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Taxes in Iceland 2012

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1. Individuals

1. Individuals Residing in Iceland

Taxes and Payments

Income Tax and Municipal Tax

Income tax for individuals is divided into state income tax and municipal tax. Income tax and municipal tax are withheld and paid monthly. The tax rate for individuals is progressive as follows:

	Income Tax	Municipal Tax	Total
Step I: On the first ISK 230.000 (ISK 2.760.000 per year)	22,9%	14,44%	37,34%
Step II: On the next ISK 474.367 (ISK 5.692.400 per year)	25,8%	14,44%	40,24%
Step III: On any income over ISK 704.367 (ISK 8.452.400 per year)	31,8%	14,44%	46,24%

Should an individual work for more than one employer during the same tax period the employee has to inform each employer of the correct withholding percentage to ensure accurate tax payment.

Individuals who wish to file joint tax returns must take into consideration whether one individual's taxable income is below ISK 8.452.400 while the other person earns taxable income above this threshold. When this is the case, up to half the unused amount of Step II of the individual with the lower income is transferred to the individual with the higher income, up to ISK 2.846.200. These considerations do not apply to withholding tax, but are applied during the final tax assessment.

Below is an example of a tax assessment for a married couple/cohabitants based on their yearly income:

Taxpayer 1	Taxpayer 2
Taxable annual income ISK 6,300,000	Taxable annual income ISK 10,000,000
22.9% income tax is calculated on the first ISK 2.760.000	22.9% income tax is calculated on the first ISK 2.760.000
25.8% income tax is calculated on the next ISK 3.540.000	25.8% income tax is calculated on the next ISK 5.692.400
Taxpayer 1 has ISK 2.152.400 'unused' in step II.	25.8% income tax is calculated on the next ISK 1.076.200
Half of the 'unused' allowance in step II is transferred to Taxpayer 2.	31.8% income tax is calculated on the remaining amount of ISK 471.400

Children born on or after 1 January 1997 pay 6% income tax on income over ISK 100,745 per year and they are not entitled to personal tax credits.

Wealth Tax

In tax assessments 2012, 2013 and 2014, a special wealth tax will be levied on personal assets that are or were liable for tax at the end of 2011, 2012 and 2013.

The wealth tax is levied on the taxpayer's net assets:	
Net assets of individuals:	
ISK 0-75.000.000	0%
ISK 75.000.001-150.000.000	1,5%
Over ISK 150.000.000	2%
Net assets of married / cohabitating couples:	
ISK 0-100.000.000	0%
ISK 100.000.001-200.000.000	1,5%
Over ISK 200.000.000	2%

When calculating the wealth tax base, shares in companies that are registered on a stock exchange or on an organised trade market are valued according to their market value at the end of the year. If shares are owned in a company that is not registered on a stock exchange or on an organised trade market, the shares must be recorded as it is recorded in the company's tax return for operational years 2011 and 2012. If the value is higher at year end 2011 and 2012, the additional wealth shall be recorded in tax returns 2013 and 2014.

The assets of a child under 16 years of age in the tax year are to be filed with the child's parents' assets or with the person who receives child tax credits for the child. If the taxpayer's ability to pay tax is greatly reduced, he or she can, under certain conditions, apply for a reduction of the wealth tax base.

Contribution to the National Broadcasting Service

Every person between the ages of 16 to 69 with taxable income in 2011 must pay a contribution to the National Broadcasting Service.

The payment for the assessment year 2012 will be	**ISK 18.800**

Contribution to the Elderly Fund

Iceland maintains a special fund for the elderly, aside from pension contributions. Everyone between the ages of 16 to 69 with taxable income in 2011 must make a contribution to the elderly fund.

The payment in 2012 is	**ISK 9.182**

Capital Income Tax

The tax rate on an individual's capital income is	**20%**

Interest Income

Interest income derived from bank deposits, mutual and investment funds, bonds or other financial deeds, any kind of exchange rate profit and any other income from monetary assets are subject to 20% tax.

No tax is calculated on total interest revenue up to ISK 100,000 per year for an individual. This personal allowance is not applicable for withholding tax, but applies in the final tax assessment.

Dividends

Dividends are subject to a 20% tax rate.

In the event of share decrease or the liquidation of the company, payments to shareholders exceeding the purchase price are treated as dividends and as such are subject to 20% tax.

Rental Income

Rental income from residential properties and liquid assets is subject to 20% tax. Note that only 70% of rental income is subject to taxation. Individuals renting out residential property for a limited period of time can deduct the rental cost of the property by netting the cost they incur for personal housing against the income generated.

Renting out residential property is not considered a business operation or self employment for tax purposes unless the total depreciable tax base of the property amounts to ISK 29.324.700 for individuals or ISK 58.649.400 for married or cohabitating couples. These figures are inflation adjusted.

Capital Gains

Gains from the sale of privately owned property are subject to 20% tax.

Gains from the sale of private residential property are tax-exempt if they have been in the taxpayer's ownership for over two years.

In general, an individual's capital gains from the sale of privately owned liquid assets are tax-exempt.

Capital Gains from Sale of Shares

Capital gains from the sale of shares are subject to 20% tax.

Purchase of Employee Stock Options

An employee's gains from the purchase of employee stock options that have been acquired through employment are subject to progressive income tax. If certain conditions are met, the employee's gains derived from stock options will be taxed at the same rate as capital gains.

The conditions are:

1. The options rights are available to every employee in the company. The share certificates and employee's shares shall have the same rights as other share certificates and shares of the company.
2. The employee is permanently employed with the company or another company within the same consolidated company group.
3. At least 12 months have passed from the issue of options rights until they are exercised.
4. The warrant purchase price cannot be lower than the weighted average of the company's share transactions for ten days before the issue date.
5. The employee has to hold the ownership of the share certificates or shares for at least two years after the option rights are exercised.
6. The rights are not transferable.
7. Each employee's purchase cannot exceed ISK 600,000 per year.
8. An advance schedule about the warrants must be sent to the Internal Revenue Directorate for confirmation.

Allowances, Credits and Deductions

Personal Tax Credits

Every taxpayer of 16 years and older is entitled to personal tax credits.

Personal Tax Credits	
Personal tax credits for 2012	ISK 558.385
Personal tax credit per month	ISK 46.532

Should a person move to or from Iceland, he or she will receive personal tax credits for the period they reside in Iceland. The period is calculated in days.

Unused personal tax credits are transferable in full between married couples and cohabitants.

Individuals employed on Icelandic fishing boats or ships owned and run by Icelandic shipping companies are entitled to a special fisherman's allowance. The extra tax credit for fishermen amounts to ISK 493 per day in 2012.

