# Internet Appendix for "Heterogeneity and Persistence in Returns to Wealth"

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November 5, 2016

In this Internet Appendix we provide supplementary material to the article. In particular, Section 1 and Section 2 provide additional figures and tables, in Section 3 we compare individual average returns on listed stocks and their heterogeneity when capital gains are observed on accrual basis and when they are observed at realization. We also compare cross sectional heterogeneity in a given year in the two cases. Section 4 contains detailed information on the data sources and variables used in the analyses.

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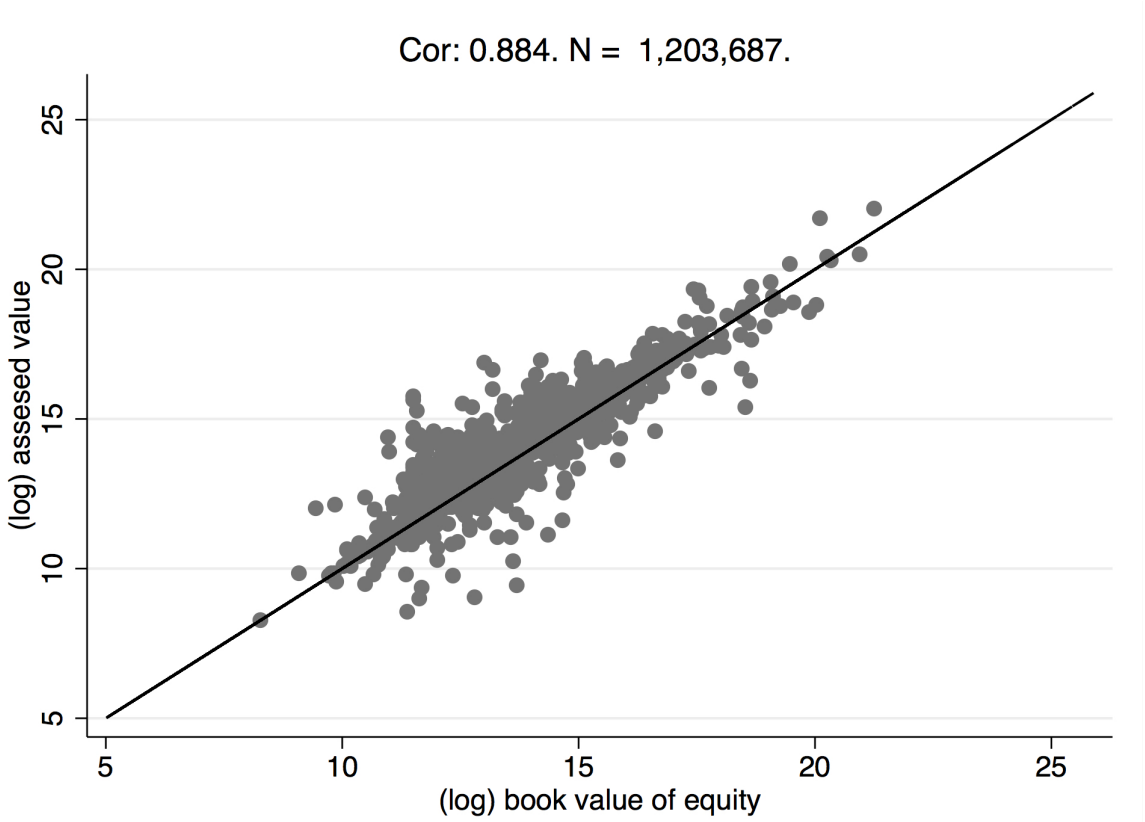
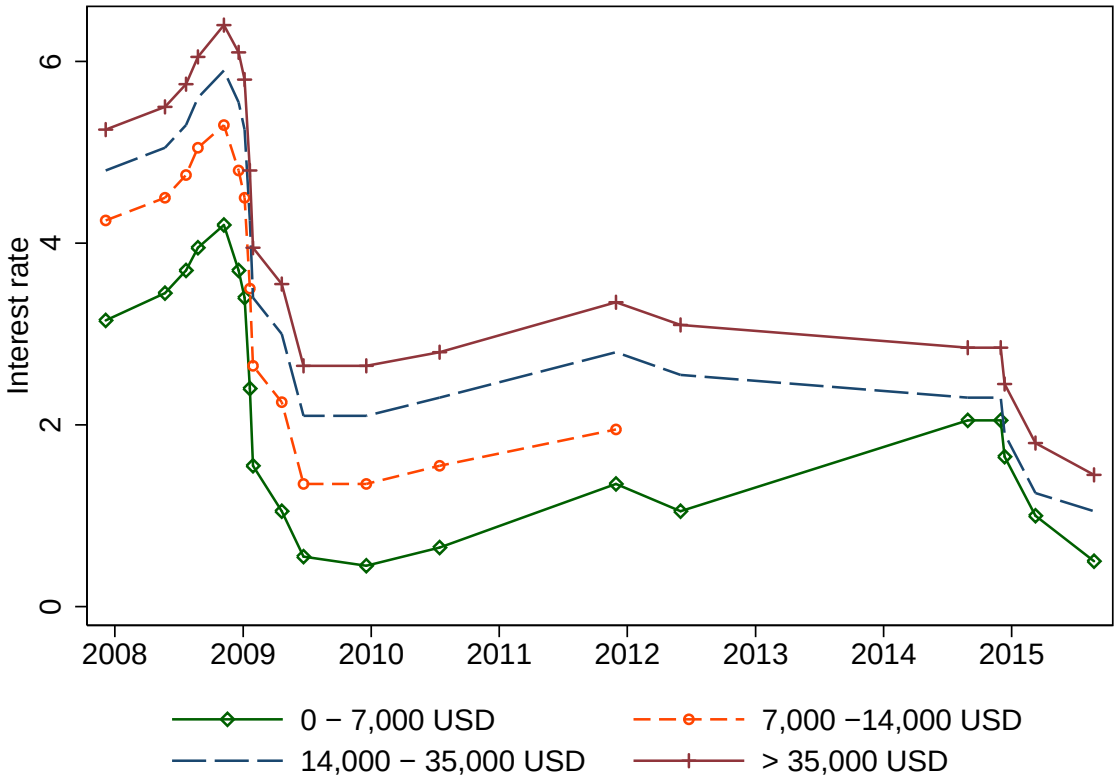
## 1 Additional Figures

