

# Income self assessment and taxes in Sweden

This pamphlet outlines the Swedish  
tax system and how it operates.  
It also tells you how to declare  
your income and how to pay tax on it.



**Swedish Tax Agency**



# How things work

Taxes have been around in Sweden since the Viking era. Our present system of income tax dates from the beginning of the 20th century.

We have other taxes besides tax on earnings. For example, we pay various taxes when we shop, including Value Added Tax (VAT). You can read more about our other taxes on pages 6 and 7.

## When you start work

When you start work, your employer deducts tax before you get your wage. Your wage slip shows how much your tax is. Employers pay this amount of tax to the Tax Agency every month. At the same time, they pay in employer contributions for each employee.

If your income varies from month to month, e.g. because of summer jobs, you can have your tax reduced (known as 'adjustment'). Your local tax office can give you further information about this.

When you have worked for 12 months, you will get an **income statement** from your employer at the beginning of the following year. The employer sends the same information to the Tax Agency. The statement shows your wage for the entire year and the amount of tax you have paid. In addition, you will be sent income statements from banks etc., showing the amount of interest you have received on your capital and how much tax the bank has deducted from this interest. Interest on capital is taxable. You will also be informed how much interest you have paid.

In April the Tax Agency sends you a self assessment (tax return) form. Much of the information on this form is already filled in, and you must check it.

The Tax Agency then goes through your self assessment and checks it against the information that has come in from your employer and from banks, etc. Much of this work is done by computer. If the Tax Agency is unsure about something in your self assessment, you will usually get a letter containing questions that you must answer.

After the summer the Tax Agency will notify you of the result of the check. You will also be told if you have paid too little tax or will be getting money back.

See pages 4-5 for further details of this procedure.

## Political decisions govern taxes

Our taxes and tax rates are decided by the politicians in the *Riksdag* (Swedish parliament) and by the municipal and county councils. Collection of taxes is the duty of the Tax Agency, which has offices all over the country. You should contact your tax office if you have any questions about taxes and self assessment.

Taxes go to the state, the county councils and the municipalities, and are used to pay society's expenses for things like education, care, defence and public administration. Much of the tax is returned in the form of pensions and benefits of various kinds. On the back page, you can find out more about how the taxpayer's money is used in Sweden.



### Self service 24 hours a day:

Website: [www.skatteverket.se](http://www.skatteverket.se)

Service phone: 020-567 000

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### Personal service:

Tax information: +46 (0)771-567 567

Switschboard: +46 (0)771-778 778

# The Swedish Tax Agency



The Swedish Tax Agency has office in many parts of the country. The number of employees is approximately 10,500.

The Tax Agency is accountable to the Government (Ministry of Finance) but is an independent authority. The Government cannot influence individual tax cases.

If you need information or forms and brochures, you should ask at your local tax office. They will also help you fill in forms.

## Guidance and checks

The tax administration envisages ‘a society in which everyone wants to do their share’. We know that most people are prepared to pay their taxes as long as everyone or nearly everyone does so. If we want to make sure that people remain willing to pay tax it is important that taxpayers are given proof that cheating is not worthwhile. For this reason, we try to make sure that the information sent in to the tax authority is, as far as possible, correct from the start. To this end, the Tax Agency provides **guidance** and performs **checks**.

The aim of the guidance we provide is to make it easier for everyone to avail themselves of their rights and to fulfil their obligations, e.g. by using information in brochures or on our website.

Checks are intended to deter people from cheating. If people and companies see proof that checks work, more people are willing to pay their taxes. Checking also enables us to correct mistakes found in the information sent to us.

## Population registration

Everyone who lives in Sweden is registered in the civic register (*folkbokföring*). The register contains details on all who live in Sweden and where they live. Civic registration is one of the tasks of the Tax Agency.

**The aim of civic registration.** Civic registration is very important to you. The fact that you are registered, and where you are registered, affects many of your rights and obligations, including the right to child allowance and health insurance. Civic registration also enables you to prove your identity and family circumstances, etc., by means of a civic registration certificate (*personbevis*) and other extracts from the records.

An important task of the civic registration service is to ensure that society has up-to-date information on the population. Information is passed on to other official bodies from the Tax Agency’s civic registers.

**Information in the registers.** Every tax office has a record of everyone living within its area. Details such as name, address, date of birth, family circumstances and place of residence are registered for each individual. Everyone registered in Sweden is given a civic registration number (*personnummer*) consisting of the date of birth (yy/mm/dd) followed by a fourfigure number for each individual.

The information in the public registers largely comes from public authorities. Hospitals, for example, tell the Tax Agency when a child is born, and registrars report marriages.