Private Housing Benefits

Individuals who purchase premises for their personal use may be entitled to private housing benefits as a compensation for interest expenses.

In general, when calculating interest subsidies, the interest payments taken into account can never exceed 7% of the remaining value of the mortgage of a residential property at the end of the calendar year.

The amount of interest subsidies is based on paid interest on loans obtained for the purpose of financing the purchase of the individual residence.

The maximum interest payments for calculating interest subsidies are:	
Individuals	ISK 800.000
Single parents	ISK 1.000.000
Married/cohabitant couples	ISK 1.200.000

8% of the income tax base (total income base of couples) is deducted from interest payments. Added to that are wages and location allowance by Icelandic residents in full-time studies abroad. Interest revenues do not reduce interest payments when the interest subsidy is calculated, but they are included in the income tax base when calculating the reduction of the subsidy on account of income. Interest subsidies calculated in this way are proportionally reduced if net assets exceed:

For individuals/single parents:	
	ISK 4.000.000
No subsidies if assets exceed	ISK 6.400.000

For married /cohabitant couples:	
	ISK 6.500.000
No subsidies if assets exceed:	ISK 10.400.000

Maximum private housing benefit in 2012	
Individuals	ISK 400.000
Single parents	ISK 500.000
Married /cohabitant couples	ISK 600.000

The final private housing benefit is calculated in the tax assessment for the subsequent year. Please note that registration costs and stamp duties for mortgages or title deeds are not counted as interest payments, although lending charges are eligible for private housing benefits.

When calculating the private housing benefit for the year in which an individual acquires a residential property, the private housing benefit is calculated as beginning in the same quarter that the first mortgage for the property was paid. The limit for interest payments, income tax base and private housing benefits are calculated proportionally.

Special interest subsidy

In addition to the conventional mortgage interest subsidy, as described above, a special interest subsidy will also be included in the tax assessments in 2012. The subsidized interest rate is 0.6% of debt due to housing for personal use, to a maximum of ISK 200,000 for individuals and ISK 300,000 for married couples/ cohabiting and single parents.

Interest rate subsidies are not income related but subject to reduction if net assets exceed a certain value.

Individuals: ISK 10 million– no subsidy if net assets reach ISK 20 million.

Married/cohabitant couples: ISK 15 million– no subsidy if net assets reach ISK 30 million.

Child Benefits

Child benefits are paid the year after the child is born and until it reaches 18 years of age. Child benefits are income related.

Maximum annual child benefits for married couples/cohabitants:	
For first child	ISK 152.331
For each subsequent child	ISK 181.323

Maximum child benefits for single parents:	
For first child	ISK 253.716
For each subsequent child	ISK 260.262

Child benefits are reduced if annual income exceeds:	
Married couples/living together	ISK 3.600.000
Single parents	ISK 1.800.000

Reduction percentage:	
One child	3%
Two children	5%
Three children or more	7%

In addition to the above, income related Child benefits is paid for all children younger than 7 years. The amount is ISK 61.191 per year for each child and the reduction percentage is 3% for every child.

The income base for calculating child tax benefits consists of the general income tax base and net wealth.

Individuals who live abroad but are domiciled in Iceland for tax purposes, e.g. students, may be eligible to receive child benefits, but only up to the point that the child benefits are higher in Iceland than the equivalent payments in the relevant country.

Car Allowance Deductions

Employees' verifiable operating costs of their car used in the service of their employment are deductible from the car allowance provided by employer to certain employees. To qualify for the deduction, the employee needs to keep a daily driving log and detail total costs and usage as explained in form RSK 3.04.

The maximum available deduction from the car allowance is ISK 117,5per km. Please note that this amount may vary during the year and also that special rules apply when driving off road.

The deduction cannot exceed the car allowance received. If the costs are lower than the allowance the difference is treated as taxable income. If the car's yearly mileage is less than 3000 km a detailed breakdown on operating cost is not required.

Per Diem Payments

Per diem payments are paid for employees' occasional travels outside of their contractual place of work. The payments should cover the employees expenses incurred by being away from home, including costs for accommodation, food and other travel related expenses. Employees can report deductions against the per diem payments as stated in the Principal Tax Rates published by the Internal Revenue Directorate. Tax does not have to be withheld from per diem payments as long as the payments are not higher than stipulated in the Principal Tax Rates. If the payments are higher, the difference is liable to withholding tax.

Pension Fund Contributions

Every employee from 16 to 70 years old and every employer must contribute to a pension fund. The minimum contribution is 12% (4% for employees and 8% for employers) of all employees' and self employed persons' remunerations. The employee's contribution (4%) is deducted from his or her taxable income. Employment benefits and payments for refund of paid expenses are not counted as taxable income in this context.

In addition to the minimum contribution, an employee can contribute and deduct up to an additional 2% from his or her taxable income, as long as the contribution is used to increase his or her pension rights. This additional contribution can be paid into a private pension fund.

Should the employer's contribution to the pension fund exceed 12% of the employee's remuneration, and also exceed ISK 2,000,000 per year, the excess shall be calculated as taxable income.

Temporary employees from EEA member countries who are employed by foreign employers are exempt from pension fund contributions if they complete an E-101 certificate.

Improvement Benefits („Allir vinna“)

Those who have been working on improvements to their homes are entitled to Improvement Benefits in the 2012 general assessment. The benefit amounts to 50% of the contractors work without VAT. The benefit does not exceed ISK 200.000 for individuals and ISK 300.000 for couples.

Taxable Benefits

Car Benefits

Should an employer provide his or her employee with a motor vehicle at his or her full and unlimited disposal, the employee has to report car benefits for tax purposes.

The car benefits are calculated as a percentage of the car's estimated value:	
Cars taken into use in 2010 or later:	26%
Cars taken into use in 2007-2009:	21%
Cars taken into use in 2006 or earlier:	18%

If an employee pays the operating expenses of the vehicle he or she uses, the percentage should be lowered by 6% of the price of the vehicle as listed in the Internal Revenue Directorate's Vehicle Register. The year of manufacture is considered the year of registration for second-hand imported vehicles. Monthly benefits are 1/12 of the benefits as calculated above for every month, and apply when the car is in use for only a part of the year.

Housing Benefits

If an employer provides his or her employee with accommodation, it must be reported as income on the employee's tax return. The income is calculated as 3.5%, 4% or 5% of the real estate value of the accommodation in question. The percentage is calculated according to the location of the accommodation (it is 5% for accommodation in Reykjavik).

Assessment and Payment of Tax

The income year is the calendar year.

