



## NORWAY - July 2019

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### **COURT ORDERS OSLO TO REFUND INITIAL PROPERTY TAX BILLS ..... 1**

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#### **Court orders Oslo to refund initial property tax bills**

Norway's Supreme Court has ruled that the City of Oslo had no right to start charging income tax just months after a Labour Party-led coalition won the last municipal election in 2015. TV2 reported Wednesday afternoon that 55,000 Oslo property owners will now be reimbursed for the first tax assessments sent out in 2016.

The court ruled in favor of plaintiffs in a class-action lawsuit that challenged the property tax assessments and Oslo's first round of billings. They came too early, the court agreed, but questions remained whether only the plaintiffs in the class-action suit would be eligible for refunds.

Labour's city government leader Raymond Johansen told TV2 that his coalition will now propose that everyone hit by the unpopular new tax in 2016 would get their money back. It collectively amounts to around NOK 250 million that was earmarked for day care and elder care.

The city government was acquitted, however, on other charges that they've been illegally charging the tax to only those with the most highly valued property. That's because the standard deduction was set at NOK 4 million and has since risen to NOK 4.6 million. Plaintiffs argued that the property tax burden was not spread evenly among the population.

The court confirmed that local governments have broad power to set their own property tax rates and design their own property tax programs. Most all municipalities in Norway now charge property tax in addition to tax on individual net worth and a heavy one-time tax when real estate changes hands.