**Figure IA.1.** Relation between book value of equity and assessed firm value



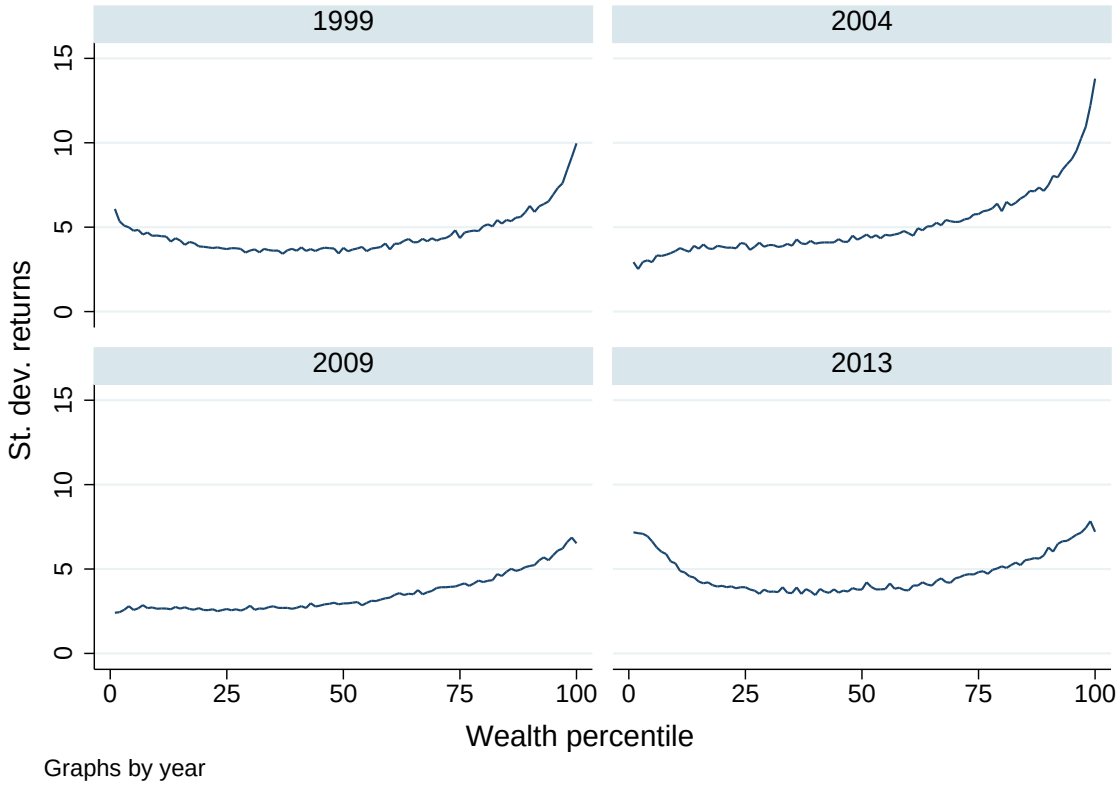

*Notes:* The figure plots the (log of the) values of the book value of equity and the assessed firm value for non-listed Norwegian firms between 2004 and 2013. The solid line represents the 45-degree line between the two axes.

**Figure IA.2.** Interest rate difference by amount deposited, "Sparebanken Vest"



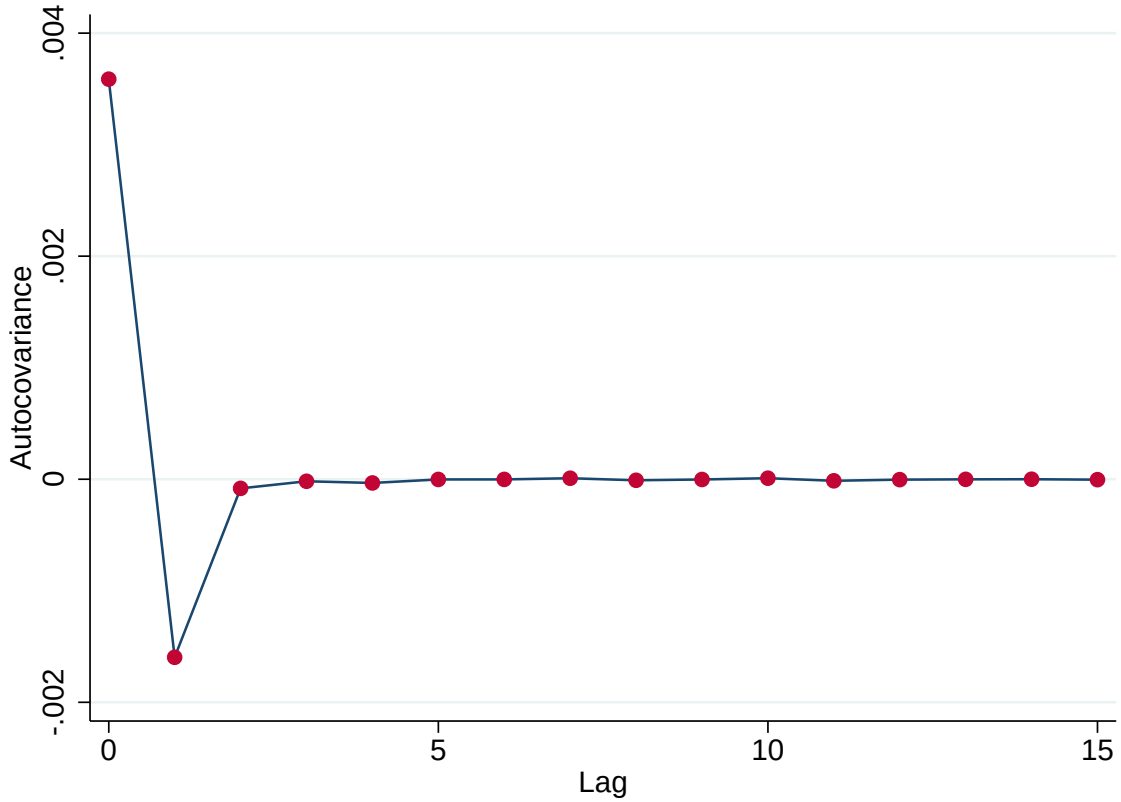

*Notes:* The figure plots interest rates (in percent) in a savings account offered by the Norwegian bank, Sparebanken Vest, for different levels of deposits (measured in 2011-USD). These figures are taken from historical deposit rates, compiled by Finansportalen.no (https://www.finansportalen.no/bank/bankinnskudd/), a service from The Consumer Council of Norway (Forbrukerrådet).

