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

The Swiss corporate tax reform ensures that the Swiss corporate tax system enjoys international acceptance and maintains Switzerland's attractiveness as a business location. The changes affect, in particular, the Swiss Federal Act on Direct Federal Tax (DBG), as well as the Tax Harmonisation Act (StHG) and its implementation into cantonal tax law. They include the abolition of the cantonal tax status (privileged taxation of holding companies, mixed companies and domiciliary companies) and the introduction of internationally recognised substitute measures.

In the referendum of 19 May 2019, the Swiss electorate passed the tax package with a 66.4 % majority of the votes.

A "constructive referendum" was held in the canton of Nidwalden, countering the tax law revision agreed by the Nidwalden cantonal parliament. The subject of the constructive referendum was that the revised tax law should be accepted in principle, but the envisaged tax rate reduction should not be accepted. By passing an implementation ordinance, the Nidwalden government brought the mandatory STAF regulations into force, with effect from 1 January 2020. The referendum was originally planned for 17 May 2020 but had to be postponed because of the COVID-19 pandemic. The implementation ordinance contains the following measures in particular:

Abolition of the holding company and management company tax status with transitional regulations, the introduction of the patent box and a relief limitation of 70 %.

The implementation ordinance does not cover measures included in the tax law revision that are not considered by the Swiss legislator to be mandatory, like the income tax reduction.

The following page provides an overview of the planned changes to the law with an impact on corporate taxation in the canton of Nidwalden.

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

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