The final assessment should be completed no later than ten months after the end of the income year.

Dividends and interest income are capital gains and are liable for withholding tax. Rental income, other capital gains and other income from assets are not liable for withholding tax.

When the tax return deadline has expired, the Internal Revenue Directorate calculates a taxpayer's income tax according to the tax return submitted. Withholding tax on salary and capital income is deducted from the final tax assessment. If these items are higher than the final tax assessment the difference is used towards tax debt repayment and/or the taxpayer is refunded.

Applying for Income Tax Relief

Taxpayers and dependent individuals between 16 and 21 years of age, who are students or have for some other reason such low income that they cannot support themselves, can apply to the Internal Revenue Directorate to have their income tax base reduced. No deduction is available if the dependent is in a field of study eligible for student loans. The maximum income tax base reduction available in 2012 is ISK 317.000. One third of the individual's income is deducted from that amount so that if his/her income reaches ISK 951.000, the tax base deduction is no longer available.

The Internal Revenue Directorate can also, in other circumstances, reduce an individual's income and municipal tax base. Those special circumstances are:

Sickness, accident, old age and death:

If any of the above reduces the taxpayer's ability to pay tax.

Sickness or disability of a child suffering from a chronic disease:

A condition for deduction is production of verifiable records of expenses incurred by supporting the child that exceed the normal costs of raising a child.

Caring for parents or other family members:

A condition for deduction on account of the above is production of verifiable records of expenses to corroborate incurred costs of supporting parents or other family members.

Damage of property:

If the taxpayer has suffered considerable damage to his or her property, for which he or she did not receive compensation.

Loss of due claims that are not business-related.

The tax base reduction application needs to be submitted with the tax return on form RSK 3.05. The form contains information on which documents are needed to support the application.

Miscellaneous

Inheritance Tax

Inheritance tax is 10%.

No inheritance tax is levied on the first ISK 1.500.000 of an inheritance. If the inheritance is paid out before death, a flat rate of 10% is levied on the total amount without any minimum allowance.

The tax base is the net value of all financial assets and properties owned by the deceased at the time of his or her death (after debts and expenses have been deducted). The value is decided by the market value of the asset in question. Property value is based on the Property Register.

Inheritance tax is not paid on assets left to a surviving spouse or cohabitant, or on any pension that the surviving spouse or cohabitant receives.

The estate of the deceased is taxed as a corporation, with a 36% tax rate.

Individuals with Limited Tax Liability

Limited Tax Liability

Limited tax liability applies to individuals who are not domiciled in Iceland but are liable to pay income tax derived from income earned in Iceland, irrespective of any income they may be earning elsewhere at the same time or within the same calendar year. Double taxation treaties incorporate various clauses that allow for the exemption of income tax on such income, which without such treaties would be taxable in Iceland.

Tax Rates – Tax Collection

Non-residents who stay in Iceland temporarily and earn an income are subject to local income tax on those earnings. The income tax rate is the same as for local taxpayers, which is 22.9% to 31.8%, depending on income. In addition to income tax, a municipal tax of 14.44% is levied. These individuals are entitled to a personal tax credit in direct proportion to the days they reside in Iceland.

By presentation of a completed E-101 certificate, employers of individuals from EEA member countries are subject to a lower rate of social security contribution. This exemption is dependent on equivalent payments being made in the individual's country of residence.

Individuals in Iceland who are involved in operating a permanent business or receive a share of the profit of operating such a business, pay 22.9% to 31.8% income tax on the income tax base. Municipal tax is paid to the municipality where the majority of the earnings were earned. No personal tax credits are available.

A 20% capital gain tax is levied on capital gains from real estate, capital gains from shares, and dividends.

Interest income is subject to 10% tax. No tax shall be levied on interest income up to 100.000 ISK

Rental income from residential properties and liquid assets is subject to a 20% tax rate. However, no tax is levied on 30% of an individual's income derived from renting a residential property.

Directors' Fees, etc.

There is an 18% income tax, as well as municipal tax, levied on remuneration for directors, remuneration for financial advisors acting in a management position or other committee work, severance pay, funding or equivalent payments for services or business in Iceland.

Pensions and payments from the national insurance fund are taxed as income, i.e. 22.9% to 31.8%, plus municipal tax. Personal tax credits may be used for income tax on pensions and insurance payments. If the personal tax credits are not used in full, the unused part can be used against municipal tax levied on the same income. Any personal tax credits remaining unused become invalid and cannot be transferred between spouses unless both of them are receiving pensions or social insurance payments.

Entertainment, etc.

Individuals who receive payments for entertainment or sporting activities as profit shares pay a 15% income tax on gross payment, plus municipal tax.

Tax Release on Grounds of a Double Taxation Treaty

To apply for exemption from tax liability in Iceland on grounds of provisions in a double taxation treaty, form RSK 5.42 must be completed and returned to the Internal Revenue Directorate.

In cases where taxes have already been withheld in spite of grounds for exemption, an application under double taxation agreements for a refund of taxes paid in Iceland can be filled out by completing and submitting application form RSK 5.43 to the Internal Revenue Directorate.

Withholding Tax Collection

Income tax for individuals is divided into state income tax and municipal tax. Income tax and municipal tax are withheld at source monthly. Dividends are also subject to withholding tax at source.

Assessment and Payment of Tax

Individuals working in Iceland as employees subject to limited tax liability need to provide a tax return when leaving the country and are subject to a tax assessment.

2. Corporations

2. Corporations

Income Tax

Tax Rates

In the 2012 income year, the tax rate for limited liability companies and limited partnership companies is 20%. The tax rate for other corporations (e.g. partnerships) is 36%.

Taxable Income

Corporations pay tax on their income less operating expenses. Deductible operating expenses comprise all the expenses and costs needed to provide, insure and maintain the income.

Capital Gains from the Sale of Shares

Capital gains from the sale of shares are treated as taxable income in the year the sale takes place.

Limited liability companies, privately owned companies, limited partnership companies (independent tax entity), reciprocal inter-insurance companies, cooperative societies, other cooperatives and cooperative chains can deduct capital gains, incurred by the sale of shares, from their income. The same applies to capital gains that corporations of similar company structures, with limited tax liability in Iceland, that are domiciled in another EEA member country, in the EU or in the Faroe Islands, have incurred by selling shares.

The above is valid regardless of whether the capital gain is incurred by selling shares in companies registered in Iceland or abroad, as long as the seller can show that the non-resident company's capital gain has been subject to similar taxation as it would have in Iceland and that the tax percentage is not lower than the tax percentage in any member state of the OECD, EEA or EFTA.

