



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 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 1.95 per cent on taxable net profit

or

Proportional minimal tax of 0.03 per thousand on taxable equity, at least CHF 100.00

b) Associations and foundations

Proportional profit tax of 1.95 per cent on taxable net profit, profits below CHF 20'000.00 are not taxed

or

Proportional minimal tax of 0.03 per thousand on taxable equity, equities below CHF 300'000.00 are not taxed

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.

Research & development: additional deduction 50 %

Patent box: deduction on profit 90 %

Deduction limit: maximum deduction 70 %

Real estate applies on ordinary taxation.

Taxes form 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.

3.5 Tax relief

Tax relief can be granted by the legislature under the concordat of the Swiss Cantons. In special cases, newly established companies or resident companies with a significant change in their business activities that serve the canton's economic interests may benefit from it. Double taxation agreements remain 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

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 >> English >> Taxes >> Individuals) you will find a tax calculator for individuals.

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