**Figure IA.3.** Standard deviation of returns by wealth percentile in selected years




*Notes:* The figure plots the standard deviation of individual returns to wealth by (previous year) percentile of the wealth distribution for the years 1999, 2004, 2009 and 2013. Standard deviation figures are in percent.

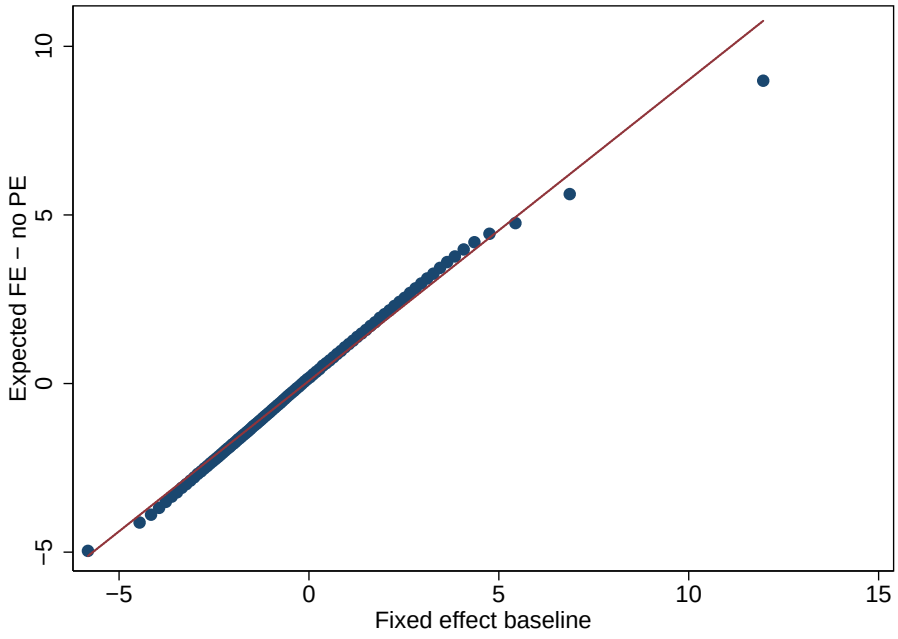
**Figure IA.4.** Residuals autocovariance structure



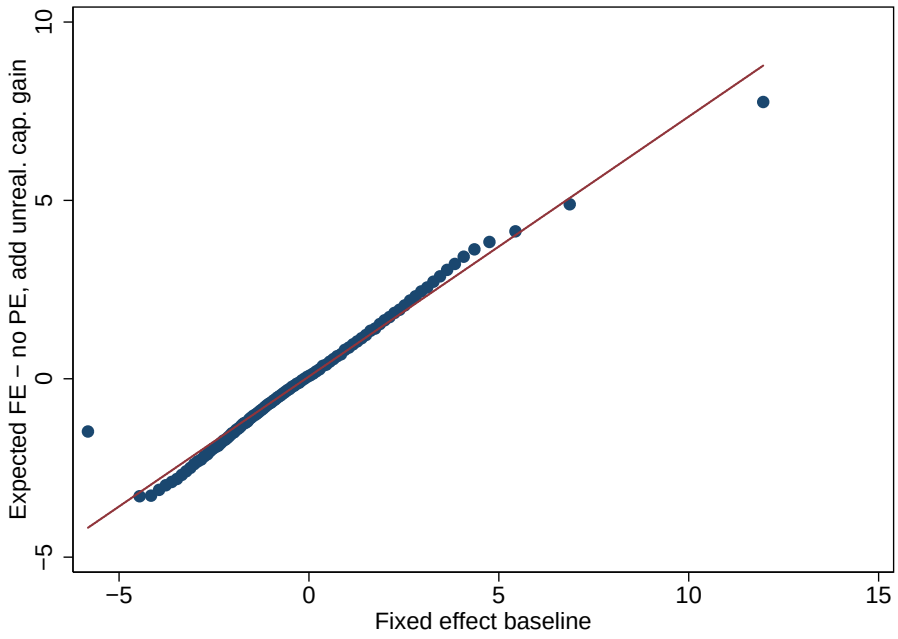

*Notes:* The figure shows the the sequence of $cov(\triangle\hat{u}_{igt}, \triangle\hat{u}_{igt-j})$ for $j = 1, .., 15$ from the regression in Equation (7).