Dividends

Public limited companies and private limited companies can deduct from their taxable income received dividends from limited liability companies and limited partnership companies, under certain conditions. The same applies to dividends received from abroad if the company's profits that are being distributed have undergone similar tax treatment as they would have if distributed in Iceland. The tax percentage on the non-resident company's profits cannot be lower than the general tax percentage in any member state of the OECD or the EEA.

Partnerships cannot deduct received dividends and a 20% tax is applied on dividend income (instead of 36%).

Dividends as Remuneration

Taxpayers who are required to determine remuneration for themselves as self employed shall file 50% of the received dividends, as per laws on limited companies, as salary income in step 2 (40,24%) insofar as the company's allowed dividend distribution totals more than 20% of its tax net worth (book value) at the end of the fiscal year. This income is not subject to social security contribution or pension fund contribution and cannot be deducted as cost for the employer.

Asset Depreciation Percentage

	Minimum-Maximum 2012
Ships, ship equipment and personal vehicles	10%-20%*
Aircraft and accessories	10%-20%*
Heavy machinery, industrial machinery and equipment	10%-30%*
Rigs, pipeline systems and other equipment used for research and production of hydrocarbons	10%-30%
Office equipment	20%-35%*
Machinery, equipment and vehicles that are not covered in the above categories	20%-35%*
Residential, commercial and office accommodation	1%-3%
Factory buildings, garages, warehouses, etc.	3%-6%
Purchased proprietary rights for ideas and trademarks, such as copyrights, publishing rights, information rights, patents and logos	15%-20%
Purchased goodwill	10%-20%

*The depreciation base for these assets is their purchase value less prior depreciation (book value).

Purchased fishing rights (quotas) cannot be depreciated. Start-up costs for agricultural production rights can be depreciated without revaluation with steady payments over five years.

The following assets can be depreciated in full in the year they are initiated or paid with steady payments over five years:

a) Start-up costs, such as enterprise registration and obtaining operation licences.
b) Cost of research, development, marketing, obtaining patents and trademarks. If the use of individual assets does not fall into the same depreciation category, the depreciation base will be dependent on how much of it is used, so that if an asset is used for three-quarters or more for the same operation, the whole asset will have the same depreciation percentage.

Joint Taxation for Companies

Companies can apply for joint taxation if the parent company owns at least 90% of the subsidiary company or if the parent company and the subsidiary company together own at least 90% in another subsidiary and the companies share the same fiscal year. The ownership must have lasted the full fiscal year, except in the case of a newly formed or a liquidated subsidiary. Joint taxation is granted for five years at a time. If joint taxation is terminated, at least five years must pass until it can be granted again. In joint taxation, each year is evaluated before losses from earlier years are taken into account. The losses of a company under joint taxation are evaluated in proportion to the profit of the companies.

Transfer Pricing

The statutory authority for addressing transfer pricing issues is found in the application of general legal concepts, such as the anti-avoidance rule. In Article 57 of the Icelandic Income Tax Act no. 90/2003 (originally included in the tax code in 1971) there is a general anti-avoidance rule that states that business transactions between all parties should be based on the arm's length principle. With reference to the general concept of this Article, tax authorities can, in cases where transfer prices are not at arm's length, adjust the taxpayer’s revenues and expenses in order to reflect market value. These adjustments can be performed only within the domestic statute of limitation period, i.e. six years. Authorities have based their transfer pricing conclusions on Article 57.

The Income Tax Act includes several separate rules that can be identified as transfer pricing rules, but those rules generally concern transactions between individuals and not companies, including a rule that obligates employees who receive their wages in kind to account for them on their tax return based on market value.

Tax Credit for Innovative Companies

The objective of Act no. 152/2009 on support for innovative companies is to improve the competitive conditions of innovative companies and to foster research and development work by providing innovative companies with a right to tax credits in respect of costs of innovative projects. An innovative company must obtain confirmation with the Icelandic Centre for Research in order to qualify for a special tax credit against assessed income tax of 20% of the paid cost of its research and development projects. As a general rule, the maximum deductible cost is ISK 100.000.000 per operational year.

Controlled Foreign Company

Any individual who either directly or indirectly owns a share in any kind of a company, fund, or organization domiciled in a low-tax jurisdiction must pay income tax on the profit of such corporations in direct proportion to his or her own share, regardless of distribution. The same applies to taxpayers chairing companies, funds, organizations or associations in low-tax jurisdiction, from which they receive direct or indirect benefits. In order for the above to apply, the foreign party must be domiciled in the low-tax jurisdiction; half the ownership of the foreign party must be directly or indirectly in the hands of Icelandic taxpayers, or they must have effective management and executive control during the income year. Controlled Foreign Company regulations do not apply if a fund or an organization is protected by a double taxation treaty between Iceland and the low-tax country or if such entities are registered in another EEA member country where they have legitimate business operations and the countries have assigned a double taxation treaty between them.

Tax Losses

Tax losses can be carried forward for 10 years and can be deducted from the operating revenue if satisfactory clarification has been made for the tax losses in the year the losses were generated.

Assessment and Payment of Tax

Income tax is paid on income during the calendar year prior to tax assessment. However, in certain circumstances, the Internal Revenue Directorate can allow a different fiscal year from the calendar year.

At the beginning of every year the finance minister, in conjunction with the Internal Revenue Directorate, advertises the final date for tax assessment. The final assessment must be finalized no later than ten months after the end of the income year.

Payment according to the assessment is split between two payment dates, 1 November and 1 December following the tax assessment.

At the beginning of every year, the Internal Revenue Directorate determines the time period available to taxpayers for submitting their tax returns and supporting documentation.

Advance tax payments are due on the first day of every month, except January and the month when the annual assessment is finalized. Corporations pay income tax in advance, which is in turn deducted from the final tax assessment. The advance tax amounts to 8.5% of the 2011 income tax on each due date. In total the advance tax payments amount to 68% of the income tax for 2011.

Income tax payments on dividends and interest income are due every quarter. Due dates are 20 April, 20 July, 20 October and 20 January, and the final deadline for payment is 15 days later.

Debt Write-off

Temporary provisions in Icelandic tax law allow corporations to make a credit entry for only 50% of debt write-off totalling ISK 50,000,000 and 75% of debt write-off for amounts over ISK 50,000,000 in income years 2009-2012. The requirement for the provision is that the debt is business-related and that operating losses and transferable losses have been used.

