



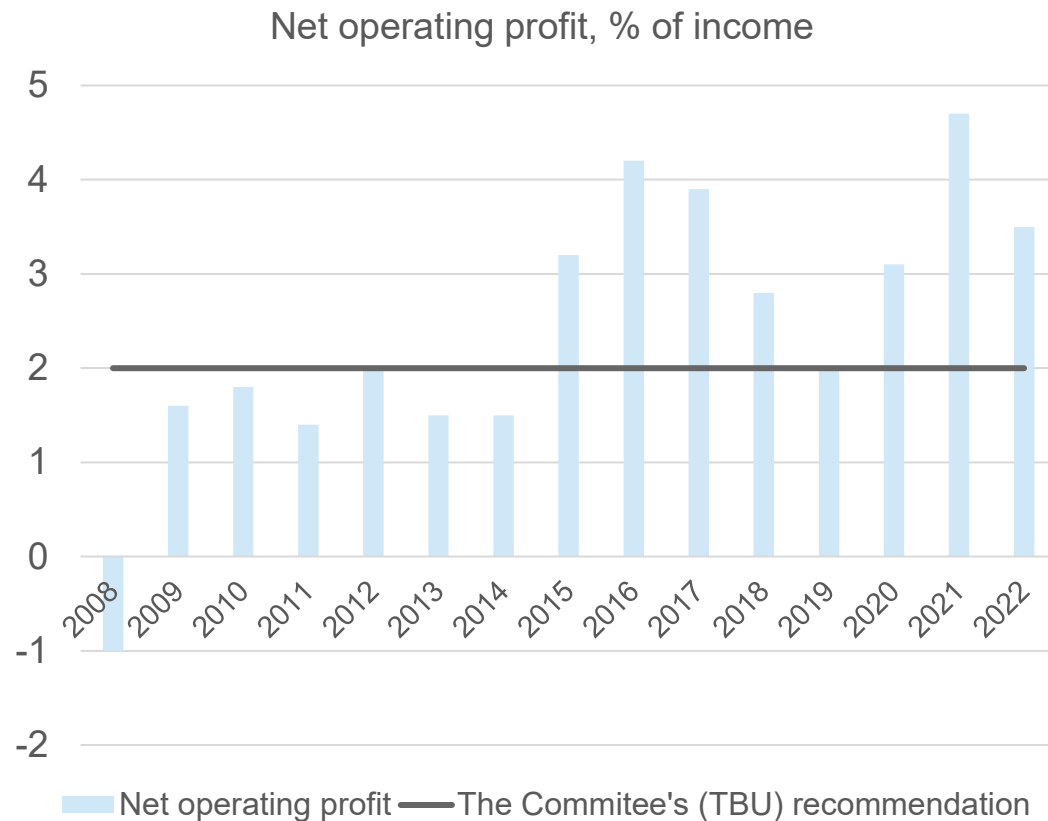
Norway: Fiscal Outlook and Policy Reforms

