, with high levels of customers and large turnover. The operation is one of the biggest that has been mounted against an industry, and is one of the measures designed to promote more orderly conditions in the trade. The inspection included matters regarding registration of income. At the same time, guidance and information was provided concerning the rights and obligations of persons involved in the trade.

Experience shows that persons who commit tax offences also commit other types of offence, such as sale of contraband goods and watered down spirits or industrial alcohol.

- *Monitoring the building of the new Opera house*

The site of the new opera house at Bjørvika is being closely monitored by the Tax Administration. In cooperation with the Directorate of Public Construction and Property (Statsbygg), the Administration provides information on the obligations of developers, building contractors and tradesmen. Jointly, they make provisions to ensure that regulations are complied with.

All contracts are inspected to ensure that tax regulations are complied with. The Tax Administration follows this up with visits to the building site to ensure that all enterprises and their employees are registered and that turnover, pay and VAT are correctly reported. Detection of clandestine employment is followed up by tax audits. Serious offences are reported to the police.

- *Development of the gas field Snøhvit in the Barents Sea is being followed closely*

The construction of the gas landing plant and LNG plant at Melkøya outside Hammerfest town centre has a total investment framework of approximately NOK 46 billion. The development was initiated in summer 2002 and production is planned to start in April 2006. At the peak of the development phase, approximately 1 200 persons will work on the plant.

The Tax Administration has prepared brief and simple information in several languages, and has held courses in taxation of foreign enterprises and their employees and income tax withholding obligations for both internal and external participants. The Tax Administration follows this up with control of and cooperation with suppliers and subcontractors, accountants, auditors and local business and industry. In addition, cooperation on control has been established with Swedish and Finnish tax authorities.

Cooperation with branch and interest organizations

Irresponsible firms ruin the market for those who act responsibly. Interest and branch organizations for employees and business and industry wish legislation to be complied with. The cooperation with branch and interest organizations has been maintained and extended in 2003.

The Tax Administration takes part in the LO Summer Patrol (an arrangement organized each year by the Norwegian Confederation of Trade Unions to improve young people's knowledge of their rights in working life) and "Young Entrepreneurs" (a Norwegian organization that trains young people in starting businesses).

In connection with prevention and control work in relation to firms with activities in border areas, cooperation on combating clandestine employment and economic crime has been set up between Norwegian and Swedish tax authorities, customs services and trade union federations.

In 2003 a joint project was carried out with the Federation of Norwegian Construction Industries, which represents approximately 40 000 firms. The construction trade wishes, for example, to introduce its own ID cards for its employees in order to ensure better order and control. The major actors promise to step up their control of their subcontractors. At the same time, the Tax Administration is working on the development of services to make it easier for business enterprises to obtain the necessary information.

Cooperation with public agencies

Control operations and measures are increasingly conducted in cooperation with one or more other public agencies or supervisory bodies, such as the Norwegian Food Control Authority, the municipal fire services, the Norwegian Labour Inspection Authority, municipal authorities responsible for licensing and surveillance of the serving of alcoholic beverages, the National Insurance Service, the Directorate of Fisheries, the Customs and Excise Administration and the police. Experience of such cooperation is extremely positive, and is instrumental in ensuring broader controls while making it easier to put a stop to irresponsible enterprises.

Cooperation with foreign authorities

Norway has agreements with 23 countries concerning assistance in collection of the other country's tax claims. In 2003, Norwegian authorities collected foreign tax claims amounting to NOK 16 million as against NOK 15 million in 2002. In 2003, Norwegian authorities received NOK 19 million from foreign authorities, a reduction of NOK 1 million compared with 2002.

In order to secure the tax base in Norway emphasis is placed on assessment and control of adaptation to the tax system. The use of tax-adapted transactions is a common way of minimizing tax payments. Large assets are placed in foreign countries. Investigations reveal tax evasion on considerable parts of such assets. With a field of action encompassing the entire world, ensuring correct compliance in connection with financial transactions is a major task. Monitoring of transactions and cash flow between companies and persons involves the use of third-party information. The Tax Administration cooperates with public agencies in a number of other countries in combating tax crime.

The Tax Administration's operations in 2003

Tax assessments in 2003 amounted to a total of NOK 572.8 billion. Arrears in direct taxes and VAT are at the same level as for the previous year.