The debt write-off can be carried forward from the income year 2010 to the income year 2014. The transferrable amount that can be carried forward on a yearly basis is the amount that exceeds the transferable operating losses and the possible operating loss, tax depreciation and write-down each year. All assets that can be depreciated have to be depreciated and all possible write-downs on receivables and stock have to be done to fulfil the requirements of the provisions. No dividend can be distributed for the income years 2010-2014 and the company can also not be merged, wound up or be jointly taxed with another company during the period. At the end of this five year period, i.e. at the end of the income year 2014, it will be possible to transfer any debt write-off that exceeds ISK 500.000.000 as profit with an equal amount each year from the income year 2015 to the income year 2019. If the write-off does not exceed ISK 500.000.000, the amount will not be subject to taxation.

Other Taxes and Duties

Employer’s Contributions into Pension Funds

The minimum contribution by employers into their employees’ pension funds is 8% of each employee’s salary. An employer’s extra contribution into private pension funds is usually 2% against a contribution from employees.

Social Security Contributions

The social security contribution paid by employers for 2012 is 7,79%. An additional social security contribution for fishermen is 0.65%. The social security contribution for taxpayers who have submitted the E-101 form is 0.675%.

If remuneration or paid salary to others does not amount to ISK 504.000 per year, the taxpayer can pay the social security contribution with one payment at the end of the year instead of paying monthly instalments.

Agriculture Duty

The agriculture duty base is the turnover of duty liable for producers of agricultural produce and associate services. The agriculture duty percentage is 1.2% of the duty base.

Financial Activities Tax (FAT)

A 5.45% tax will be levied on all salary payments made by financial institutions, including insurance companies. The tax will be collected monthly, on 1 April 2012 for the first time (for January, February, and March).

A temporary addition to FAT

In 2013, an addition of 6% to FAT will be levied and collected on total salary payments that exceed ISK 1 billion. This tax is paid by the same entities that are subject to the general FAT.

Bank tax and an additional bank tax

Financial services permitted to operate as banks and savings banks are subject to 0.041% tax on total debt at year end.

In 2012 and 2013, an additional special 0.0875% tax will be collected from financial services permitted to operate as banks and savings banks.

Tax on pension funds

In assessment years 2012 and 2013, a 0.0814% tax will be levied on net wealth of all pension funds. The tax for 2012 was pre-collected on 31 December 2011, and the next due date is 1 November 2012 for assessment year 2013.

Accommodation tax

An accommodation tax was introduced on 1 January 2012. Those who sell accommodation that is subject to VAT are liable to collect and return a tax of ISK 100 for each sold night.

Carbon Tax

A carbon tax for liquid fossil fuels is paid to the treasury. Liquid fossil fuels are gas and diesel oils, petrol, aircraft and jet fuels and fuel oils. All importers of fossil fuels are liable for the carbon tax regardless of whether it is for retail or personal use. The tax rate is:

Carbon Tax
ISK 5.75 per litre of gas and diesel oils

ISK 5.00 per litre of petrol
ISK 4.10 per litre of aircraft and jet fuels
ISK 7.10 per kilo of fuel oil

Carbohydrate Tax

Corporations licensed for carbohydrate investigations, research and/or processing, as well as anyone who directly or indirectly participates in the processing or distribution of carbohydrates, must either pay a processing tax, which is independent of processing performance, or a carbohydrate tax, which is collected after the processing starts making a profit.

Limited Tax Liability

Limited tax liability refers to corporations that are not domiciled in Iceland but are liable to pay income tax on income derived in Iceland regardless of any other income they may be earning elsewhere at the same time or in the same calendar year. Double taxation treaties incorporate various clauses that allow for the exemption of income tax on such income, which without such treaties would be taxable in Iceland.

Tax Rates – Withholding Taxes

Non-resident corporations receiving payments for services or business operations in Iceland and corporations operating a permanent establishment in Iceland, participating in the operation of a permanent establishment or receiving a profit from such establishments, are subject to income tax for their Icelandic income at the same rate as applies to resident corporations. Income tax is levied on the income tax base, i.e. income less the allowed deductions. The following tax rates apply:

- 20% income tax for limited liability companies or private limited liability companies.
- 36% income tax for other corporations, such as certain cooperatives, limited partnership, partnerships companies, funds and estates of the deceased.

Non-resident corporations that receive dividends or capital gains from shares in Iceland are subject to 18% withholding tax on their income. Withholding tax on dividends and capital gains is a temporary payment towards the final tax assessment. Corporations domiciled in countries within the European Economic Area are entitled to certain tax-free allowances against received dividends and capital gains. Non-resident corporations wishing to take advantage of tax-free allowances must file a tax return in the same way as Icelandic corporations and file received dividends and capital gains deductions against equivalent income. Prepaid withholding tax will thus be refunded after the final tax assessment in November the following year.

Capital gains and rental income from real estate is subject to a 20% income tax. This tax is not withheld but levied during the final tax assessment.

The interest revenue of foreign parties is subject to 10% withholding tax. The gross worth of the revenue is liable for tax and no tax-free allowance is available. The withholding tax is paid in full and the revenue has no further tax liability. It should be noted that the definition of interest revenue is very comprehensive in Icelandic tax laws and covers interest revenue from bank accounts, stock and investment funds, bonds and other claims and financial activities. The same applies to capital gains from securities other than share holdings.

Income from rent, use, or utility rights of patents is subject to 20% withholding tax. This refers to gross worth of the income and no tax-free allowance is available. The withholding tax is paid in full and the income has no further tax liability.

Withholding Tax Collection

When returning withholding tax on account of limited tax liability, form RSK 5.41 must be completed and returned to the Internal Revenue Directorate.

Double Taxation Treaties

Treaties concluded with other countries in order to avoid the double taxation of income incorporate various clauses that allow for the exemption of income tax on income, which without such treaties would be taxable here. The case can be that tax liability is transferred to the contracting country, as per Article 3 of the Act on

Income Tax, or that the income of tax liable corporations becomes subject to limited tax liability in Iceland, as per Article 1 of the Act.

Iceland has concluded double taxation treaties with the following countries / territories:

Belgium	Estonia	Republic of Ireland	Isle of Man**	Spain
Bermuda**	France	Italy	Netherlands	South Korea
British Virgin Islands**	Germany	Jersey**	Nordic Countries*	Switzerland
Cayman Islands**	Guernsey**	Latvia	Poland	USA
Canada	Greece	Lithuania	Portugal	UK
China	Greenland	Luxembourg	Romania	Ukraine
Croatia	Hungary	Malta	Russia	Vietnam
Czech Republic	India	Mexico	Slovakia	

*Treaty between Finland, Norway, Sweden, Denmark, Faroe Islands and Iceland.