Tormod Reiersen

Paris, April 20th 2023

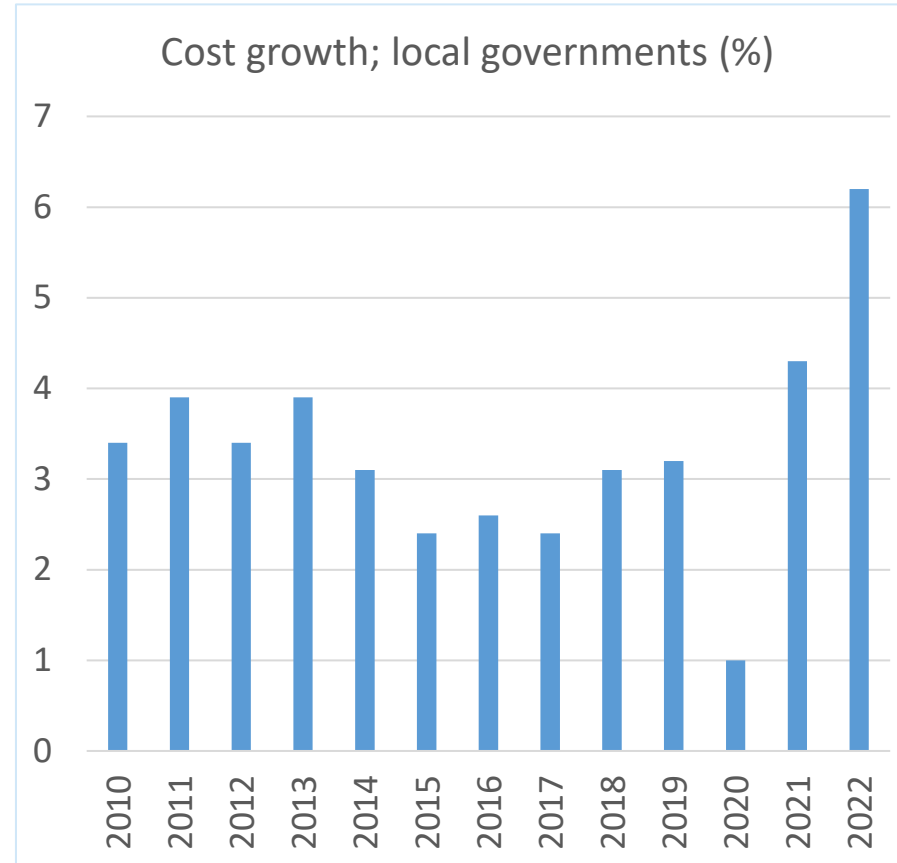
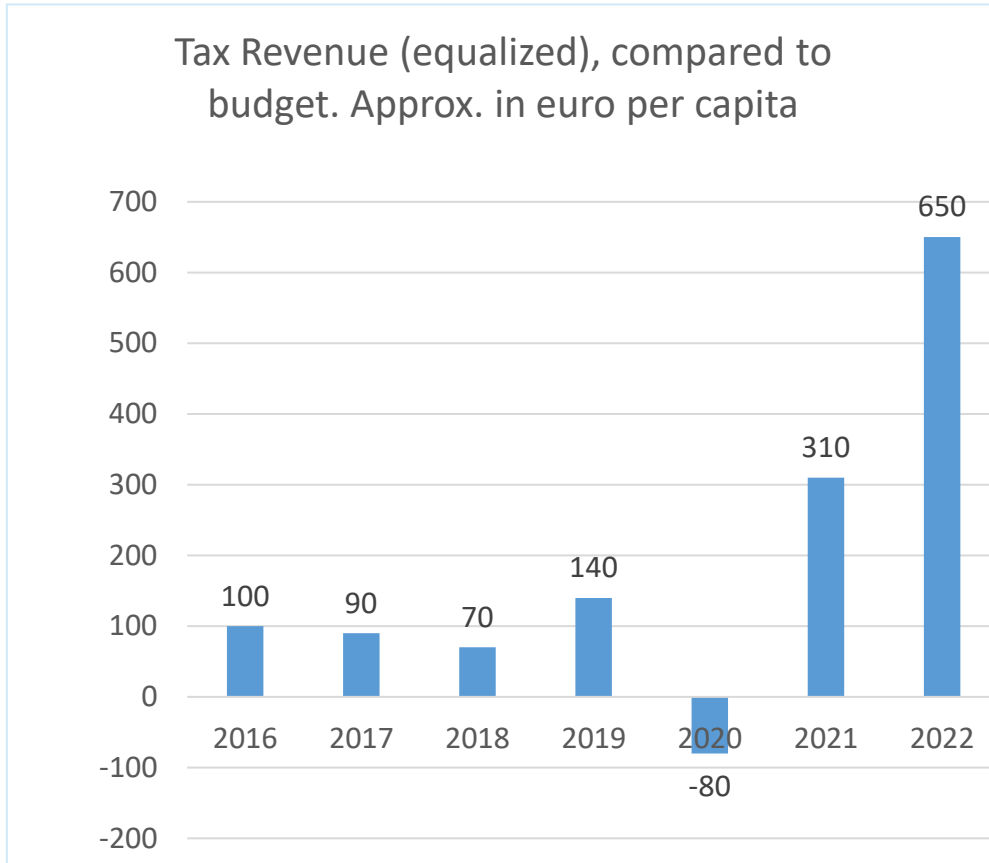


