

F-tax card for the self-employed

This information is intended for

- self-employed persons
- persons paying remuneration for work
- partnerships and their partners.

F-tax and A-tax

There are two forms of preliminary tax, F-tax and A-tax. The “F” in “F-tax card” stands for Företagare (employer/entrepreneur). The form of tax debited to a person by the Tax Agency determines how both the preliminary tax and the social security contributions are to be paid on remuneration for work. A person liable for F-tax receives an F-tax card and pays his/her own preliminary tax and social security contributions. For persons liable for A-tax, payers of remuneration for work have normally to deduct tax and (in the case of natural persons) pay employer’s contributions.

A person who pays A-tax can be charged with what is known as *special A-tax*. Natural persons may be liable for both F-tax and A-tax at the same time, see page 2.

Application for F-tax

A person who wants an F-tax card must apply for it. The application is made on the form “Skatte- och avgiftsanmälan” (Tax and Payroll Application, SKV 4620) which may be found in the brochure “Så fyller du i Skatte- och avgiftsanmälan” (How to fill in the Tax and Payroll Tax Application, SKV 418). You can obtain the brochure (only in Swedish) from the tax office or order it on the Swedish Tax Agency service phone (020-567 000, direct number 7605).

If you have electronic identification (an electronic identification document) you can fill in and send your tax and contribution application on the Internet at the joint Swedish Companies Registration Office

(Bolagsverket) and Swedish Tax Agency website www.foretagsregistrering.se. Even if you do not have electronic identification you can fill in an application on this site and then print it out, sign it and send it to Skatteverkets inläsningscentral, Enhet 4600, 839 86 Östersund.

Conditions for obtaining F-tax

In order to obtain an F-tax card you have to

- be carrying on business activity or
- intend to carry on business activity.

You have also submitted an income tax return and reported and paid your taxes and contributions.

All those who have F-tax will at the start of each year receive a new F-tax card and a registration certificate with an F-tax certificate direct from the Swedish Tax Agency.

Foreign entrepreneurs

Foreign entrepreneurs, both legal entities and natural persons, who are carrying on or intend to carry on business activities in this country can also obtain an F-tax card. This applies even if the foreign entrepreneur is not liable for income tax in Sweden. A foreign entrepreneur with limited liability for income tax becomes liable for income tax only if the business activities are carried on from a permanent place of business in Sweden.

Kontroll av beviset kan göras på närmaste skattekontor

Om innehavaren av detta bevis tar emot ersättning för utfört arbete och det är uppenbart att det är fråga om anställning måste arbets-/uppdragsgivaren skriva till Skatteverket och meddela detta.

BEVISET UTFÄRDAT AV
 Skatteverket

F-skattebevis

2009

420606-7432

Andersson, Erik Sigvard

Innehavare av F-skattebevis svarar själv för preliminär skatt och socialavgifter.

It is also necessary for a foreign entrepreneur to have paid taxes and contributions in his/her own country. Before an application can be granted it is therefore necessary to enclose a certificate from the authority concerned showing that the applicant has no tax debts in his/her own country. Such a certificate may also be needed by managers of foreign companies that are classed as close companies.

When does an F-tax card apply?

A person with an F-tax card must pay in his/her own preliminary tax and social security contributions. The payer of remuneration should not therefore make any deductions for tax or pay in social security contributions. This applies if the payee has F-tax either when the remuneration for the work is decided or when it is paid out.

Duty of notification

A person paying remuneration for work has in certain cases a duty to notify the Swedish Tax Agency in writing if the person who receives the remuneration has or refers to an F-tax card. This notification must be made if it is evident that the work has been done under such conditions that the person doing the work is considered an employee of the person paying the remuneration. Other wise the payer, as well as the payee, may be liable for tax on the remuneration.

The payer must also in such cases submit an income statement relating to the remuneration despite the fact that the payee has, or refers to, F-tax registration.

Prove that you have F-tax registration!