**Agreement on the exchange of information with respect to taxes.

Exemption from Tax Liability on Grounds of a Double Taxation Treaty

To apply for exemption from tax liability in Iceland on grounds of a double taxation treaty, form RSK 5.42 must be completed and returned to the Internal Revenue Directorate.

In cases where taxes have already been withheld in spite of grounds for exemption, an application under double taxation agreements for a refund of taxes paid in Iceland can be filed by completing and submitting application form RSK 5.43 to the Internal Revenue Directorate.

Value Added Tax - VAT

Value added tax, or VAT, was established in Iceland with the Value Added Tax Act no. 50/1988 which came into force on 1 January 1990. VAT is an indirect consumption tax levied on all stages of domestic business transactions. VAT is levied on all goods and services, as well as on the imports of goods and services, unless a specific exemption applies.

VAT – Tax Rate

The general VAT rate is 25.5%.

The following goods and services are subject to a reduced VAT rate of 7%:

- Rental of hotel and guest rooms and other accommodation
- Subscription to radio and television
- Newspapers, periodicals and magazines
- Books, both Icelandic and translated, musical notation as well as their audio recordings. Same applies to compact discs and other similar media as well as electronic media.
- Geothermal hot water, electricity and fuel oils used for heating houses and swimming pools
- Food and other consumables for people as detailed in an addendum to the Value Added Tax Act
- Access to roads and other transport related constructions
- Compact discs, records, audiocassettes and other equivalent mediums for music only and not videos. Same applies to electronically published music without video.

VAT Taxable Entities

Businesses engaged in the trade of taxable goods and services for business purposes must register and collect VAT.

Services Exempt from VAT

The Value Added Tax Act details certain services that are exempt from the tax, such as healthcare services, social services, the operation of schools, various education services, cultural activities, athletic activities, passenger transportation, postal services, sale of real estate (not including the rental of hotel and guest accommodation), rental of car workshops, insurance activity, services of financial banks as well as securities trading, lotteries and betting pools, artistic activities, services of travel agencies, funeral services and all services of ministers of the church.

Those selling taxable goods and services totalling less than ISK 1,000,000 per year are also exempt from paying VAT.

Agents for Non-Resident Parties

Non-residents who are engaged in taxable transactions in Iceland but are neither domiciled nor have permanent residence in Iceland, must appoint VAT agents with residence in Iceland to report on their behalf. Both parties are liable for the VAT payments (responsible for ensuring remittance of VAT). If a non-resident does not appoint a VAT agent, the purchaser of the services/goods is responsible for paying the VAT (reverse charge).

Tax Base

Tax base is the price the buyer pays for goods or services before VAT is added and before any costs or service expenses are deducted from the price. VAT is therefore added to the sales price.

Taxable and Zero-rated Turnover

VAT is levied on all taxable turn-over. As per Article 12 of the VAT Act, the following are zero-rated:

1. Export of goods and services. Output tax is neither levied on goods exported from the country nor on and services provided abroad.
2. Transport of goods between countries. The same applies to domestic transport of goods when the transport is part of a contract for the transport of goods between countries.
3. Production of goods at the expense of a foreign party when the production company exports the goods upon completion, as well as the processing and formation of goods at the expense of a foreign party when the production takes place abroad.
4. The design, planning and other comparable services related to construction and other real property abroad.
5. Provisions, fuel, instruments and other equipment delivered for use on board of inter-country vessels, as well as the service provided to such vessels. This exemption does not cover fishing vessels selling their catch abroad, pleasure boats or private aircraft, only vessels used for the transport of freight.
6. The sale and leasing of aircraft and ships. This exemption does not cover boats less than six metres in length, pleasure boats or private aircraft.
7. Shipbuilding and repair and maintenance work on ships and aircraft and their fixed equipment, as well as materials and goods used or provided by the company providing the repair work. This exemption does not cover boats less than six metres in length, pleasure boats or private aircraft.
8. Contractual payments from the Treasury related to the production of milk and sheep farming.
9. Services provided to foreign fishing vessels related to the landing or sale of fish catches in Iceland.
10. A service of refunding VAT to parties domiciled abroad.
11. Sales of services to parties neither domiciled nor having a venue of operations in Iceland, provided that the services are wholly used abroad. A taxable service provided in connection with cultural activity, arts, sports, education and other similar activity taking place in Iceland, and is tax-exempt cf. Paragraph 3, Article 2 of this Act, is always deemed as being used here. Sales of services to parties neither domiciled nor having a venue of operation in Iceland is, in the same manner, exempt from taxable turnover, even if the service is not wholly used abroad, provided the

purchaser could, if its operations were subject to registry in Iceland, count the value added tax on the purchase of the services as part of the input tax, cf. Articles 15 and 16. The following services fall under this point:

- The sale or lease of copyright, patent rights, registered trademarks and copyrighted designs and the sale or lease of other comparable rights.
- Advertising services.
- Services of consultants, engineers, lawyers, accountants and other similar specialized services as well as data processing and delivery of information, except for labour or services related to liquid assets or real property in Iceland.
- Electronic services: these services are considered used where the buyer is domiciled or having a venue of operations; the same applies to data centres' sale of mixed services to buyers neither domiciled nor having a venue of operations in Iceland.
- Obligations and duties related to business or production activity or the use of rights listed under this point.
- Employment agency services.
- The rental of liquid assets, except for means of transport.
- The services of agents acting on behalf of others and for their account with regards to the sale and delivery of services listed under this point.
- Telecommunications services.

VAT Accounting Periods and Due Dates

VAT is filed and paid on a bi-monthly basis for the following periods: January and February; March and April; May and June; July and August; September and October; November and December. The due date for payment of VAT is one month and five days after the end of the settlement period. For example, the due date for the January and February payments is 5 April.

If VAT is not paid on the due date, a 1% penalty charge is added for every day up to a total of 10%. Late penalty interests also apply.Should the total input tax exceed the total output tax the Treasury will refund the difference within fifteen days from the due date.

Those selling goods and services totalling less than ISK 3.000.000 during a full calendar year can remit the VAT payments on a yearly basis. The due date for filing and paying is 5 February each year.

Parties that do not file a VAT report within the required deadline will have their VAT estimated. The tax authorities are allowed to deregister parties off the VAT register if they have had their VAT estimated for two years or longer.

If a VAT report is submitted after the tax authorities have estimated VAT, a penalty of ISK 5.000 is imposed.

VAT Reimbursement

Under the provisions of Regulation no. 288/1995, issued by the Ministry of Finance, foreign enterprises, which are neither domiciled in Iceland nor have a permanent establishment here, may obtain reimbursement of VAT paid on goods and taxable services which have been purchased or imported for the commercial purposes of such enterprises in Iceland after 1 March 1995.

