

July 2019

Your contacts

Louis Macchi
Partner Corporate Tax,
Lugano
+41 58 792 65 16
louis.macchi@ch.pwc.com

Matteo Gamboni
Senior Manager Corporate
Tax, Lugano
+41 58 792 65 20
matteo.gamboni@ch.pwc.com

Paolo Pamini
Manager Corporate Tax,
Lugano
+41 58 792 65 38
paolo.pamini@ch.pwc.com

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

The cantonal government of Ticino announced the cantonal draft bill to implement the national proposal of the tax law named “Federal Act on Tax Reform and AHV Financing” (TRAF).

On 19 May 2019 Ticino approved the TRAF with a majority of 64.9 % of voters.

Accordingly, the cantonal tax law will implement the future modifications of the Tax Harmonisation Act, resulting in the abolition of special tax status companies at cantonal level (privileged taxation as a holding company, mixed company and domiciliary company). This will be implemented at the same time as the introduction of internationally recognised replacement measures.

Notably, the government of the canton of Ticino proposed to introduce R&D incentives (patent box and R&D super deduction) to the maximum relief allowed by the Tax Harmonisation Act to make Ticino one of the most attractive cantons for companies investing in R&D.

Additionally, all ordinarily taxed companies domiciled in the canton will benefit from the reduction in the profit tax rate, whereas companies that benefit from a special tax status can expect the introduction of a transitional measure that will substantially mitigate the increase in the effective tax burden over the next 5 years.

The following page provides an overview of the most important legislative changes and their effects on corporate taxation in Ticino.

If you have any questions, your usual contacts at PwC or one of the following TRAF experts at PwC Ticino will be happy to help you.

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