**Figure IA.5.** Robustness: fixed effects from different specifications

**(a)** No PE owners

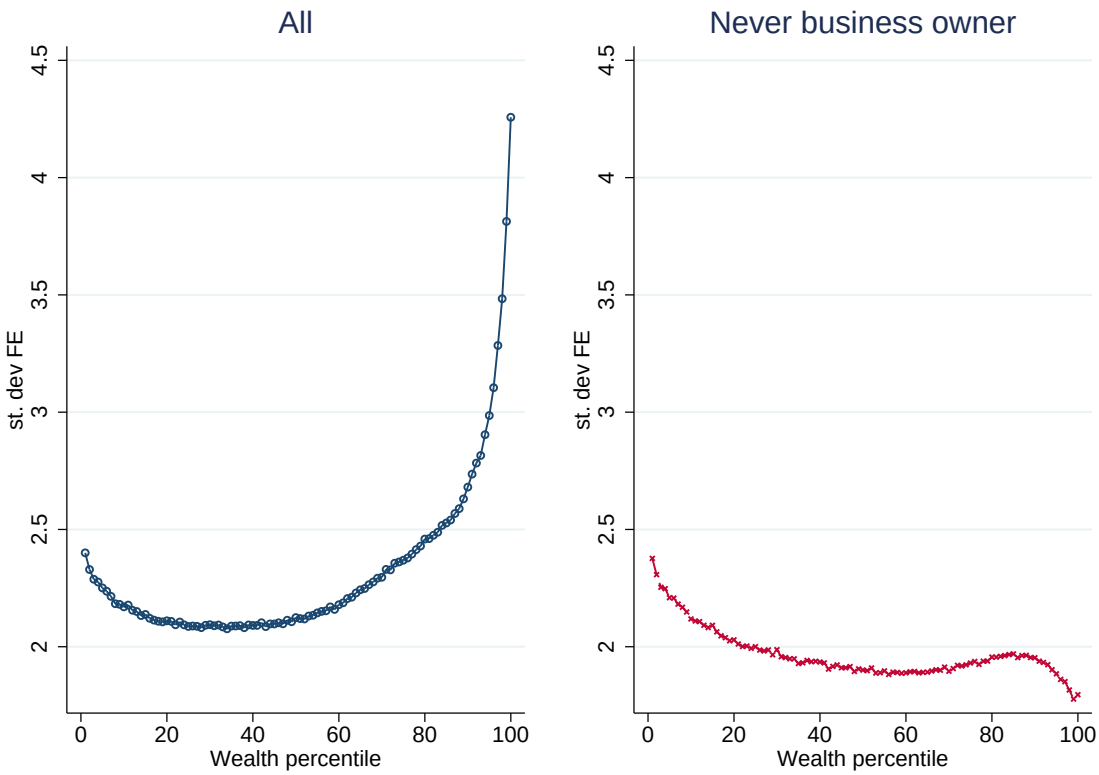



**(b)** No PE owners, imputed unrealized capital gains added



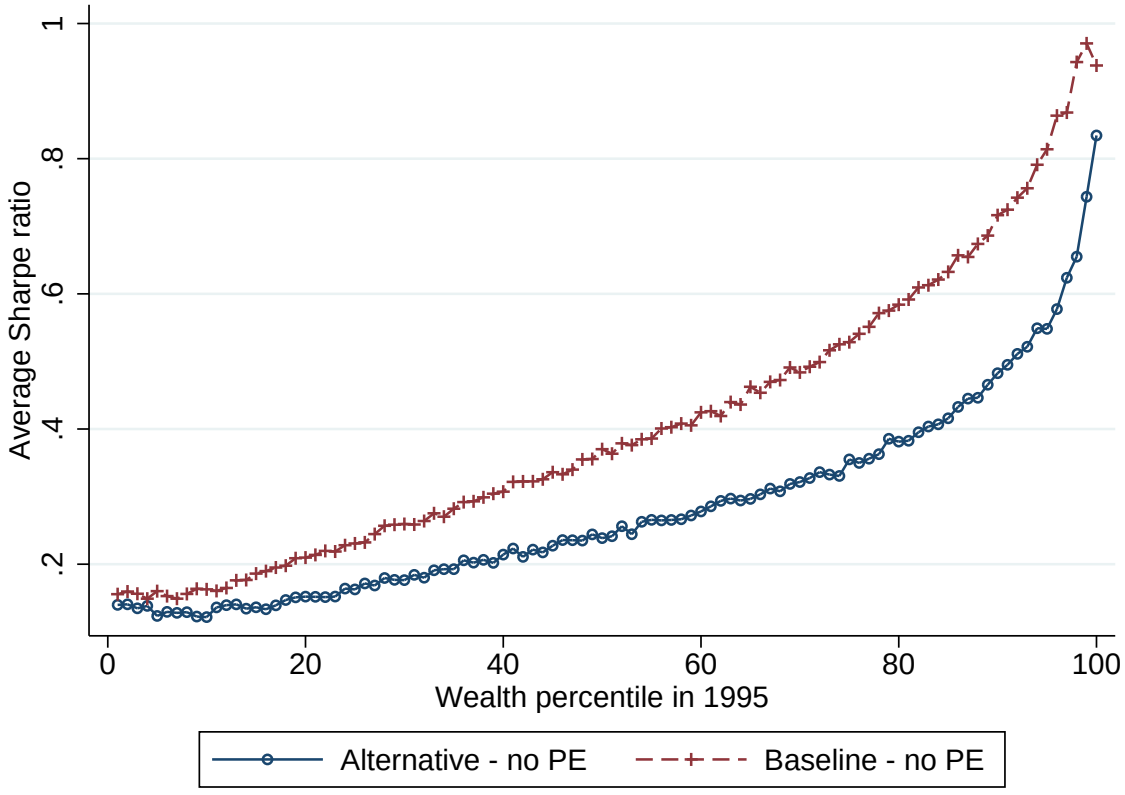

*Notes:* The figure illustrates the correlation between our baseline fixed effect measure and the fixed effects from our alternative returns measures. The sample is ranked according to our baseline fixed effect measure and partitioned in 100 percentiles. Each dot represents the average value of the fixed effect obtained from an alternative measure of returns (y-axis) plotted against the average value of the baseline fixed effect (x-axis). The red line lines are the OLS fit. In panel (a), the fixed effect are computed after excluding all observations with positive business wealth. In panel (b), we also impute the unrealized capital gains before computing the returns as explained in the main text.

**Figure IA.6.** Standard deviation of fixed effects against wealth percentile




*Notes:* The figure plots the standard deviation of the fixed effects estimated from or baseline measure of returns against the wealth percentile. In the left panel we include the full sample, in the right panel all individuals who ever owned private equity are dropped. Standard deviation figures are in percent.

**Figure IA.7.** The Sharpe ratio - Group B and C




*Notes:* The figure shows the average cross sectional Sharpe ratio of individual wealth portfolios by wealth percentile for the two alternative returns measures, excluding individuals holding shares in private businesses during our sample period ("Baseline - no PE"), and a third measure calculating accrued returns for that same sample ("Alternative - no PE"). The Sharpe ratio is computed by first computing deviations of individual returns on wealth from the return on the safe asset (the annualized real 3-month rate on Norwegian T-bills); taking time-averages of these deviation and their standard deviation and computing the ration between the first and the second. Wealth percentiles are computed using wealth figures in 1995, the first sample year. Figures are in percent.