The simplest way to show that you have F-tax is by stating this in an *invoice, tender document or contract*. Provided that the document contains the parties' names and addresses and the payee's personal identity number, coordination number or corporate identity number, this is sufficient for the payer to be able to refrain from making tax deductions and paying employer's contributions. You may also produce the F-tax certificate to the client or payer. To avoid future disputes about the possession of the F-tax card however the payer ought in this case to be able to con-

firm that an F-tax card has been referred to, e.g. by taking a copy of the F-tax certificate. The payer may also make F-tax enquiries (answered by fax) on the Swedish Tax Agency service phone, 020 -567 000, direct number 8102.

Information on possession of F-tax registration is also supplied by the Tax Agency.

Both F-tax och A-tax

Natural persons who have income from both business activity and employment may have a conditional F-tax card (both F-tax and A-tax at the same time). This is then shown on the F-tax certificate. The condition means that you may only use the F-tax card in your business activity.

Examples of persons who can have both F-tax and A-tax:

- A person starting to carry on business activity but continuing to have income from employment for a transitional period.
- A person carrying on business activities parallel with his/her employment.

If you have both F-tax and A-tax you must inform the client/payer in writing when you use the F-tax card for a job. If you do not do this then the A-tax card applies. You can give such written information in a tender document, invoice or similar document.

Example:

Maria Johansson, an artist, does extra work for the home help service alongside her artistic activity. She has both an F-tax and an A-tax card. Maria Johansson is commissioned by the municipality to produce a wall painting for the new town hall. The order is a part of Maria Johansson's business activity.

Maria Johansson and the municipality draw up a written contract concerning the work. Maria Johansson states in the contract that she will be using her F-tax card for this job. The municipality then makes no tax deduction and does not pay any social security contributions for Maria Johansson. She pays these herself.

When Maria Johansson works extra for the home help service on the other hand she shows her A-tax card to the employer. The employer then deducts tax and pays in employer's contributions for her.

Kontroll av beviset kan göras på närmaste skattekontor

F-skattsedeln får användas endast i innehavarens näringsverksamhet. Om innehavaren använder F-skattsedeln när det är uppenbart att det är fråga om anställning måste arbets-/uppdragsgivaren skriva till Skatteverket och meddela detta.



BEVISET UTFÄRDAT AV
Skatteverket

F-skattebevis med villkor 2009

701129-9281
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Innehavare av detta bevis har både en F- och en A-skattsedel och ska meddela sina uppdragsgivare skriftligt när F-skattsedeln ska användas i ett uppdrag. När F-skattsedeln används svarar innehavaren själv för preliminär skatt och socialavgifter.

What is business activity?

To obtain an F-tax card the applicant needs to be carrying on or intending to carry on business activity in Sweden. By business activity is meant gainful occupation carried on professionally and independently (Chap. 13 § 1 of the Income Tax Act). Professionally means that the activity is carried on permanently and for profit. The criterion of independence is crucial when deciding whether the income is to be regarded as employment or business activity.

When assessing whether the activity is carried on independently particular attention must be paid to what the client and the supplier have agreed, the extent to which the job-taker depends on the client and the extent to which the job-taker has a place in the client's business.

The F-tax card can be revoked

The Tax Agency will revoke the F-tax card *for a person requesting it or ceasing to carry on business activity*. The person liable for tax may request F-tax registration again when he/she carries on or intends to carry on business activity again.

The F-tax card may also be revoked in the case of a person who

- does not submit an income tax return
- does not report or pay his/her taxes and contributions
- is banned from engaging in business
- is bankrupt.

A new F-tax card may only be issued when the grounds for revocation no longer exist. A person who has had his/her F-tax card revoked may therefore apply for a new one when, for example, he/she has submitted an income tax return or paid his/her tax and contribution debts.

The F-tax card may be revoked if anyone *abuses* it (e.g. for the purpose of avoiding tax). A new F-tax card may not in these cases be issued for at least two years.

Special provisions also apply to close companies and close partnerships (henceforth referred to as close companies) and to managers of such companies.