In some cases, the information is of a kind that you yourself must provide. For example, you have to report a move within one week, and the names of newborn babies have to be reported within three months of birth.



# Filing an income tax return

Everyone receiving an income is required to file a tax return (self assessment) the year after the income year. The income year is the year in which the income (e.g. wages or pensions) is paid out and your employer – or whoever pays out your pension – makes a tax deduction for it.

## At the beginning of April, the Tax Agency will send you:

- **A tax return form**

Everyone required to declare income will receive a tax return form, 'Inkomstdeklaration'. Many particulars on the form have already been filled in by the Tax Agency (Skatteverket).

- **An income specification**

This is a list itemising the income statements (kontrolluppgifter) sent to both you and the Tax Agency.

- **A preliminary tax estimate**

You will also get a preliminary estimate of your tax. It will be based on the information the Tax Agency has filled in on your tax return.

- **Payment slips**

In addition, you will be sent two tax payment slips that you can use if you need to pay more tax.

### Declare your income on the Internet or by phone

Some taxpayers can file their tax returns on the Internet. Visit [www.skatteverket.se](http://www.skatteverket.se) to find out who can use this service and how to proceed it.

If you don't need to make any changes, you can approve your income

If 2 May is a Saturday or Sunday, tax returns must be submitted by Monday at the latest.

**Last day!**  
**2 May**  
**by 24.00**

Income year	Assessment year (the year after the income year)	
	January	May
January-December	<p><b>In January</b>, you will be sent income statements for your earnings the previous year. Your employer sends the income statement both to you and to the Tax Agency. You will be sent your tax return form in April.</p>	<p><b>By 2 May</b> at the latest the Tax Agency must have received your income tax return.</p>



# How to fill out the form:

## • Check!

Check that all income statements are included in the specification sent to you and that the amounts are correct. Most of the information in the specification is also filled in on your tax return form.

## • Change!

Is any of the information which has been filled in incorrect or incomplete? There may, for example, be an error in the information which the Tax Agency has received, or some information may be missing. You must then make changes in the income tax return.

## • Add!

In the white boxes you must add information the Tax Agency has not been told, e.g. deductions for travel to and from work.

## • Sign it and send it in!

Specifikation till Inkomstdeklaration 1 för inkomstår 2003

Skatteverket

**Inkomstdeklaration 1**  
Inkomståret 2003

Senast måndagen den 3 maj 2004 ska deklarationen fyllas hos Skatteverket.

Läs först i "Dags att deklarera" hur du ska fylla i blanketten.

Kontrollera belopp som Skatteverket fyllt i. Om en uppgift är fel, stryk över den och fyll i rätt totalbelopp i vit ruta. **Andra eller lägg till uppgifter endast i vit ruta.**

1 Inkomster - Tjänst		4 Kapital	
Ön, förmåner, skopning m.m.	03	Räntebekostnader, utskattningar m.m.	50
Arbetsresor	04	Överskott vid utnyttning av privatbostad enligt bilagda K3	51
Arbetsresor och kostnader	14	Avdrag för ränteutgifter m.m.	53
Arbetsresor och kostnader	15	Avdrag för förvaltningsutgifter	61
Arbetsresor i pris för näringsdrivande samtycke, Lex, hotbyrå, tv-direkt eller andra bevakningsföretag	19	Överskott vid utnyttning av privatbostad enligt bilagda K3	57
Arbetsresor enligt bilagda K10, K4C eller N3A	22	Kapitalvinst	56
		Kapitalförlust	57

2 Avdrag - Tjänst		5 Förmögenhet	
Arbetsresor till och från arbetet	01	Sammanlagda förmögenhet	62
Arbetsresor till och från arbetet	08	Tillgångar	66
Arbetsresor till och från arbetet	09	Skulder	67
Arbetsresor till och från arbetet	06	Utländsk försäkring - Avkastningskatt	63

Almänna avdrag

Skatteskatt enligt 2004 års taxering S 04

Skatteskatt enligt 2004 års taxering S 04

Skatteskatt enligt 2004 års taxering S 04

Kontoutdrag

Skatteskatt enligt 2004 års taxering S 04

## More to pay or money back?

Between 15 August and 15 September, the Tax Agency issues a final tax statement (slutskattebesked) and a statement of account (kontoutdrag) to most of those who submitted tax returns.

If you have paid too much tax you will now get money back. If you paid too little you must pay in the money within 90 days.

## Everyone has a tax account

The tax account provided by the Tax Agency shows your preliminary tax figure based on income statements as well as your own tax payments, your final tax figure and other details.