Such reimbursement can be effected to foreign enterprises that would be subject to registration in Iceland according to Article 5 and Article 6 of the Value Added Tax Act if the enterprises in question were engaged in such business in Iceland. This means that such enterprises as travel agencies, insurance companies, banks and other financial institutions cannot obtain such reimbursement.

Another prerequisite shall be that the enterprise shall have sold neither goods nor taxable services in Iceland during the period to which the application refers.

Any reimbursement of VAT to foreign enterprises shall be only to the same extent as Icelandic enterprises can include the VAT on purchases of a corresponding nature in the tax on purchases according to Article 15 and Article 16 of the Value Added Tax Act.

No reimbursement shall thus be granted in respect to VAT on purchases relating to meals for the owners and employees of the enterprises or relating to entertainment expenses and presents.

Parties domiciled abroad can get partial VAT reimbursement on goods they have bought in Iceland if they take them abroad with them within three months from the date of purchase. They then must provide the goods, along with any necessary documents, to the appropriate reimbursement company or to the customs authorities on the date of departure and the purchase price must amount to at least ISK 4.000.

3. Miscellaneous

3. Miscellaneous

Company Types

Iceland allows various types of companies to operate but the most popular types of business entities are limited liability companies, both public and private. This type of company can be set up in one to four days with relatively few formalities. Prices for set up and registrations vary depending on the type of company. The following paragraphs give detailed information about the main types of companies in Iceland.

Public Limited Companies

The minimum share capital required to establish a public limited company is ISK 4.000.000. A minimum of two shareholders is a requirement. The registration cost is ISK 256.000. Shareholders are not personally liable for the company's commitments.

Private Limited Companies

The minimum share capital required to establish a private limited company is ISK 500.000. One person/legal entity can be the sole shareholder. The registration cost is ISK 130.500. Shareholders are not personally liable for the company's commitments.

Cooperatives

There is no minimum contribution capital. There must be at least two associates. The registration cost is ISK 89.000. A stamp duty of 2% of contributed capital, with a minimum requirement of ISK 100, is levied. All associates carry direct, undivided and unlimited liability for the cooperative's commitments in solidum.

Limited Partnerships

There is no minimum contribution capital. There must be at least two associates. The registration cost is ISK 89.000. A stamp duty of 2% of contributed capital, with a minimum requirement of ISK 100, is levied. At least one partner must carry direct, unlimited liability for the company, while the liability of other partners is determined as a ratio of share contributions.

Foreign Currencies

Financial Statements / Accounting in Foreign Currencies

Companies can apply to the Registry of Annual Accounts for an authorisation to keep their books and prepare their annual accounts in a foreign currency. An application must be filed no later than two months before the beginning of the company's fiscal year. The authorisation is valid for five years and the Registry of Annual Accounts is responsible for ensuring that the authorised companies continue to fulfil the necessary conditions, which are (one or more of the following must be fulfilled):

- The company's main business operations take place abroad or the company is a part of a foreign company group.
- The company owns foreign subsidiaries or shares in foreign companies and its main business transactions are with those companies.
- The company's main place of business is Iceland, while a considerable number of their transactions are in foreign currencies.
- A considerable portion of the company's investments and related debts are in foreign currencies.

If the company deems that it no longer fulfils the conditions it must notify the Registry of Annual Accounts. The Registry can postpone its decision of the authorisation's discontinuance for two fiscal years if the situation causing the fact that the company does not continue to fulfil the necessary conditions is deemed to be temporary.

The average exchange rate for the fiscal year must be used when converting income and expenses, depreciations included, into ISK. The exchange rate at the end of the fiscal year must be used when converting assets, debts and capital. Exchange rate differences that may arise do not affect income on profit and loss accounts.

Currency Gains and Losses in Business Transactions

Exchange rate gains and losses are calculated on all assets and debts at the end of the year. Exchange rate gain is recorded as income while exchange rate loss is deductible from taxable income.

Legal entities must distribute taxable exchange rate gains and losses over three years, starting in the year the gains and losses in question arose.

Rules on Foreign Exchange

In 2008, the Central Bank of Iceland issued new rules on foreign exchange in order to restrict or temporarily prevent certain types of cross-border capital movements or foreign exchange transactions related thereto, which, according to the Central Bank of Iceland, can cause serious and considerable instabilities in exchange rates and financial matters. The rules have been reissued as amendment to the Foreign Exchange Act No. 87/1992.

The Act on Foreign Exchange defines capital movements as:

1. The issue, sale or purchase of shares, debt instruments, unit shares in mutual funds and other long-term and short-term securities.
2. Deposits in and withdrawals from accounts with depository institutions.
3. Lending, borrowing and the issue of securities not related to international transactions with goods and services.
4. The import and export of share certificates and domestic and foreign currencies.
5. Forward contracts, options, currency and interest-rate swaps and other related foreign exchange transactions in which the ISK is one of the denominated currencies.
6. Presents, grants or other transactions equivalent to the ones detailed in items 1 – 5 above.

Capital Movements of Foreign Currencies

All capital movements of foreign currencies between countries are prohibited, with the exception of payments for the purchase of goods and services or other capital movements specifically exempt from the regulations, according to Act 87/1992.

Capital Movements of Domestic Currencies

Capital movements between countries in domestic currencies are also prohibited. There are several exceptions to this rule.

Capital movements specifically exempt from the above regulations are as follows:

- Capital movements in relation to the purchase or sale of goods and services (not including lending, borrowing and the issue of securities not related to international transactions with goods and services) and payments in cash or by withdrawals from an account the buyer has in an Icelandic depositary institution.
- Capital movements in relation to real estate purchases in Iceland or business transactions with securities issued in the domestic currency and payments by withdrawals from an account the buyer has in an Icelandic depositary institution.
- Capital movements in relation to claims from a liquidated company and payments of contractual debts according to composition agreements, according to Act no. 21/1991.

Temporary Reimbursements in Respect to Filmmaking in Iceland

On account of Act no. 43/1999 on Temporary Reimbursement in Respect to Filmmaking in Iceland, it is possible to have 20% of production expenses incurred in the production of films or television material in Iceland reimbursed. When more than 80% of the total production cost of a motion picture or television programme is incurred in Iceland, the reimbursement shall be calculated from the total production cost incurred within the European Economic Area. Production costs refer to all costs incurred in Iceland deductible from the revenues of enterprises pursuant to the provisions of the Act on Income Tax. Payments pertaining to employees and contractors are only to be included in production costs if they are verifiably taxable in Iceland.

