



## Essential Features of Taxation in the Canton of Schwyz

---

### A. Canton

#### 1. Principle

The following comments on taxation in the canton of Schwyz concern calculation of the so-called “tax unit” (= simple tax). The calculated tax unit will always be multiplied by the appropriate multiple for the local authority, parish, district and cantonal tax. The relevant appropriations can be taken from the table “Taxation of local authorities in the Canton of Schwyz”.

#### Example

Assets	CHF 1'000'000.00
Tax according to Section 2.3 Bst. bb (0.6 per thousand of CHF 1'000'000.00)	CHF 600.00 (amount of tax for one unit)
Tax rate (assumed)	300 per cent of one unit
Effective amount of tax	CHF 1'800.00

#### 2. Taxation of individuals

##### 2.1 Tax authority

Local authority, parish, district and canton

##### 2.2 Tax location

Determined by residence

##### 2.3 Nature of tax

###### a) Progressive taxation on income

Local authority, parish and district:

With a taxable income of CHF 230'400.00 and above the maximum rate per tax unit is 3.65 per cent.

Canton:

With a taxable income of CHF 386'000.00 and above the maximum rate per tax unit is 5.0 per cent.

In the case of jointly taxable married couples the tax rate is assessed by dividing the taxable income by the divisor 1.9. The maximum rate applies consequently on incomes of CHF 733'400.00 and above.

b) Proportional asset tax of 0.6 per thousand on taxable assets

## 2.4 Peculiarities

No inheritance and gift tax

## 2.5 Tax relief for partnerships

This can be granted by the legislature under the concordat of the Swiss Cantons for newly established partnerships that serve the economic interests of the canton. Double taxation agreements are reserved.

## 3. Taxation of legal entities

### 3.1 Tax authority

Local authority, parish, district and canton

### 3.2 Tax location

Headquarters of the company, location of the management

### 3.3 Nature of tax

a) Public limited companies (AG, Kommandit AG and GmbH) and cooperatives

Proportional profit tax of 2.25 per cent on taxable net profit with credit of minimal tax

Proportional minimal tax of 0.4 per thousand on taxable equity, at least CHF 100.00

b) Associations and foundations

Proportional profit tax of 2.25 per cent on taxable net profit with credit of minimal tax, profits below CHF 20'000.00 are not taxed

Proportional minimal tax of 0.4 per thousand on taxable equity, equities below CHF 300'000.00 are not taxed

c) Holding companies

No profit tax

Proportional minimal tax of 0.025 per thousand on taxable equity, at least CHF 100.00

d) Foreign-based companies

Proportional profit tax with credit of minimal tax

Public limited companies, cooperatives, associations and foundations, as well as

branches of foreign legal entities that have administrative tasks in Switzerland, but do not conduct any business activity there, are liable for the profit tax according to a separate section calculation as follows:

- a) Income from investments pursuant to § 74 Para. 1 of the Cantonal Taxation Act as well as profits on capital and revaluation surplus from such investments are free of tax,
- b) Income from Switzerland is taxed on an ordinary basis,
- c) Income from abroad is taxed with 10 per cent of the ordinary tariff.

Proportional minimal tax of 0.025 per thousand on taxable equity, at least CHF 100.00

e) Mixed companies

Proportional profit tax with credit of minimal tax

Public limited companies and cooperatives that are predominantly directed at foreign business and whose business activities in Switzerland only play a minor role, are liable for profit tax according to a separate section calculation as follows:

- a) Income from investments pursuant to § 74 Para. 1 of the Cantonal Taxation Act as well as profits on capital and revaluation surplus from such investments are free of tax,
- b) Income from Switzerland is taxed on an ordinary basis,
- c) Income from abroad is taxed with 15 per cent of the ordinary tariff.

The applied standard is that at least 80 per cent of gross income must come from abroad and 80 per cent of expenses on business conducted on the firm's own account or on the account of others are incurred outside Switzerland.

Proportional minimal tax of 0.025 per thousand on taxable equity with, at least CHF 100.00

### 3.4 Peculiarities

Legal entities pay a minimal tax instead of an income tax, if the minimal tax exceeds the income tax.

Credit of minimal tax: the minimal tax for legal entities does not apply, if the profit tax is higher than the minimal tax.

Real estate applies on ordinary taxation.

Tax forms part of commercially justified expenditure and can therefore be deducted when making the calculation. Commercially justified expenditure also includes immediate write-offs down to one Swiss franc on intangible rights and moveable operating equipment.

Earnings and income are excluded from exemption or a reduction in profit tax if a claim is made for a reduction in foreign tax at source and the double taxation agreement has a requirement of ordinary taxation in Switzerland.

Tax allowances for profit and equity do not apply for associations and foundations, if they are taxed according to § 76 Para. 1 of the Cantonal Taxation Act.

### 3.5 Tax relief

This can be granted by the legislature under the concordat of the Swiss Cantons for newly established companies that serve the economic interests of the canton. Double taxation agreements are reserved.

## **B. Federal government**

### **1. Taxation of individuals**

#### 1.1 Tax authority

Federal government, implemented by the cantons

#### 1.2 Tax location

Determined by residence

#### 1.3 Nature of tax

Progressive taxation on income. Separate scales for unmarried and married persons. With a taxable income of CHF 755'300.00 and above the tax for unmarried persons is 11.5 per cent; for married persons 11.5 per cent of a taxable income of CHF 896'000.00 and above.

#### 1.4 Peculiarities

No capital tax

### **2. Taxation of legal entities**

#### 2.1 Tax authority

Federal government, implemented by the cantons

#### 2.2 Tax location

Headquarters of the company, location of the management

#### 2.3 Nature of tax

##### a) Public limited companies (AG, Kommandit AG and GmbH) and co-operatives

Proportional profit tax of 8.5 per cent on taxable net profit

No capital tax

##### b) Associations and foundations

Proportional profit tax of 4.25 per cent on taxable net profit, profits below CHF 5'000 are not taxed

No capital tax

c) Holding companies

No profit tax on net profit where the entire profit constitutes income from participating interest, otherwise proportionate reduction in amount of tax

No capital tax

d) Foreign-based companies

Profit tax: no allowance for foreign-based companies, same taxation as for public limited companies

No capital tax

e) Mixed companies

Profit tax: no allowance for mixed companies, same taxation as for public limited companies

No capital tax

Please note that this is an outline of the taxation system. For more detailed information please consult the appropriate instructions for taxation.

Under the [link](#) (www.schwyz-economy.ch >> Economic Development >> Taxes >> Individuals you will find a tax calculator for individuals.

Under the [link](#) (www.schwyz-economy.ch >> Economic Development >> Taxes >> Legal entities you will find a tax calculator for legal entities.