A person who is or has been a *manager of a close company may have his/her F-tax card revoked* if there are or have been reasons for revoking the company's F-tax card. However this applies only if the reason for revoking the company's F-tax card is the manager's action or failure to act, e.g. if he/she has not seen to it that the company's taxes and contributions have been reported or paid. A new tax card may not be issued for at least two years.

A close company may have its F-tax card revoked if a manager of the company has acted in such a way that

an F-tax card cannot be issued for him/her. An F-tax card may then be issued only when the company manager is no longer prevented from having F-tax because of his/her action.

Similar provisions apply to a person applying for an F-tax card. The Tax Agency may reject such an application if, for example, the applicant has not made his/her tax payments or submitted a tax return. The two-year waiting period for a manager who cannot have F-tax because of conditions in the close company is however calculated in these cases as from the date when the close company's F-tax card was revoked or the company was declared bankrupt.

Example

Kalle is the manager and owner of Kalle AB. The company fails to pay its VAT and has its F-tax registration revoked on 15 January 2009. So Kalle starts up a new company, Charles AB, and applies for F-tax registration. Kalle would not have the right to have F-tax registration personally because of the previous neglected payments by Kalle AB. The Tax Agency may therefore refuse Kalle's new company F-tax registration. Charles AB cannot obtain F-tax until at least two years have elapsed since F-tax was revoked for Kalle AB, in other words on 15 January 2011 at the earliest.

New F-tax card after revocation

To obtain a new F-tax card after the previous one has been revoked it is necessary to apply to the Tax Agency.

If there are special reasons the Tax Agency may refrain from revoking the F-tax registration or, on application, issue an F-tax card earlier than stated above. "Special reasons" may mean circumstances beyond the applicant's control. These might for example include a missed payment caused by the fact that a customer has suspended payments and this has caused a temporary liquidity problem. In such a case the applicant has to be ready to pay what he/she owes and also be considered able to sort out his/her payment problems.

Payment of remuneration

It is the payee's tax card that gives guidance on whether tax deductions must be made and whether employer's contributions must be paid. An employer/payer need therefore never be in doubt as to what has to be done.

If the person who is to receive remuneration has an F-tax card, no tax deduction should be made. Nor should employer's contributions be paid. In some cases however the payer has a liability to notify the Tax Agency in writing if a person refers to an F-tax card in connection with a job, see page 2.

Payment to natural person who has A-tax

When paying remuneration for work to a person who has A-tax, it is the employer/payer who makes a tax deduction and pays employer's contributions. Further information is contained in the brochure "Skatteavdrag och arbetsgivaravgifter" (Deducted tax and employer's contribution, SKV 401).

Payment to legal entity which pays A-tax

The employer/payer makes a tax deduction of 30 per cent. Report the tax deductions in the same way as tax deductions made for natural persons. Employers' contributions or special salary tax should never be paid for legal entities.

If there is no tax card

If there is no tax card the same rules apply as when the person has A-tax.

Partnerships and partners in partnerships

Partnerships may apply to the Tax Agency for F-tax registration. Partnerships normally receive an F-tax card without a tax being debited. It is instead the partners who are taxed on the income.

If the partnership has no F-tax card the payer must make a tax deduction of 30 percent of the remuneration when paying out to the partnership for work done.

Partners in partnerships

Persons who are partners in partnerships and who only have income from their own partnership cannot obtain an F-tax card. They are instead charged special A-tax and must themselves pay in taxes and social security contributions. If they have income from work alongside the partnership the employer/payer must make tax deductions. In cases where partners in the partnership have income from business activity outside their own partnership, however, they can obtain an F-tax card.

Information in Swedish on F-tax

To find out whether anyone you engage has F-tax you can call on our service phone and receive a reply by fax. Phone **020-567 000**, direct number **8102**.

You can also contact your tax office.

Self-service round the clock:

Website: skatteverket.se
Service phone: 020-567 000

Personal service:

Phone Skatteupplysningen,
in Sweden: 0771-567 567
from abroad: +46 8 564 851 60

Tax Information hours of business:
Monday–Thursday 8 am–7 pm,
Friday 8 am–4 pm