Good financial condition for the local governments, generally



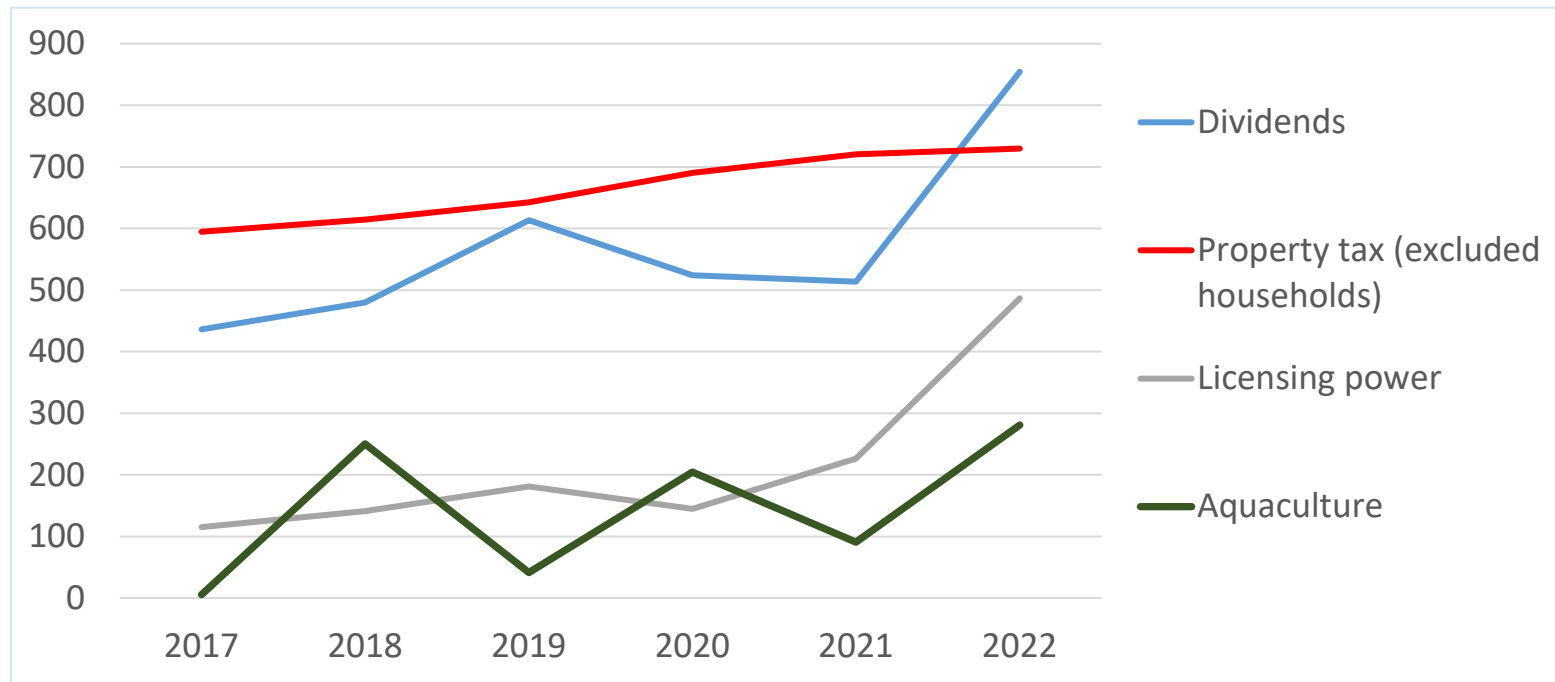
- Main indicator for the financial condition
 - Net operating profit shows how much municipalities and county councils have that can be allocated for reserves and investment
- More:
 - Growth in disposal/savings funds
 - Only a few municipalities in Register for Governmental Approval of Financial Obligations (ROBEK)
 - Increasing debt

Increase in tax revenues and costs



Growth in several types of income to the local governments from natural resources in 2022 increases inequity

Mill. euro. (Kroner divided by 11). Not equalized



New proposal – resource rent tax on aquaculture

- The Government has recently presented proposals on resource rent tax on aquaculture activity
 - Extraordinary and increasing profits over time
 - The Government proposes to set the tax rate at 35 percent
 - Revenues are based on market value which the companies themselves set for 2023
 - Half of the income will go to the municipal sector. The tax takes effect from January 1st 2023
 - The host municipalities will benefit. Some income will be equalized and some income will not be equalized between local governments