## August–September

By mid-September at the latest, final tax statements (slutskattebesked) and statements of account (kontoutdrag) are sent out to most people who have sent in an income tax return. Those who have paid too much tax will now get their money back.

## December

By mid-December at the latest, final statements and statements of account are sent out to those who did not get them before. Those who have paid too much will now get their money back.



# Swedish taxes and contributions

## Tax on income from employment

Income from employment is the sum of all earnings deriving from your own work. This category includes:

- **Cash payments:** wages, sickness benefit and pension
- **Fringe benefits:** company car and food vouchers

You must declare your income from employment on your self assessment (tax return) form – see pages 4-5.

The tax on income from employment comprises **municipal tax** and **state tax**. Most people only pay municipal tax. The amount varies (approx. 29-35 per cent tax) depending on where in Sweden you live. State tax is paid by people with an income of approx. SEK 290,000 or more (20-25 per cent). In addition, everyone pays a **general pension contribution** (7 per cent).

### Relatively few deductions available

You can only deduct expenses that are directly associated with your work. You are never allowed deductions for personal living expenses. The most common deductions are for travel to and from work.

## Tax on capital income

Capital income includes:

- Interest and dividends
- Profits from the sale of shares, houses and tenant-ownership rights.

You must declare your capital income on the self assessment form. The tax on capital income is 30 per cent. If you have a mortgage you can deduct the interest on the debt.

### Sale of houses and tenant-ownership rights

If you sell your home, two thirds (2/3) of the profit is taxable. You can obtain a tax deferment (*uppskov*) if you buy an equivalent home no later than the year after the sale. If you have made a loss on the sale of

your home you can deduct 50 per cent of the loss when filling in your income tax return form.

## Wealth tax

You must pay wealth tax if (in 2002) you were:

- single, and your total capital plus that of your children living at home is over SEK 1,500,000;
- married or cohabiting, and your total capital is over SEK 2,000,000;
- married or cohabiting and you have a mutual child, and your total capital over SEK 2,000,000.

Wealth tax is 1.5 percent of everything over SEK 1,500,000 or SEK 2,000,000 respectively.

## Real estate tax

The state charges a real estate tax (property tax) on nearly all properties, including detached houses and holiday homes. The amount of real estate tax you must pay is shown in the preliminary tax estimate sent to you together with your income tax return form in April.

Real estate tax is **one per cent**. The amount to be charged is pre-printed on your tax return form.

### Real estate tax assessment

Every property is supposed to have a tax assessment value equivalent to about 75 per cent of the market value.

The tax assessment value is decided by the Tax Agency. **A general real estate tax assessment** is performed every six years, at which time all property owners must send in a real estate self assessment. Every six years from 2006, a **simplified real estate tax assessment** will be required.

The tax assessment value is also used to calculate wealth tax, inheritance tax and gift tax.

# Swedish taxes and contributions



## VAT

You pay VAT (Value Added Tax) on most goods and services. VAT is included in the price you pay. There are three VAT rates (2004): 25 per cent, 12 per cent and 6 per cent.

25 per cent VAT is charged on the sale of goods and services except in the case of

- food, hotels and camping (12 per cent)
- personal transportation, books, general newspapers, and certain goods and services in the cultural field (6 per cent).

Certain services are exempt from VAT, including:

- medical care, dental care and social services
- certain types of education, e.g. primary and secondary schooling and further and higher education
- banking and financial services
- insurance services.

## Selective taxes

Selective taxes (special consumption taxes) are charged on some goods. The selective tax is included in the price you pay.

For example, you pay selective tax on:

- fuel (petrol, oil, coal and bottled gas)
- energy
- alcohol
- tobacco.

## Self-employment

If you are self-employed, you pay the same tax on income as employees. You declare your business income on the self assessment (tax return) form.

Limited companies, however, pay 28 per cent tax on their profit.

## Deductions for the self-employed

You can make deductions for expenses you incur in order to maintain and develop your business activities.

## Social security contributions

Social security contributions are payable on all work income. A self-employed person pays his/her own

social security contributions in the form of **individual contributions** (approx. 31 per cent). Employers pay **employer contributions** for employees (approx. 33 per cent).

## Tax reporting

### VAT

Every month, most companies record the amount of VAT they have paid and the amount they have received in a special tax report (*skattedeclaration*).

### Employer contributions and tax deductions

If you are an employer, you must pay employer contributions and in most cases make tax deductions for the money you pay to your employees.

Every month, employer contributions and tax deductions are recorded in the tax report.

## Inheritance tax

If you receive an inheritance, you must pay inheritance tax on the assets the deceased person leaves you. The tax is higher on larger inheritances (in accordance with a fixed scale). People not closely related to the deceased also pay higher tax.

