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Implementation of Tax Reform and AHV Financing in the canton of Berne

On 2 December 2019, the Grand Council of the canton of Berne adopted the bill for the cantonal tax law revision 2021 in a first reading with 90 votes to 49. This aims in particular to implement the legal requirements of TRAF.

TRAF has re-established international acceptance of Swiss corporate taxation. The federal government's proposal primarily aims at abolishing cantonal tax privileges (for holding companies, mixed companies and domiciliary companies), as well as introducing substitute measures. On 19 May 2019, the proposal was approved by significant majority.

To implement TRAF, the cantonal government of Berne has launched the 2021 cantonal tax reform. The bill was adopted by 90 votes to 49 by the Grand Council of the canton of Berne during a first reading in the 2019 winter session. In the 2020 spring session, the Grand Council will take a final decision on the proposal in a second reading. If the referendum is subsequently held, the voters will also have to decide on the proposal.

The tax reform is set to enter into force on 1 January 2021. To implement the mandatory requirements of TRAF by 1 January 2020, certain provisions of the 2021 tax reform are expected to be applied with retroactive effect as of 1 January 2020 in the canton of Berne.

You will find an overview of the key elements of the 2021 tax reform on the next page. The overview includes details on the implementation of TRAF and the changes to corporate taxation in the canton of Berne based on the bill adopted by the Grand Council in his first reading.

If you have any questions, your usual contacts at PwC or one of the TRAF experts shown on the left at PwC Berne will be happy to help you.

Overview of the most important planned legislative changes with their effects on corporate taxation in Berne

