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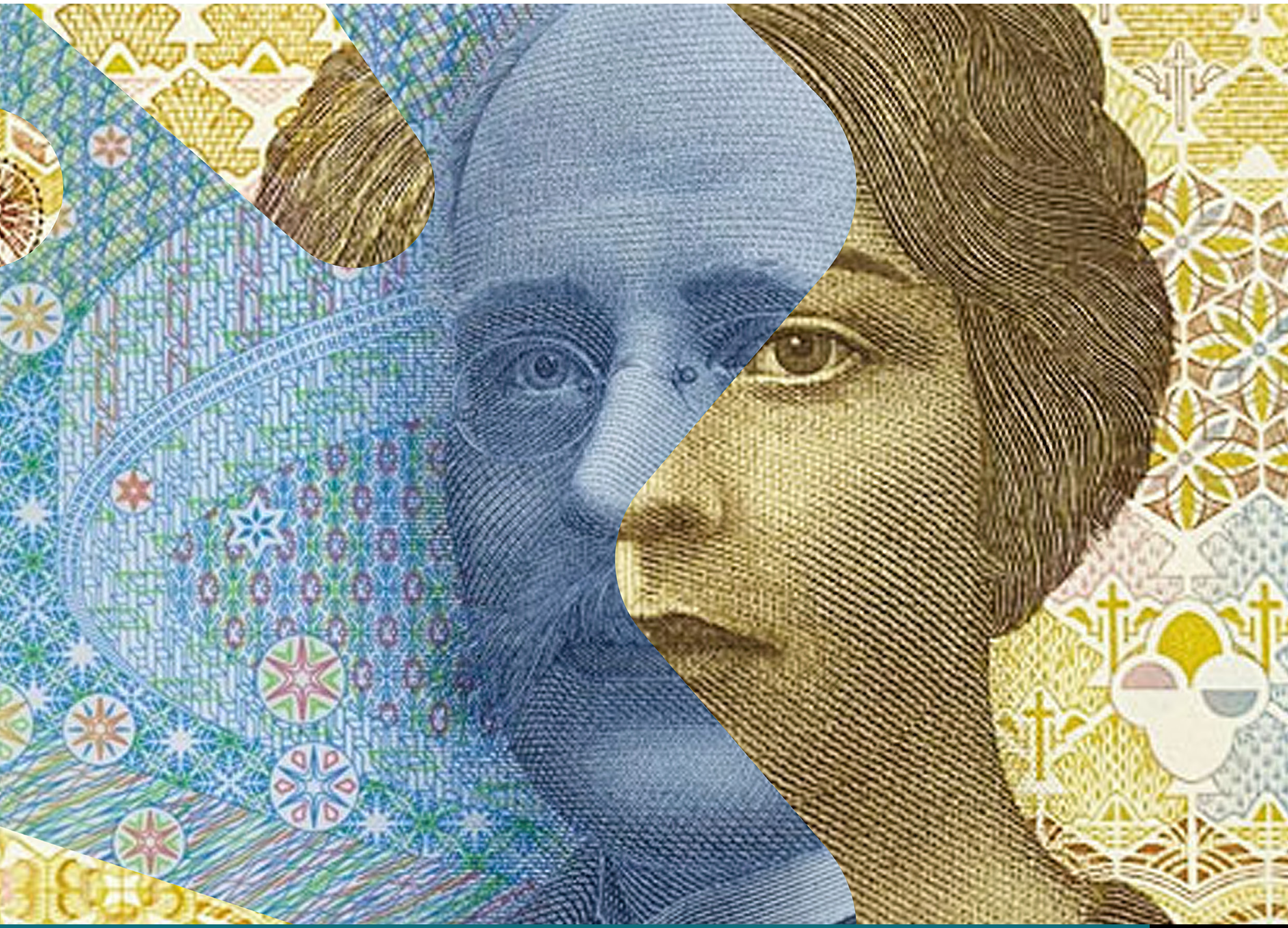

Policy brief

Tax policy and gender equality in Norway

genderresearch.no

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What is the connection between tax policy and gender equality? Internationally, this issue has received increased attention in recent decades. Institutions such as the UN, OECD and World Bank highlight the potential of tax systems to promote socioeconomic equality between women and men.

Despite Norway's reputation as one of the world's most gender equal countries, little research has explored Norwegian tax policies in a gender equality perspective. This is notable given that taxation is a major issue in Norwegian political debates.

The tax system is an important tool for economic redistribution. Similarly, international research shows that tax rules and practices can either promote or hinder economic equality between women and men. While there are significant differences *within* both groups, a persistent gender gap remains. Overall, women have lower income and capital holdings than men, who dominate the top of the wealth pyramid. Women and men work in different sectors, have distinct consumption patterns and differ in their knowledge about and understanding of tax rules and financial strategies. These factors shape their ability to navigate the tax system and influence their willingness to pay taxes.