Application for reimbursement of production costs shall be submitted to the Ministry of Industry. The application, with supporting documentation, shall be submitted before production commences in Iceland.

In assessing whether a proportion of the production costs of a motion picture or television programme shall be reimbursed, the following conditions must be fulfilled:

a. The production shall be suitable for promoting Icelandic culture and the history and nature of Iceland.
b. The production shall be suitable for enhancing the experience, knowledge, and artistic ambition of the parties involved. A specific company shall be established in Iceland for the production; an Icelandic branch or agency of a company registered in another member state of the European Economic Area shall be considered a specific company.
c. Information about the subject of the production or programme shall be made available.
d. An itemised estimate of the production costs and sources of funding shall be made available, together with confirmation by the funding parties and a declaration by the applicant to the effect that the production conforms to the aims of the Act.
e. Information about the content of the proposed production of a motion picture or a television programme shall be made available, such as a script and information about filming locations.
f. A statement shall be made available to the effect that the material to be produced is intended for general distribution to cinemas or television stations.
g. The subject matter of the film or television programming should not violate the provisions of law relating to film inspection and the ban on violent films, or the provisions of the General Penal Code concerning pornography.
h. A confirmation that all taxes and debts in Iceland have been paid.

Act no. 43/1999 on Temporary Reimbursements in Respect to Filmmaking in Iceland expires at year end 2016.

Research and development (R&D)

Innovative companies are entitled to a special deduction from Corporate Income Tax amounting to 20% of expenses incurred on projects, provided certain conditions are met.

The maximum amount on which the deduction is calculated within each company shall not exceed ISK 100 million for each operating year. In the case of purchased R&D services, maximum expenses shall not exceed ISK 150 million.

4. Foreigners

4. Foreigners in Iceland

Visas

Visas are issued to individuals, for family visits, tourism, official and commercial business and to study, and are generally granted for three months. Visas do not entitle the holder to work in Iceland.

Citizens of EFTA and ESB member countries do not need a visa when travelling to Iceland. Furthermore, bilateral agreements on the exemption of visas have been established with about 100 countries. These countries include the United States, Australia, Brazil, Canada and New Zealand. A complete list of the countries that have signed an agreement with Iceland on the exemption of visa requirements when travelling to Iceland is available at the Icelandic Directorate of Immigration, www.utl.is.

Live and Work in Iceland

Nordic Citizens

Nordic citizens need neither work nor residence permits to live and work in the Nordic countries.

EEA Citizens

Citizens of EEA member countries may stay and work in Iceland without a permit for up to three months from their arrival in the country, or stay for up to six months if they are seeking employment. If the individual resides longer in Iceland, he or she must register his or her right to residency with the National Registry and will be granted permission if he or she fulfils all conditions.

Citizens Outside the EEA

Citizens of countries outside the EEA, who want to stay in Iceland for more than three months or who want to work in the country must apply for residence and work permits. The application for the first permit must be approved before the applicant arrives in the country and the average application processing time is 90 days.

Residence and work permits are divided into the following subdivisions:

- Residence permit only
- Residence and work permits in connection with labour shortages
- Temporary residence and work permits in connection with employment for which specialist skills are required
- Residence and work permits for athletes
- Residence and work permits in connection with au pair engagements
- Residence and work permits for students
- Relatives of citizens of EEA member countries
- Residence permit in connection with family reunions
- Permanent residence permits

There are various conditions for each individual permit and it is important to complete the application carefully and make sure all documents are present and in order. All documents that are not in English or in a Nordic language must be translated by a certified translator. The original copy of the application and all documentation must be submitted. Criminal records, marriage certificates, birth certificates and any other certificate submitted with the application must have an Apostle Certificate from the applicant's country of residence or double confirmation from the Ministry for Foreign Affairs in their country of residence.

Employment Agencies

An employment agency is a service company that hires out workers to user companies for a fee. The employees are under the management of the user company. Employment agencies cannot charge a fee from their employees for procuring a job for them.

Only employment agencies that are domiciled in Iceland, in another EEA member country or in Switzerland, may operate in Iceland. Foreign employment agencies must provide proof that they are legally registered and that they have work permits in their country of residence. All employment agencies must register their company and all their employees with the Directorate of Labour (www.vmst.is). Foreign employment agencies operating for more than ten days per year in Iceland must have an agent in Iceland.

Employees hired from employment agencies to work in Iceland are liable to pay tax on all income earned in Iceland.

If the employment agency is not located in Iceland, the local employer is treated as the wage payer according to tax law and as such has a duty to account for the payee in Iceland. As withholding agent, the local employer can be held liable if withholding taxes are not filed and paid when due.

Tax authorities

Director of Internal Revenue	**Phone/ Facsimile**	**Address**	**Zip Code**	**Email/Website**
Reykjavík (Headquarters)	P: 442 1000 F:442 1279	Laugavegi 166	150 Reykjavík	rsk@rsk.is www.rsk.is
Hella	P: 442 1000 F: 442 1999	Vegskálum 1	850 Hellu	hella@rsk.is www.rsk.is
Vestmannaeyjar	P: 442 1000 F: 442 1999	Heiðarvegi 15	900 Vestmannaeyjar	vestmannaeyjar@rsk.is www.rsk.is
Egilsstaðir	P: 442 1000 F: 442 1999	Skjólvangi 2	700 Egilsstaðir	egilsstaðir@rsk.is www.rsk.is
Akureyri	P: 442 1000 F: 442 1999	Hafnarstræti 95	600 Akureyri	Akureyri@rsk.is www.rsk.is
Siglufjörður	P: 442 1000 F: 442 1999	Túngötu 3	580 Siglufjörður	siglufjordur@rsk.is www.rsk.is
Ísafjörður	P: 442 1000 F: 442 1999	Hafnarstræti 1-3	400 Ísafjörður	isafjordur@rsk.is www.rsk.is
Akranes	P: 442 1000 F: 442 1999	Stillholt 16-18	300 Akranes	akranes@rsk.is www.rsk.is
Hafnarfjörður	P: 442 1000 F: 442 1999	Suðurgötu 14	220 Hafnarfjörður	hafnarfjordur@rsk.is www.rsk.is
Directorate of Customs	P: 560 0300 F: 562 5826	Tryggvagötu 19	101 Reykjavík	tollstjóri@tollur.is www.tollur.is
Directorate of Tax Investigations	P: 550 8800 F: 550 8850	Borgartúni 7	150 Reykjavík	www.skattrannsóknarstjori.is
State Internal Revenue Board	S: 575 8700 F: 575 8729	Borgartúni 21	105 Reykjavík	www.yskn.is