## 2 Additional Tables

**Table IA.1.** Summary statistics, 1995.

Panel A, Demographics:

| | Mean | Std. dev | P10 | Median | P90 |
|---|---|---|---|---|---|
| Age | 45.85 | 15.24 | 26 | 45 | 69 |
| Male | 0.49 | 0.50 | 0 | 0 | 1 |
| Fraction married | 0.61 | 0.49 | 0 | 1 | 1 |
| Family size | 2.77 | 1.36 | 1 | 3 | 5 |
| Less than High School | 0.26 | 0.44 | 0 | 0 | 1 |
| High School | 0.46 | 0.50 | 0 | 0 | 1 |
| University | 0.27 | 0.45 | 0 | 0 | 1 |
| Years of education | 13.17 | 3.18 | 10 | 13 | 17 |
| Econ/Business education | 0.13 | 0.33 | 0 | 0 | 1 |

Panel B, Assets and income:

| | Mean | Std. dev | P10 | Median | P90 |
|---|---|---|---|---|---|
| Fraction w risky assets | 0.36 | 0.48 | 0.00 | 0.00 | 1.00 |
| Risky assets share | 0.09 | 0.20 | 0.00 | 0.00 | 0.36 |
| Cond. risky assets share | 0.26 | 0.27 | 0.01 | 0.15 | 0.71 |
| Fraction w business wealth | 0.14 | 0.34 | 0.00 | 0.00 | 1.00 |
| Share business wealth | 0.06 | 0.17 | 0.00 | 0.00 | 0.19 |
| Cond. business wealth share | 0.29 | 0.32 | 0.00 | 0.13 | 0.85 |
| Fraction w public equity | 0.28 | 0.45 | 0.00 | 0.00 | 1.00 |
| Public equity share | 0.05 | 0.13 | 0.00 | 0.00 | 0.15 |
| Cond. public equity share | 0.16 | 0.20 | 0.01 | 0.08 | 0.44 |
| Risky assets | 15,710.91 | 695,391.54 | 0.00 | 0.00 | 9,799.28 |
| Safe assets | 25,539.96 | 86,992.01 | 1,296.76 | 9,103.15 | 60,397.35 |
| Total assets | 41,250.87 | 742,936.14 | 1,382.22 | 10,620.96 | 74,881.99 |
| Income from risky assets | 1,120.88 | 39,157.26 | 0.00 | 0.00 | 85.18 |
| Income from safe assets | 1,040.32 | 5,296.85 | 19.01 | 247.01 | 2,478.98 |
| Income from total assets | 2,161.21 | 40,796.09 | 19.75 | 275.28 | 3,070.89 |

Panel C, Portfolio returns in percent:

| Averages (st. dev.) of returns | | | | | |
|---|---|---|---|---|---|
| Total assets | | Risky Assets | | Safe Assets | |
| 3.59 | (4.04) | 3.97 | (12.17) | 3.47 | (3.41) |

| Value weighted averages (st. dev.) of returns | | | | | |
|---|---|---|---|---|---|
| Total assets | | Risky Assets | | Safe Assets | |
| 5.24 | (6.23) | 7.11 | (11.83) | 4.07 | (2.31) |

*Notes:* The table reports summary statistics for our data in 1995, the first year of the estimation sample. N=2,345,300. Panel A shows statistics on demographic variables, Panel B on assets and incomes, Panel C on returns to wealth. Values are in 2011 USD. Portfolio returns are reported in percentages. Averages of portfolio returns are calculated as the arithmetic means of the individual portfolio returns. Value weighted averages are calculated also taking into account the size of the individual portfolios. Public equity includes stocks listed at the Oslo stock exchange and mutual funds.

**Table IA.2.** Correlation fixed effects

Panel A, Coefficient of Correlation

| | (a) | (b) | (c) |
|---|---|---|---|
| (a) Baseline | 1.000 | 0.878 | 0.657 |
| (b) No business owners | | 1.000 | 0.751 |
| (c) No business owners + $g^a_{it}$ | | | 1.000 |

Panel B, Rank Correlation

| | (a) | (b) | (c) |
|---|---|---|---|
| (a) Baseline | 1.000 | 0.941 | 0.758 |
| (b) No business owners | | 1.000 | 0.811 |
| (c) No business owners + unrealized CG | | | 1.000 |

*Notes:* The table shows the correlation coefficients (panel A) and the Spearman's rank correlation coefficients between fixed effects computed from column 4 Table 2 (Baseline), column 3 Table 3 (No business owners) and column 4 Table 3 (No business owners + unrealized capital gains).

**Table IA.4.** Transition matrix fixed effects

| | | Father's Quintile | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| Child's | 1 | 0.27 | 0.21 | 0.18 | 0.16 | 0.18 |
| | 2 | 0.21 | 0.21 | 0.20 | 0.19 | 0.19 |
| Quintile | 3 | 0.18 | 0.20 | 0.21 | 0.21 | 0.19 |
| | 4 | 0.16 | 0.19 | 0.21 | 0.23 | 0.21 |
| | 5 | 0.17 | 0.19 | 0.20 | 0.21 | 0.24 |

*Notes:* The table shows the transition matrix when ranking individuals (fathers and children) according to their fixed effect obtained from Equation 7 (reported in Table 2).

**Table IA.3.** Intergenerational persistence in returns to wealth: robustness

| | (1) Child ret. percentile (A) b/se | (2) Child ret. percentile (B) b/se | (3) Child ret. percentile (C) b/se |
|---|---|---|---|
| Father ret. percentile (A) | 0.038*** | | |
| | (0.000) | | |
| Father ret. percentile (B) | | 0.029*** | |
| | | (0.000) | |
| Father ret. percentile (C) | | | 0.094*** |
| | | | (0.001) |
| Constant | 54.888*** | 54.668*** | 47.229*** |
| | (0.172) | (0.204) | (0.199) |
| Wealth controls | yes | yes | yes |
| Year FE | yes | yes | yes |
| Education length/type ind. | no | no | no |
| Age | yes | yes | yes |
| Individual FE | yes | yes | yes |
| R-squared | 0.363 | 0.397 | 0.316 |
| N | 17,117,901 | 13,168,888 | 13,168,888 |

*Notes:* The table shows robustness regression of intergenerational persistence in returns. The first column reproduced the last Column in Table IA.3; the second column drops business owners from the sample. The third columns drops business owners and uses the alternative definition of returns. All the specifications include controls for father's wealth, year fixed effects, education and age and individual fixed effects. Standard errors clustered at the child's level in parentheses; ***p-value<0.01, **p-value<0.05, * p-value<.10.