Tax revenues			
	2001	2002	2003
	billions	billions	billions
Total payable tax and VAT	542.4	568.1	572.8
– Income tax / wealth tax	201.4	208.0	211.0
– Petroleum tax	91.9	98.4	91.1
– National Insurance contributions	51.8	55.1	58.8
– Employer's contributions	67.3	75.9	79.5
– VAT ¹	128.1	129.5	131.0
– Inheritance tax	1.5	1.2	1.4

¹⁾ The figures include VAT collected by the Customs Service. The Tax Administration's part of tax revenues for 2002 amounted to NOK 68.7 billion and for 2003 NOK 68.3 billion.

A correct and up-to-date population register

Information from the population registers is used by other public registers and is of major importance for the rights and obligations of individual citizens in relation to the public authorities. At the end of 2003, Norway's population totalled 4 579 000 persons, which is 26 700 more than at the end of 2002.

As regards registration of births, deaths, marriages, etc., the Tax Administration receives notifications from hospitals, probate and bankruptcy courts, the Church and others. In order

to ensure more rapid notification procedures, priority has been given to measures in relation to such bodies in 2003. Almost 600 000 notifications have been dealt with.

Over 30 000 cases concerning home addresses were dealt with and 1245 appeals against decisions in such cases were considered.

3.3 million tax cards were produced for 2003

In order to ensure correct deduction of withholding tax, each tax card is individually adapted. The rates on the card are based on data from the previous assessment adjusted in relation to forecasts for the coming year. The information on which the rates are based is stated on the card. If a copy of the card is needed or if changes to the card are required, the taxpayer may take direct contact with the local tax assessment office or order a new card via the Internet. There has been a reduction in the number of requests for changes in tax cards during recent years. This is an indication of the increased quality of calculation. Compared with 2002, the number of changes has been reduced by over 314 000.

More than 3.6 million tax returns were dealt with

Assessment is an extensive production task which places considerable demands on service and quality. Companies submitting tax returns include 41 companies engaged in production and pipeline transport of petroleum on the Norwegian continental shelf.

The number of tax returns dealt with		2001	2002	2003
Tax returns with tax settlements	Total number of tax returns	3 602 169	3 618 428	3 642 642
	– Wage-earners and pensioners	3 101 811	3 126 821	3 150 218
	– Self-employed persons	345 000	333 000	331 000
	– Companies	155 358	158 607	161 424

The Directorate of Taxes received over 40 million basic data statements in 2003

In 2003, 40.7 million statements of bank deposits and interest, loans and interest on loans, pay, grants, insurance payments, automobile purchases, etc. were received from persons obliged to submit such statements. In addition to the Tax Administration's own data, this forms the basis for assessment and for production of pre-completed tax returns.

In order to ensure high quality, the Administration's control routines include control of persons submitting statements. People who are late in delivering returns are followed up. An increasing number of checks are made on certificates of pay and tax deducted and on both private and public employers. The Tax Administration is working towards further increases in the controls in this area in the years ahead.

Assessed tax and National Insurance contributions total NOK 360.9 billion

Assessment of individual taxpayers totalled almost NOK 230 billion, over 7 billion more than in 2002. These taxpayers account for over 63 per cent of total payable tax in 2002.

Tax from the petroleum sector was reduced by 7 per cent from 2001. A total of NOK 91.1 billion in tax was assessed from the 25 companies with taxable income in the fiscal year of 2002.

Distribution of assessed tax by taxpayer group			
	2001	2002	2003
	<i>billions</i>	<i>billions</i>	<i>billions</i>
Assessed in connection with the assessment	344.5	361.2	360.9
– Wage-earners and pensioners	180.3	190.5	197.6
– Self-employed persons	30.1	32.0	32.2
– Companies except petroleum companies	42.2	40.3	40.0
– Petroleum companies	91.9	98.4	91.1

Late delivery penalties and additional tax totalling NOK 709.4 million

Over 13 000 companies and 28 300 individual taxpayers delivered tax returns too late and were imposed late delivery penalties. This is approximately the same as in 2002. Late delivery penalties were imposed for a total of almost NOK 63.1 million, NOK 17.9 million of this was from companies and NOK 45.2 million from individual taxpayers.

Almost 3 500 companies, including petroleum companies, were charged additional tax amounting to a total of NOK 105.7 million. This is almost 400 fewer companies than in 2002. Altogether 92 companies were charged additional tax because they submitted incorrect or incomplete information that could have resulted in assessment of too little tax. The remainder of the companies were charged additional tax because they omitted to submit tax returns. Over 28 000 individual taxpayers were charged additional tax totalling NOK 540.6 million.