## Estate inventory

When someone dies, the estate of the deceased must draw up an **estate inventory** (list) of assets (personal property) and liabilities (debts). On the basis of this inventory, the Tax Agency then decides how much inheritance tax is due.

## Gift tax

If, for example, you are given property or cash worth over SEK 10,000 by a single individual in the same year you must pay gift tax.

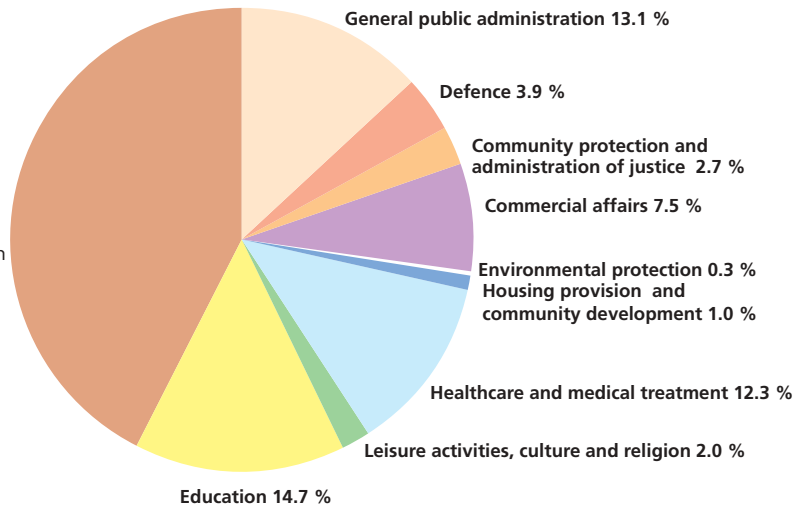
You must send in a gift tax return form no later than 2 May the year after you received the gift. The tax authority will then let you know how much tax you must pay. This depends on the value of the gift and on how closely related you are to the giver.

# How are taxes used?

Total: SEK 1,240,300m in 2001

## Social security 44.0 %

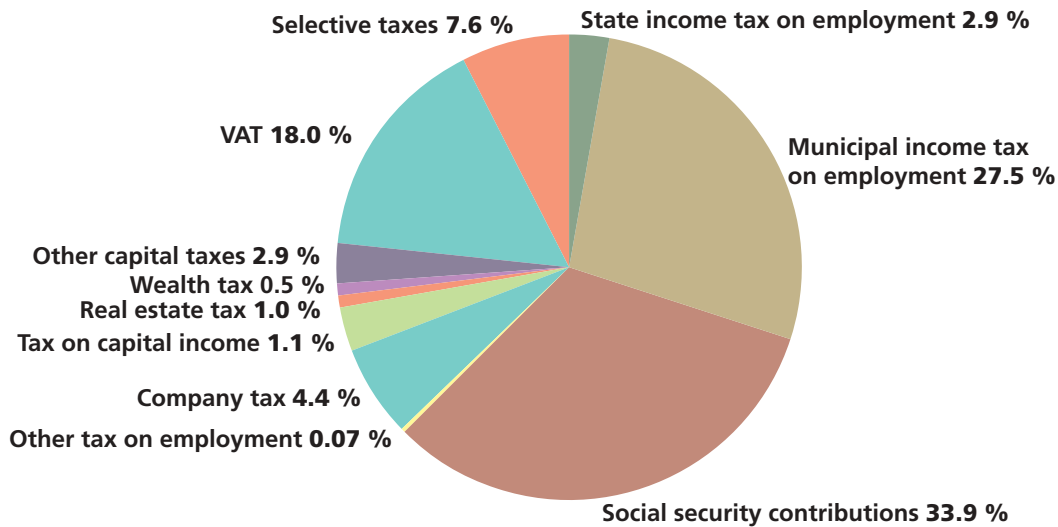
- Child allowance SEK 21,100m
  - Parental allowance SEK 16,700m
  - Unemployment benefit 23,900m
  - Sickness benefit SEK 38,600m
  - Pensions SEK 234,400m
  - Social benefit, incl. refugee support SEK 10,700m
  - Study allowance SEK 13,600m
  - Other social security SEK 167,700m
- e.g.
- Govt employment progs
  - Maintenance advances
  - Housing allowance
  - Disability support progs
  - Govt wage guarantees



Source: Statistics Sweden

# Distribution of taxes

Total: SEK 1,174,000m in 2001



Source: Statistics Sweden and Swedish Tax Agency

**Self service 24 hours a day:**  
 Website: [www.skatteverket.se](http://www.skatteverket.se)  
 Service phone: 020-567 000

**Personal service:**  
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