

## Contacts

### Dieter Wirth

Partner Corporate Tax, Zurich  
+41 58 792 44 88 dieter.  
wirth@ch.pwc.com

### Armin Marti

Partner Corporate Tax, Zurich  
+41 58 792 43 43  
armin.marti@ch.pwc.com

### Markus Prinzen

Partner Corporate Tax, Zurich  
+41 58 792 53 10  
markus.prinzen@ch.pwc.com

### Stefan Schmid

Partner Corporate Tax, Zurich  
+41 58 792 44 82  
stefan.schmid@ch.pwc.com

### Urs Brügger

Partner Corporate Tax, Zurich  
+41 58 792 45 10  
urs.bruegger@ch.pwc.com

### Martina Walt

Partner Corporate Tax, Zurich  
+41 58 792 68 84  
martina.walt@ch.pwc.com

### Jürg Niederbacher

Partner Corporate Tax, Zurich  
+41 58 792 42 93  
juerg.niederbacher@ch.pwc.  
com

### Martin Büeler

Partner Corporate Tax, Zurich  
+41 58 792 43 92  
martin.bueeler@ch.pwc.com

### Benjamin De Zordi

Partner Corporate Tax, Zurich  
+41 58 792 43 17  
benjamin.de.zordi@ch.pwc.  
com

### Matthias Marbach

Partner Corporate Tax, Zurich  
+41 58 792 44 76  
matthias.marbach@ch.pwc.  
com

# Implementation of Tax Reform and AHV Financing in the canton of Zurich

**With the Swiss tax reform, the international acceptance of the Swiss corporate tax system will be ensured and Switzerland's attractiveness as a business location will be restored. The changes particularly affect the Federal Act on Direct Federal Tax ("DBG") as well as the Tax Harmonization Act (StHG) and its implementation into cantonal tax law. The reform includes the abolition of the cantonal tax regimes (for holding, mixed and domiciliary companies at cantonal level, as well as for principal companies and the finance branch taxation at Swiss Federal level) and the introduction of internationally recognised replacement measures.**

On 19 May 2019, the Swiss electorate passed the tax package with a 66.4% majority of the votes. It will enter into force on 1 January 2020. The implementation into the cantonal tax law of Zurich was also passed by the cantonal electorate on 1 September 2019 with a majority of 56%. The legislative amendments will thus enter into force on 1 January 2020.

The tax rate in the Canton of Zurich is - especially compared to neighbouring Cantons such as Schaffhausen or Zug - on the higher end. Therefore, the Canton of Zurich is fully introducing all the replacement measures that are available based on the Federal Harmonization law in order to retain its competitiveness and to avoid migrations towards lower taxed Cantons and/or states. The replacement measures include in particular a notional interest deduction on excess equity amounts, an increased R&D deduction and the patent box with a maximum relief of 90%. In addition, the tax rate will be reduced from currently 21.15% to 19.70% with effect from 2021. A further reduction of the tax rate to 18.19% is planned to be part of a separate bill at a later point in time.

The following page provides an overview of the most important planned legislative changes with their effects on corporate taxation in Zurich. In addition to the measures with respect to corporate taxation, the bill also contains certain amendments to relief measures for private individuals.

If you have any questions, please contact your usual contact at PwC or one of the following experts at PwC Zurich.

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