Income corrections amounting to NOK 42 billion

During the 2003 assessment, income corrections were made amounting to a total of NOK 42.1 billion as a result of quality controls or controls in prioritized areas.

Besides detecting illegalities, the Tax Administration makes considerable efforts to ensure that basic data and the information provided by taxpayers themselves results in correct tax settlements. Corrections made in this connection are therefore just as likely to be in a taxpayer’s favour as disfavour.

Development of income corrections in connection with assessment procedures during the last three years, distributed by taxpayer group				
		2001	2002	2003
		<i>billions</i>	<i>billions</i>	<i>billions</i>
On-site audits	Income corrections	27.6	41.6	42.1
	– Wage-earners and pensioners	6.2	5.3	9.5
	– Self-employed persons	8.3	8.6	13.2
	– Companies	13.2	27.7	19.4

Revisions after the assessment is finalized

Most questions are decided during the assessment. However, in some cases, new information is received or errors are detected that necessitate revisions to the assessment. Appeals against decisions made during the assessment may also result in corrections. A total of 152 407 revision cases were considered in 2003, almost 19 000 fewer than in 2002. Of these, 51 659 cases involved revisions resulting from appeals from taxpayers, approximately 7 per cent fewer than the previous year.

Corrections are made continuously, and appeals are normally considered within three months.

Assessment of Inheritance tax

The county tax collection offices dealt with 45 000 cases concerning inheritance or gifts. All inheritance and gift notifications were registered within three weeks of receipt. This also mainly applies to certificates of probate and other reports. The time spent on dealing with cases has been reduced in recent years. Of 477 appeals received, 77 per cent were dealt with within three months. This represents an improvement of 8 percentage points compared with 2002.

Assessment of VAT

On 31 December 2003, 316 000 enterprises were registered as VAT-liable in the VAT register. Total VAT revenues for the Customs and Excise Administration and the Tax Administration amounted to NOK 131 billion for 2003. The county tax assessment offices dealt with almost 1.5 million VAT returns. Continuous controls are conducted of returns. When compulsory returns are not received, provisional assessments are made. Corrections to VAT returns in 2003 amounted to NOK 3.5 billion.

		2001	2002	2003
Number of enterprises in VAT register	Total number of VAT-liable enterprises	305 239	306 792	316 317
	– Of this, liable to submit quarterly returns	87 657	86 052	86 056
	– Of this, liable to submit annual returns	–	21 532	29 114
Number of VAT returns assessed	Total number of returns	1 263 291	1 458 143	1 462 319
	– Of this, returns involving refunds	252 618	318 589	348 172

VAT corrections in connection with on-site audits during the last three years.

		2001	2002	2003
On-site audits	VAT corrections	2.5 bill.	2.9 bill.	3.5 bill.

Collection of tax

On 31 December 2003, 98.6 per cent of all tax payable for 2002 was collected.

The following table shows assessed and total tax paid for 2002 on 31 December 2003 in respect of tax collected by local tax collection offices and the county tax collection offices.

Collections in respect of the fiscal year 2002 on 31 December 2003 – figures in NOK millions

	Income tax		Other taxes			Sum of all taxes
	Persons	Com-panies	VAT	Employer's contrib.	Inher-itage tax	
Assessed	229 851	31 700	121 172	77 035	1 258	461 016
Total paid	98.3%	96.9%	98.9%	99.6%	99.4%	98.6%
Compared with 31 12 02	–	+ 0.6 pp.	– 0.1 pp.	– 0.1 pp.	+ 6.7 pp.	+ 0.1 pp.

On 31 December 2003, active VAT arrears amounted to NOK 2.6 billion

This involves a reduction of NOK 0.2 billion compared with the previous year.

Arrears			
	2001	2002	2003
	<i>billions</i>	<i>billions</i>	<i>billions</i>
Direct taxes	10.7	11.5	11.5 ¹
VAT – accumulated active arrears	2.6	2.8	2.6
¹) excluding Oslo and Sandefjord			

Altogether 3 481 000 taxpayers received tax settlements in 2003

This is almost 22 000 more than in 2002. Over 2.4 million taxpayers received a total of NOK 21.6 billion in income tax refunds, which is 66 000 more taxpayers than in 2002. Total overpaid tax increased by approximately NOK 1.8 billion. The total amount of underpaid tax fell by NOK 252 million compared with 2002. Over 780 000 taxpayers owed NOK 11.5 billion in underpaid tax, which is 17 000 fewer taxpayers than in 2002.