## 3 Computing Returns on Risky Assets

Here we compare individual average returns on listed stocks and their heterogeneity when capital gains are observed on accrual basis and when they are observed at realization. We also compare cross sectional heterogeneity in a given year in the two cases.

*Average individual returns on listed stocks*

Consider first the case where returns are realized at $T$. Annual returns are defined as : $R_t = \frac{y_t}{P_t} + \frac{P_{t+1}}{P_t}$ - the sum of the dividend yield and the capital gain. In our data we observe dividends but we do not observe capital gains except when they are realized. Hence the return structure is $R_t = \frac{y_t}{P_t}$ if $t < T$ and $R_t = \frac{y_T}{P_T} + \frac{P_{T+1}}{P_1}$ if $t = T$. Assume $log(P_{t+1}) = log(P_t) + v_{t+1}$ with $E(v_{t+1}) = 0$. If $E(v_{t+1}, v_s) = 0$ then the stock price is a random walk, but we do not need to assume this. Indeed $E(v_{t+1}, v_s)$ may differ from zero allowing for some predictability in stock returns. Suppose the holding period is $T$; at the end of $T$ the stock is sold and the capital gain is realized.

Suppose $T$ is the holding period, and suppose that the investor sells the stock at the end of $T$ and we observe when the capital gain is realized. The average (gross) return over the holding period is:

$$R(T) = \prod_1^T (y_t/P_t + P_{t+1})/P_t)^{1/T)} = \prod_1^T (y_t/P_t + P_t e^{v_{t+1}}/P_t)^{1/T)}$$

Taking logs and noting that $log(y_t/P_t + e^{v_{t+1}}) \simeq y_t/P_t + v_{t+1}$the average return over the $T$ periods is

$$log(R(T)) = r(T) = \tfrac{1}{T} \textstyle\sum_1^T (y_t/P_t + v_{t+1}).$$

Consider now the other case where the dividend is observed only at realization as in our data. The holding period return is:

$$R(T) = ((y_T/P_T + P_{T+1}/P_1)(\textstyle\prod_1^{T-1}(\frac{y_t}{P_t} + 1))^{1/T}$$

Taking logs the average return is now

$$log(R(T)) = r(T) = \tfrac{1}{T} \textstyle\sum_1^{T-1} (y_t/P_t) + \frac{1}{T} log(y_T/P_T + P_{T+1}/P_1) = \\ \tfrac{1}{T} \textstyle\sum_1^{T-1} (y_t/P_t) + \frac{1}{T} log(y_T/P_T + e^{\sum_1^T v_{t+1}}).$$

If $log(y_T/P_T + e^{\sum_1^T v_{t+1}}) \simeq \frac{y_T}{P_T} + \sum_1^T v_{t+1}$then

$$r(T) = \frac{1}{T}\sum_1^T (y_t/P_t + v_{t+1})$$

which is the same expression as when using returns on accrual basis. In other words, if we are interested in estimating average returns, as in our fixed effects regressions in Section 5, our data provide a very similar answer to what we would get if we used standard measures of returns that reflect unrealized capital gains over a year.

There is one caveat. We observe the dollar value of the capital gain at realization, that is $P_{T+1} - P_1$ but we do not observe the initial price. What we compute as return in the final period is thus $y_T/P_T + (P_{T+1} - P_1)/P_T + 1 = y_T/P_T + 1 + (e^{\sum_1^T v_{t+1}} - 1)/(e^{\sum_1^{T-1} v_{t+1}})$. Notice that the numerator in the capital gain is correct while the denominator is not. Hence:

$$r(T) = \frac{1}{T}\sum_1^{T-1}(y_t/P_t) + \frac{1}{T} log(y_T/P_T + 1 + (e^{\sum_1^T v_{t+1}} - 1)/(e^{\sum_1^{T-1} v_{t+1}})$$

Because $(e^{\sum_1^T v_{t+1}} - 1)/(e^{\sum_1^{T-1} v_{t+1}}) \simeq 1 - e^{-\sum_1^{T-1} v_{t+1}}$ the expression for $r(T)$ reduces to

$$r(T) = \frac{1}{T}\sum_1^T (y_t/P_t) + \frac{1}{T}\sum_1^{T-1} v_{t+1}$$

and the difference between this measure and the correct one is just $\frac{1}{T} v_{T+1}$, which is small for relatively large $T$.

Consider now the case where returns are unrealized over the $T$ periods. That is we do not observe the realization. This case is relevant because for some observations the holding period is truncated. The average return using the accrual measures of annual returns is the same as before$r(T) = \frac{1}{T}\sum_1^T (y_t/P_t + v_{t+1})$ whereas our estimate would be $r(T) = \frac{1}{T}\sum_1^T (y_t/P_t)$. Thus if $T$ is sufficiently large the difference $\frac{1}{T}\sum_1^T v_{t+1} \simeq 0$ and the two estimates tend to be close to each other. In our data, among all stockholders 80% report at least one realized capital gain over the observation period. Hence, we have no observed capital gain for only a minority.

*Cross sectional heterogeneity*

Our measure of returns based on realized capital gains may affect cross sectional heterogeneity. We distinguish between heterogeneity in average returns, as captured by the fixed effects in the regression discussed in Section 5, and heterogeneity in annual returns that we use to establish stylized facts in Section 4.

*Heterogeneity in average returns* Because average mean returns based on realized capital gains are similar to average returns based on accrued capital gains, cross sectional heterogeneity is also unaffected. That is the fixed effect heterogeneity should be similar.

*Heterogeneity in annual returns* When annual returns are computed using accrual capital gains as $R_t = \frac{y_t}{P_t} + \frac{P_{t+1}}{P_t}$ and log return is $r_t = \frac{y_t}{P_t} + v_{t+1}$ the cross sectional variance is clearly zero (of course there is heterogeneity due to the fact that people have different assets/stocks, but that is another issue).

