

Tax

Taxes are levied in Switzerland at 3 levels (federal, cantonal and communal). Federal taxes are the same throughout Switzerland. However, there are tax differences between the cantons and local communities, which also leads to regional differences in the tax burden.

Main types of tax

The most important taxes for companies are those levied on profits and capital. The effective tax burden for company profits lies between 14.2% and 20.3% in Canton Basel-Landschaft, between 14.9% and 22.8% in Canton Basel-Stadt and at an average of 21.27% in the Canton Jura. The capital tax lies between 0.275% and 0.375% in Canton Basel-Landschaft and stands at 0.525% in Canton Basel-Stadt and 0.377% in Canton Jura respectively.

The most important taxes for individuals are income tax and wealth tax. The tax is calculated using a progressive rate of tax. To help people determine their approximate tax burden, the tax administration departments of Cantons Basel-Stadt, Baselland and Jura provide a tax calculator online:

Canton Basel-Stadt: <http://www.steuerverwaltung.bs.ch/steuerrechner-np-2009-2010.htm>

Canton Basel-Landschaft: <http://faiweb08.bl.ch/Steuerberechnung/Menu-NP-Ord.jsp>

Canton Jura: <http://w3.jura.ch/cgi-bin/services/ctr/calculette/index.pl>

The assessment both of income and wealth tax and of profit and capital tax is essentially based on a tax return, which is submitted every year.

Non-Swiss people in employment without a settlement permit (C permit) are taxed at source and do not have to submit a tax return if they earn less than CHF 120,000 per annum. In this case, the tax is levied and calculated directly via the employer.

Value-added tax (VAT) in Switzerland is a federal tax. This is by far the lowest VAT throughout Europe. The standard rate is 8%, while the rate for daily necessities is 2.5% and that for accommodation services is 3.8%.

Privileged tax status

Some forms of company, such as holding companies, mixed companies and private equity companies benefit from particularly favourable tax rates.

Holding company

The principal purpose of the holding company is to manage holdings in other companies on a permanent basis. Holding companies are granted a so-called equity holding deduction in the context of the tax on profits at federal level. The cantons also grant complete exemption from the tax on profits (holding privilege) and a reduced capital tax.

Mixed company

A mixed company pursues its business activities mainly abroad (80% of sales and costs are generated outside Switzerland). The cantons grant tax privileges to mixed companies, as a result of which only about 10% of ordinary profit tax is levied on the profits. The tax on capital is also levied at a reduced rate.

Private equity company

A private equity company has at least a 10% holding in the nominal or share capital of another company or a holding with a market value of at least CHF 1 million. Private equity companies can claim the so-called equity holding deduction, which leads to a reduced tax on profits.

Tax relief

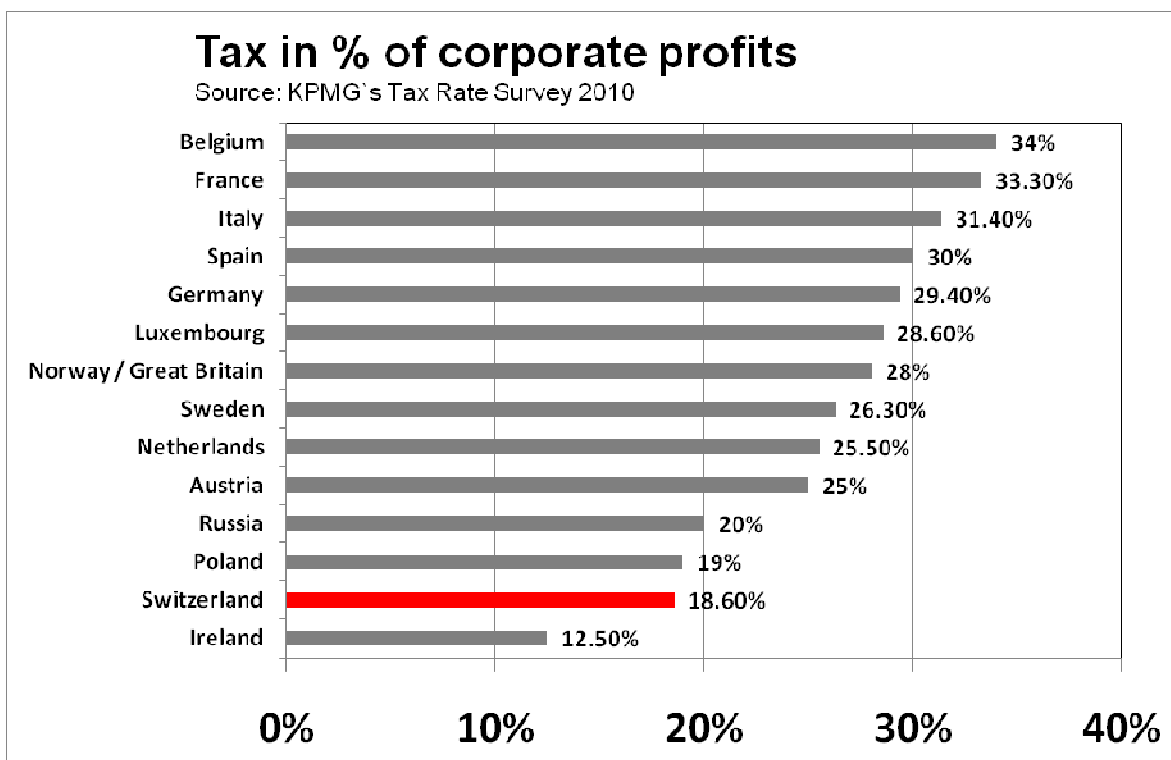
Newly founded companies or companies that move from abroad can claim tax relief for up to 10 years in Cantons Basel-Stadt, Basel-Landschaft and Jura. The application must be submitted directly to the overall governing council concerned, which also takes the final decision. The following criteria of assessment, in particular, are crucial for determining the level and duration of tax relief:

- Number and quality of jobs to be created
- Level of direct and indirect investments
- Anticipated profit growth during the requested period of tax exemption
- Changes in the competitive situation

Companies that enjoy tax privileges do not receive any additional tax relief.

International

Switzerland and the Basel region have an extremely attractive tax system compared with other countries.



More than 100 international agreements (DTAs: double taxation agreements), which have been signed Switzerland, prevent or mitigate the double tax burden in international relations.

An overview of the DTAs that have been signed can be found at

<http://www.estv.admin.ch/intsteuerrecht/themen/00170/00784/index.html?lang=de>

Contact with tax administration / coordinates

The regional tax administration authorities are very cooperative and see themselves as service providers for your customers (companies and individuals). Reliable tax information can be achieved through so-called tax rulings (advance notices), which ensures a high degree of transparency and legal certainty.

BaselArea will be happy to assist you in your project and put you in touch with the relevant departments of the tax authorities concerned.

Further information on taxes can also be obtained directly from the tax authorities concerned:

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Fax: +41 61 267 42 82

E-mail: steuerverwaltung@bs.ch

www.steuerverwaltung.bs.ch

Steuerverwaltung Kanton Basel-Landschaft

Rheinstrasse 33

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www.baselland.ch/Steuern.273545.0.html

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secr.ctr@jura.ch

www.jura.ch/DFJP/CTR.html

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