This policy brief highlights how the Norwegian tax system can affect women and men differently. Based on the report "Taxation and Gender Equality: The Case of Norway" by Kilden genderresearch.no (2025), this policy brief summarizes key findings concerning the gendered effects of taxation on labour and capital, value added tax (VAT) and tax expenses such as deductions and exemptions. It also covers tax administration, tax evasion and tax planning in a gender perspective. Furthermore, the policy brief raises questions for further inquiries into how the tax system can be used as a tool to promote gender equality.

Why taxation is important for gender equality
Since 1895, Norway has had a *progressive tax system* where tax rates increase with income levels, which is designed to reduce economic disparities. Nevertheless, the tax system still contains elements that may unintentionally hinder gender equality.

An important question is to what extent gender equality considerations have contributed to shaping Norwegian tax policy. Investigations by Kilden genderresearch.no reveal that gender equality has rarely been an explicit priority in tax policy debate. A notable exception is the discussions about joint taxation of spouses (see fact box). Kilden's report highlights that significant gender-related aspects of taxation are often omitted from national debates. International research shows that:

1. Progressive taxation reduces economic inequality between genders, while deduction schemes that favour high-income groups can create unintended consequences for women, who on average have lower incomes than men.

2. Regressive taxes such as value added tax (VAT) disproportionately affect low-income groups. Women are overrepresented in these groups and spend a larger share of their income on necessities such as food.

The controversy of joint taxation of spouses

Joint taxation of spouses is a rare example of gender equality perspectives playing a central role in Norwegian tax policy debates.

The scheme, which was compulsory for all married couples until 1959, implied that husband and wife were taxed together, making it less profitable for the spouse who earned the least, usually the wife, to have paid work. The feminist line of thinking argued that joint taxation weakened women's economic independence and reinforced traditional gender roles.

This criticism led to reforms that gradually introduced individual taxation of spouses. The so-called Tax Class 2, which granted exemptions for spouses where one of the parties (usually the wife) had low or no income, was removed in 2018. The primary aim was to promote gender equality and increase women's participation in the labour market, especially among women with an immigrant background. The removal of Tax Class 2 illustrates how the Norwegian understanding of gender equality is closely linked to the "work-first principle" *(arbeidslinja).*

Oslo's mayor from the Labour Party, Brynjulf Bull, with his wife Ruth and son Bernt in 1950. Until 1959, the law mandated married couples to be taxed as a unit. The Labour Party perceived joint taxation of spouses as a means for financial redistribution from two-income families to one-income families with many children. The Norwegian Association for Women's Rights criticised joint taxation as being discriminatory against married women's economic independence.
Photo: Arbeiderbladet / Arbeiderbevegelsens arkiv

Norwegian tax rules affect men and women differently

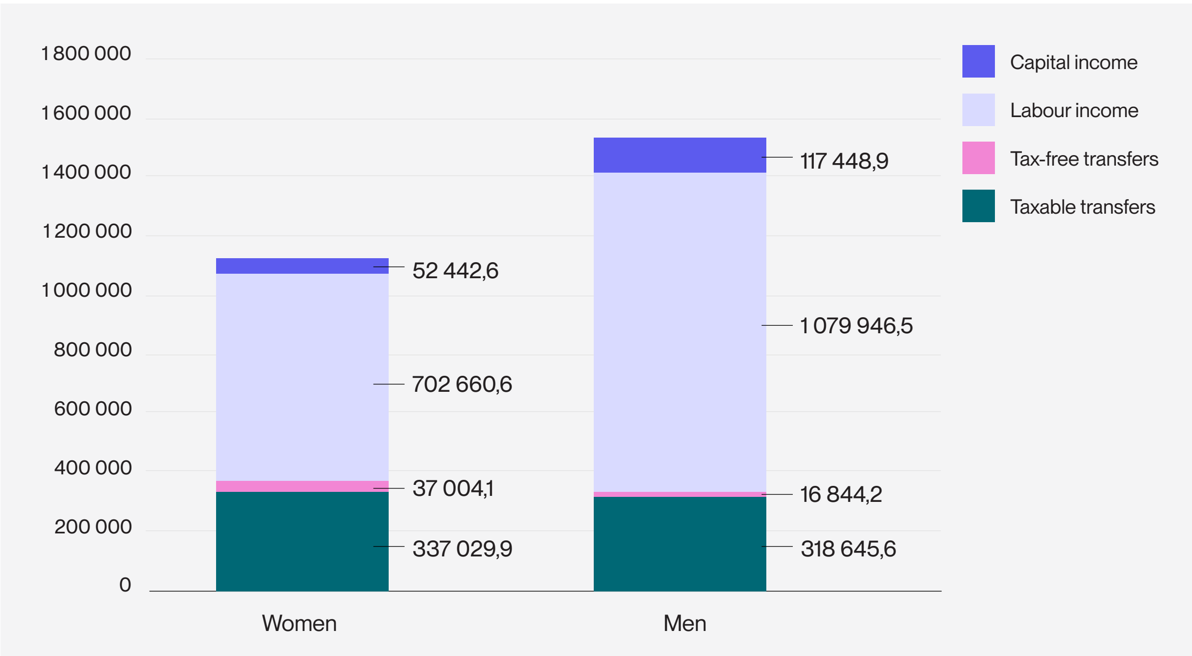
In Norway, gender equality perspectives have not been systematically integrated into national tax policies. However, Kilden's report shows that the following taxes have notable gendered impacts:

- **Earned income taxation**
  On average, women earn less than men and therefore pay less tax. At the same time, tax rates for the highest incomes have been reduced in recent decades, shifting a larger share of the tax burden onto lower-income groups, where women are overrepresented.

- **Capital and corporate tax**
  Men are overrepresented among owners of shares and properties. Lower tax rates on capital compared to labour income contribute to maintaining a gendered wealth gap.

- **Taxation of consumer goods and services**
  Women, who often earn lower wages and have similar expenses for essential consumer goods, are likely to bear a disproportionate share of the VAT burden relative to their wealth.

Distribution of different types of income by gender, 20-66 years. 2023. Millions NOK.



The average amounts for different main income sources, by gender, for individuals aged 20-66 in Norway in 2018.
While men earned more from labour and capital income, they received less than women in terms of public transfers.
Source: Statistic Norway

Research shows that tax expenditures, tax administration and tax evasion can also have an impact on gender equality:

- **Tax expenditures**
  Tax expenditures, such as deductions, allowances and tax exemptions, reduce government revenues, weakening the welfare state's redistributive mechanisms. They also have another gender dimension: While some special allowances support female caregivers by facilitating their participation in the labour market, others, such as interest deductions and commuter deductions, primarily benefit men, who, on average, have higher debts and longer commutes. Additionally, low-income groups, where women are overrepresented, are often excluded from many tax benefits because they do not have taxable income.

- **Tax and administration**
  The tax administration plays a central role in ensuring tax fairness and developing and implementing tax practices to better accommodate marginalized groups. The Norwegian Tax Administration enjoys a high level of trust, is gender-balanced and fully digitized, factors that contribute to tax efficiency. However, digital illiteracy among certain groups remains a challenge. Research shows that a majority of those who lack information about tax benefits, or who lack digital skills, are elderly women and some immigrant groups.

- **Tax evasion and compliance**
  Tax evasion undermines progressive taxation and equality. According to Norwegian research, men are overrepresented among those who purchase goods and services on the black market, while self-employed women in Norway are overrepresented in underreporting of income.

Elderly women are overrepresented in low-income groups with poor digital literacy. They also face challenges with wealth taxation, as many widows experience a higher tax burden after losing a spouse. Photo: iStock

Norway has several tax schemes with the potential to promote gender equality:

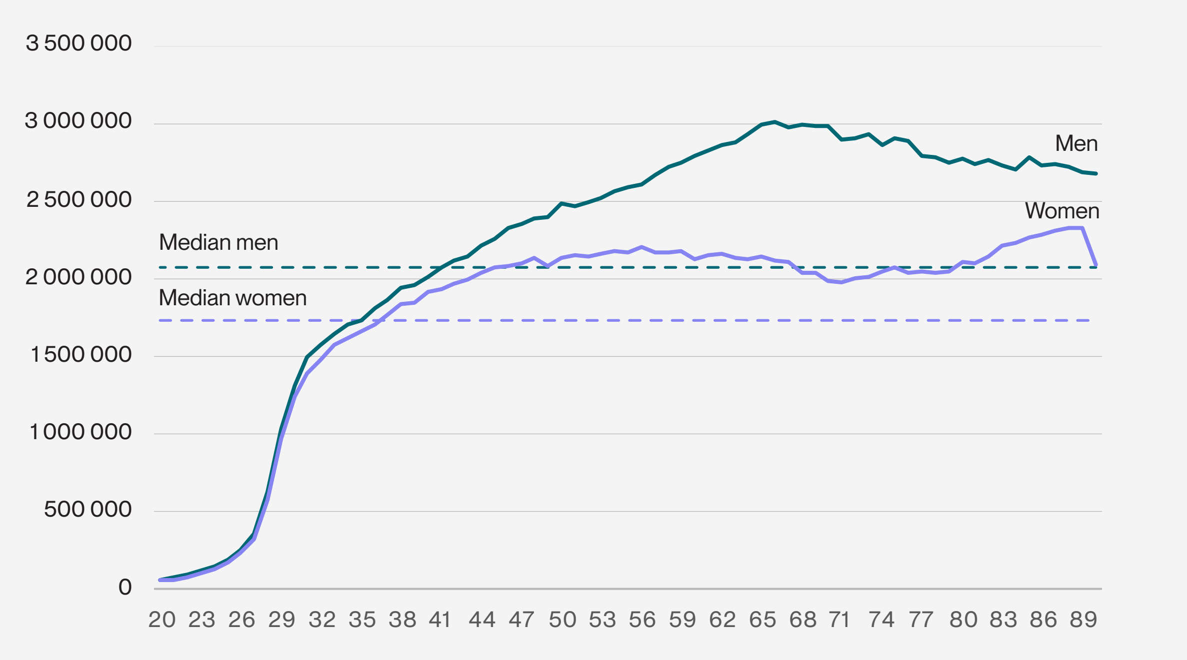
- As one of few OECD countries, Norway has retained the wealth tax, an annual tax on the net wealth of individuals and companies, aimed at economic redistribution.

- In addition, Norway has resource rent tax on profits gained from the exploitation of natural resources. These are petroleum, hydropower, onshore wind power and aquaculture.

Revenues from the wealth tax and the resource rent tax are used to finance the public sector in which a majority of the employees are women, including in health care and education. These taxes also support welfare services and transfers where women are the main benefactors. Thus, the wealth tax and resource rent tax can be regarded as measures that promote gender equality.

Salmon farm on the west coast of Norway. Norway is the world's largest producer of farmed salmon, harvesting more than 1.6 million tons in 2023. The export of salmon makes up about 2 per cent of Norway's annual GDP. In 2024, resource rent tax on aquaculture was introduced to provide state revenues for welfare arrangements, albeit not without protests from the fish farming industry. Photo: iStock

Distribution of median gross wealth in NOK for women and men in different age groups. 2019.



The distribution of gross wealth among men and women across different age groups in Norway in 2019. Gender differences in wealth are marginal until the early 30s, the typical age for family formation, when men begin to surpass women in income. The wealth gap persists throughout life and only narrows in old age, as women, who generally outlive men, inherit assets when their spouses pass away. Source: Statistic Norway

Lugano in Switzerland, a popular destination for wealthy Norwegians who seek to avoid taxes by moving abroad.
To avoid losing tax revenues as individuals relocate for tax reasons, Norway has introduced an expatriation tax as an integrated part of individual income taxation. The "Exit Tax" primarily affects high-net-worth individuals, most of whom are men.
Photo: iStock

Questions for further research

Despite the redistributional effects described above, the lack of systematic integration of gender equality perspectives in Norwegian tax policies raises questions for further research.

- To what extent does Norway's reputation as a gender-equal nation obscure the subtle ways in which tax policies may reinforce inequalities?

- What are the historical dynamics between tax reforms and gender equality? To what degree have historical tax reforms been influenced by gender equality ideals? Has the tax system been consciously used as a tool to promote gender equality or rather followed broader societal developments?

Additionally, we need more empirical studies on the impact of specific tax rules and practices on gender equality. For example:

- What are the effects of the effects of removing Tax Class 2 in 2018, which gave tax exemptions for married couples where one of the spouses had low or no income? Has the reform led to higher employment rates among women, in particular women with an immigrant background, or rather led to an aggravated financial situation for low-income families?

- To what extent do value added taxes (VAT), which consumers pay on most goods and services, have gendered impacts?

- What role can the tax administration play in identifying and addressing gender biases in the tax system?

- Beyond revenue losses, what are the gendered dimensions of tax evasion and compliance?

Inquiries into these questions would benefit from a nuanced perspective on how gender intersects with other factors such as financial resources, professional roles, civil status, age, ethnicity and geographical location.

The policy brief is based on Kilden's report "Taxation and Gender Equality: The Case of Norway" (2025), commissioned by the Norwegian Directorate for Children, Youth and Family Affairs (Bufdir). The full report, including references, is available on Kilden's website genderresearch.no.

Kilden genderresearch.no is a national knowledge centre for gender balance and gender perspectives in research. The centre is an independent unit of the Research Council of Norway and disseminates and promotes knowledge about gender and equality across disciplines and sectors. Kilden engages in research communication, organizes seminars and develops knowledge resources for researchers, policymakers and the general public.

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