In our data instead the return at $t$ is:

$$R_{it} = \frac{y_t}{P_t} + I_{it}(\frac{P_{t+1}-P_1}{P_1} + 1)$$

where $I_i$ is a dummy=1 if at $t$ the investor has sold the stock and realized (and thus reported to the tax authority) the capital gain (assuming for simplicity that all those who sell bought at $t$=1). Clearly, our measure now entails heterogeneity in returns because at each $t$ some sell and some others do not. The log return is:

$$r_{it} = \frac{y_t}{P_t} + I_{it}\frac{1}{T}(\sum_1^T v_{t+1})$$

and thus the cross sectional variance is:

$$\text{var}(r_{it}) = (\frac{1}{T}(\sum_1^T v_{t+1}))^2 f(1-f),$$

where $f$ is the fraction of investors that realize the capital gain or loss at $t$. If $f$ is sufficiently large or sufficiently small (that is if investors tend to realize capital gains either very frequently or very infrequently, this variance is close to zero. In the data the fraction of stockholders that in a given year report a capital gain or loss is around 0.25; thus $f(1-f) = 0.1875$. Of all stockholders 80% report at least one realized capital gain over the observation period and the number of years without reporting a capital gain/loss over the average number of years the investor has been holding stocks is 0.25, implying an holding period of about 4 years. Around 80% of the risky portfolio is invested in stock mutual funds the rest in single stocks. Using the annual index of the Oslo stock exchange over the years 1915-2015 we get the residuals from a regressions $log(P_t) = \delta + log(P_{t-1}) + v_t$,[1] obtain estimates of the residuals $v_t$ and use them to compute 4-year means of the terms $(\frac{1}{T}(\sum_1^T v_{t+1}))^2$ for the years since 1970. Assuming

[1]The estimated regression, allowing for a drift term is $log(pt) = 0.0324 + 1.0094 log(p_{t-1})$. A standard Dickey Fuller test does not reject the unit root null hypothesis ($Z = 0.57$, p-value 0.72)

$f = 0.25$, the average $var(r_{it}) = 0.0021$ and the standard deviation is 0.034. This is a small fraction of the cross sectional standard deviation of returns on risky assets in any year, as shown in Table 1.

## 4 Data sources and variable definitions

Our analysis employs several data sources (administrative registers provided by Statistics Norway) that we can link through unique identifiers for each individual and family. We start by using a rich longitudinal database that covers every resident from 1967 to 2013. For each year, it contains individual socio-economic information (including sex, age, marital status, educational attainment, income, and gross wealth) and geographical identifiers. Over the period 1993-2013, we can link these data sets with information for every Norwegian on most types of assets holdings and liabilities (such as real estate, financial portfolio, debt) as well as a detailed account of the individuals income sources. The values of assets holdings and liabilities are measured at the last day of the year. These data have several advantages over those available in most other countries. First, there is no attrition from the original sample due to refusal by participants to consent to data sharing. In Norway, these records are in the public domain. Second, our income and wealth data pertain to all individuals, and not only to jobs covered by social security, individuals who respond to wealth surveys, or households that file estate tax returns. Third, most components of income and wealth are third-party reported (e.g. by employers, banks and financial intermediaries) and recorded without without any top or bottom coding. And fourth, unique identifiers allow us to match spouses to one another (and parents to children). In our main analysis we focus on financial wealth, which includes bank deposits, bonds, stocks (of listed and non-listed companies), mutual funds and money market funds. Below we briefly describe the administrative tax records and map the items (both at the level and the income level) of the tax reports into the two broader asset categories, safe and risky assets.

### *4.1 Administrative tax records*

Because households in Norway are subject to a wealth tax[2], they are required to report every year their complete wealth holdings to the tax authority, and the data are available every year from 1993 up until present time. Every year, before taxes are filed (in April

[2]In Norway, married couples file separate income and wealth tax returns. However, total taxes paid do generally not depend on how spouses split the values of jointly owned assets.

the year after), employers, banks, brokers, insurance companies and any other financial intermediaries are obliged to send both to the individual and to the tax authority, information on the value of the asset owned by the individual and administered by the employer or the intermediary, as well as information on the income earned on these assets. For an individual holds no stocks, the tax authority pre-fills a tax form and sends it to the individual for approval; if the individual does not respond, the tax authority considers the information it has gathered as approved. In 2009, nearly 2 million individuals (60 percent of the Norwegian tax payers) belonged to this category. If the individual or household owns stocks then he has to fill in the tax statement - including calculations of capital gains/losses and deduction claims. The statement is sent back to the tax authority which, as in the previous case receives all the basic information from employers and intermediaries and can thus check its truthfulness and correctness. Stockholders are treated differently because the government wants to save on the time necessary to fill in more complex tax statements. This procedure, particularly the fact that financial institutions supply information on their customer's financial assets directly to the tax authority, makes tax evasion very difficult, and thus non-reporting or under-reporting of assets holdings are likely to be negligible.

Below we map the stocks and the flows of the individual tax return into two categories: Safe and risky assets.[3]

The stock of safe assets is defined as the sum of:

4.1.1 Deposits Banks +

4.1.3 Cash +

4.1.5 Bond funds & money market funds +

4.1.7.2 Bonds +

4.1.6 Outstanding claims and receivables (in Norway)

The income flow from safe assets is defined as:

3.1.1 Interest income on bank deposits etc.

+ 3.1.2 Other interest income.

+ 3.1.3 Interest on loans to companies that is subject to extra tax (RF-1070).

+ 3.1.4 Yield and disbursements from endowment insurance.

The stock of risky assets is defined as the sum:

[3]Individuals and household report the tax value of their holdings (some items are in some years discounted in calculation of the wealth tax base). Before aggregating up the portfolio of the households, we convert the values back to market values by dividing by the appropriate tax weight.