Finance and staff

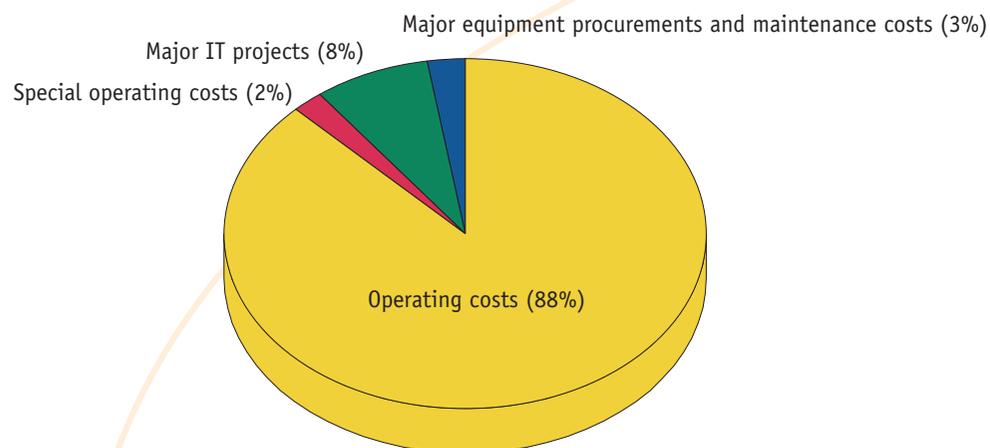
The Tax Administration's costs in 2003 in NOK 1000s

	Accounts for 2003
Operating costs	3 203 826
Special operating costs, estimate	77 192
Major IT projects, can be transferred	284 229
Major equipment procurements and maintenance, can be transferred	92 780
Total	3 658 027

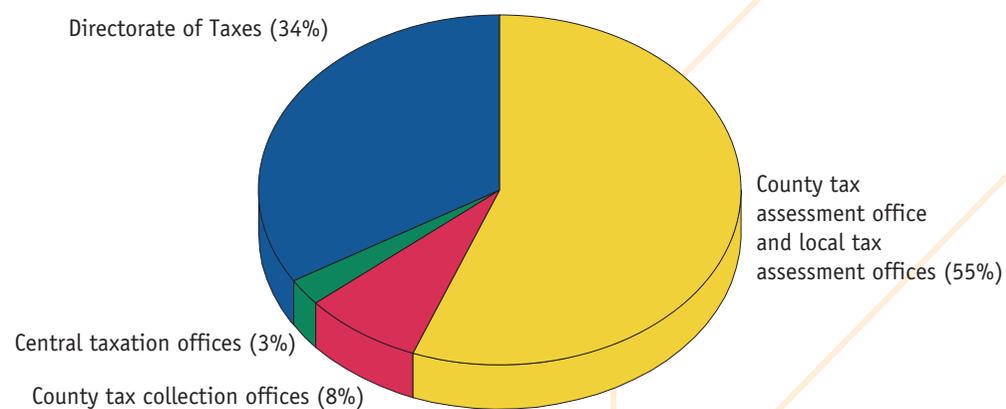
Accounts for Tax Administration offices 2003

County tax assessment office and local tax assessment offices	2 043 734
County tax collection offices	290 324
Central taxation offices	91 962
Directorate of Taxes	1 232 007
Total	3 658 027