4.1.4 Tax value of shares in units trusts (mutual funds) +

4.1.7.1 Tax value of Norwegian shares, equity certificates, registered in the securities register (VPS) +

4.1.8 Tax value of shares (RF-1088) and other securities not registered with the Norwegian Central Securities Depository (VPS)

The income flow of risky assets is defined as:

3.1.5 Dividends, etc. (RF-1088). +

3.1.6 Yields from units in unit trusts +

3.1.7 Dividends not declared under items 3.1.5 or 3.1.6 +

3.1.8 Gains on the sale of shares, etc. (RF-1088) +

3.1.9 Gains on the sale of units in securities funds +

3.1.10 Gains on the sale of shares etc. (RF-1059).

Source: Tax, Income, and Wealth Registers, available since 1993 unless otherwise stated, description below dates from the year 2013. See https://www.skatteetaten.no/en/Person/Tax-Return/Find-item/

| Safe Assets: | |
|---|---|
| 4.1.1 Deposits Banks | This item shows what deposits you and your children who are under 17 years of age at the end of the income year have in Norwegian banks as of 31 December. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| 4.1.3 Cash | Under this item, you must enter the total amount you have in cash, postal orders, foreign currency, traveller's cheques, cash cheques, etc. as of 31 December which exceeds NOK 3,000. |

| | |
|---|---|
| 4.1.5 Bond funds & money market funds | Holdings in the form of units in bond funds and money market funds (Norwegian), both registered and not registered in Norwegian Central Securities Depository (VPS). This item shows your holdings funds as of 31 December. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| 4.1.7.2 Bonds | This item shows the value of bonds in the VPS as of 31 December. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| 4.1.6 Outstanding claims and receivables (in Norway) | Receivables and claims such as loans to friends and family, salary and maintenance payments you are owed and/or advances you have paid for a service you had not yet received as of 31 December. |
| Risky Assets: | |
| 4.1.4 Tax value of assets in the form of units in unit trusts (mutual funds) | The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| 4.1.7.1 Tax value of Norwegian shares and equity certificates registered in the (VPS) | This item shows the value of shares in the VPS as of 31 December. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |

| | |
|---|---|
| 4.1.8 Tax value of shares and other securities not registered with the VPS | This item shows the capital value of shares and other securities not registered with VPS. |
| Income from Safe Assets | |
| 3.1.1 Interest income on bank deposits etc.. | This item shows what you and your children aged under 17 have received in interest income. Interest income belonging to children aged under 17 will be split with half being assigned to each of the parents when they live together. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| 3.1.2 Other interest income. | If you have received interest income on money you have loaned to friends and family, for example, or interest income from life insurance, non-life insurance, etc., you must check the amount under this item and, if necessary, enter any information that is missing. |
| 3.1.3 Interest on loans to companies that is subject to extra tax (RF-1070). | Under this item, you enter calculated interest income on loans given to companies (limited liability companies, public stock companies, foreign companies, businesses assessed as a partnership, etc.). The amount to be entered under 3.1.3 is the actual accrued interest after tax that exceeds a calculated deductible risk-free return. |

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| 3.1.4 Yield and disbursements from endowment insurance. | This item shows what you have received during 2013 in the form of yields on the savings part of endowment insurance with a guaranteed return and/or taxable disbursements during 2014 from endowment insurance with investment options without a guaranteed yield (unit-linked insurance). The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| Expenses/deductibles, Safe Assets | |
| 3.3.1 Interest on debt. | This item shows the amount you have paid in interest on debt, penalty interest and/or the benefit of low-interest loans from an employer. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| Incomes from Risky Assets | |
| 3.1.5 Dividends | This item shows dividends. The amount will normally be pre-completed with what is stated in "RF-1088 Shares and equity certificates". In mid-March, you received this form, which is an overview of your Norwegian shares, as well as foreign companies registered on Oslo Stock Exchange. |
| 3.1.6 Yields from units in unit trusts. | This item shows what you and your children aged under 17 have received in taxable yields from units in unit trusts. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |

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| 3.1.7 Dividends not declared under items 3.1.5 or 3.1.6. | Under this item, you must enter dividends from Norwegian and foreign shares or unit trusts that have not already been completed under items 3.1.5 and 3.1.6. If you are claiming a deduction for risk-free return in order to reduce the tax you pay on your dividends, you must complete "RF1059 Shares and units in funds etc." |
| 3.1.8 Taxable gains on the sale of shares, etc. | This item should be pre-completed with the net gain from shares from Norwegian limited liability companies and foreign companies listed on Oslo Stock Exchange, for which you have received form "RF-1088 Shares and equity certificates" (in Norwegian only). The same applies to equity certificates. See below concerning the correction of errors and omissions. |
| 3.1.9 Taxable gains on the sale of units in securities-/ mutual funds. | This item shows the taxable gain you have made on sales of units in securities funds. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| 3.1.10 Other taxable gains on the sale of shares etc. | Under this item, you must enter calculated gains from the sale of shares and/or securities funds which have not been prefilled in either item 3.1.8 or 3.1.9 of the tax return. |
| Expenses/deductibles, Risky Assets | |
| 3.3.8 Losses on the sale of shares, etc. (RF-1088) | This item should be pre-filled with the net loss from shares from Norwegian limited liability companies and foreign companies listed on Oslo Stock Exchange and which is stated in form "Aksjer og egenkapitalbevis" (Shares and equity certificates) (RF-1088). |

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| 3.3.9 Losses on sale of units in securities funds | This item shows the losses you have incurred on the sale of units in securities funds. The amount will normally be prefilled with the amount that has been reported by your bank(s) and/or financial institution(s), you should check that the correctness and accuracy of the information. |
| 3.3.10 Losses on the sale of shares etc. (RF-1059) and bonds | Under this item, you must enter calculated losses on the sale of shares and/or securities funds which are not prefilled under item ..8 or ..9 of your tax return. |
| Business Income | Income from own businesses |
| *Education* | Source: Norwegian Educational Database, available since 1964 |
| Education length | Years of schooling |
| Education type | Primary field of study (college major) at the post-secondary level |
| Financial Education | Indicator variable for college degree in finance, business or economics |
| *Population and family* | Source: The Central Population Register, available since 1964 |
| Region | Region of residence at the end of the year |
| Birth date | Date of birth |
| Gender | Indicator variable for female |
| Marital status | Indicator variable for married |
| Spousal ID | Unique individual identifier of spouse |
| Mother ID | Unique individual identifier of mother |
| Father ID | Unique individual identifier of father |