Distribution of costs by type

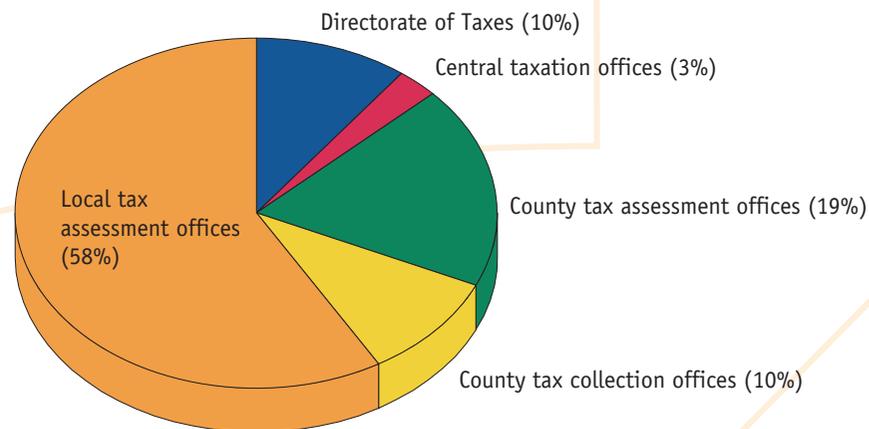


Costs of the Tax Administration, distributed by office

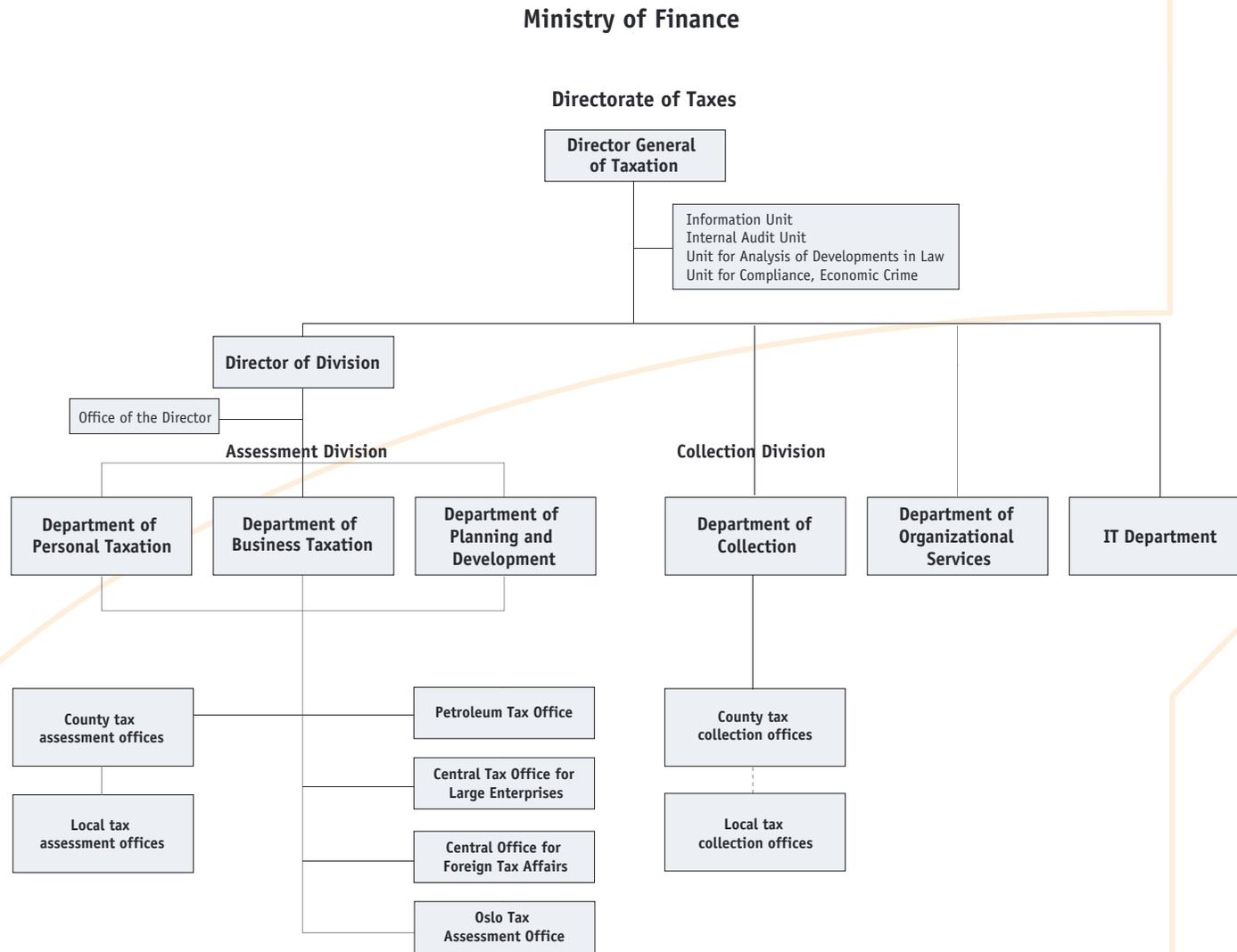


Number of man-years in the Administration in 2003 distributed by office	
Directorate of Taxes	649
Central taxation offices	174
County tax assessment offices	1 181
County tax collection offices	615
Local tax assessment offices	3 686
	6 305

Tax Administration man-years, distributed by office



Organizational chart



www.skatteetaten.no