

PwC's international tax comparison 2020

Get an overview of the tax landscape in Switzerland and across the world with PwC

www.pwc.ch/international-tax-comparison





Contents

Comparison of taxes for corporations and individuals							
Comparing taxes: legal entities	5						
2020 corporate tax rates in Switzerland	6						
2020 corporate tax rates in the EU and Switzerland	7						
2020 corporate tax rates in OECD and G20 countries	8						
Comparing taxes: natural persons	9						
2020 tax burden for natural persons (100'000 CHF net income)	10						
2020 tax burden for natural persons (250'000 CHF net income)	12						
2020 tax burden for natural persons (marginal tax rate)	14						
Your contacts							

Comparison of taxes for corporations and individuals

PwC's tax comparison tool is a quick and easy way to get an idea of tax rates for corporations and individuals.

Tax rates for natural persons vary depending on net income. You can conduct comparisons on three levels: with a taxable net income of 100 000 CHF, a net income of 250 000 CHF, and the marginal tax rate. And you can do all that for the different cantons.

When it comes to corporate entities, we also offer a worldwide comparison. Whether you want to compare tax rates in the canton of Thurgau with those in Chile

or see how Hong Kong compares with Germany, the international tax comparison tool allows you to examine all the permutations.

The map of Switzerland featured in this document shows tax rates for the capital of each canton. You'll also find this information and a lot more on our interactive map of Switzerland. Put together your own comparisons at: www.pwc.ch/international-tax-comparison

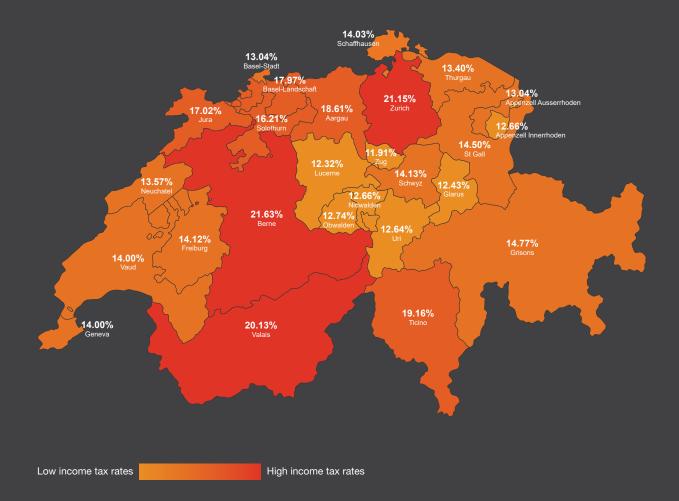
Feel free to contact us if you have any questions.

Armin Marti Partner Leader Tax Policy **Stefan Schmid** Partner Tax & Legal Services Kornel Wick Director Tax & Legal Services

Comparing taxes: legal entities

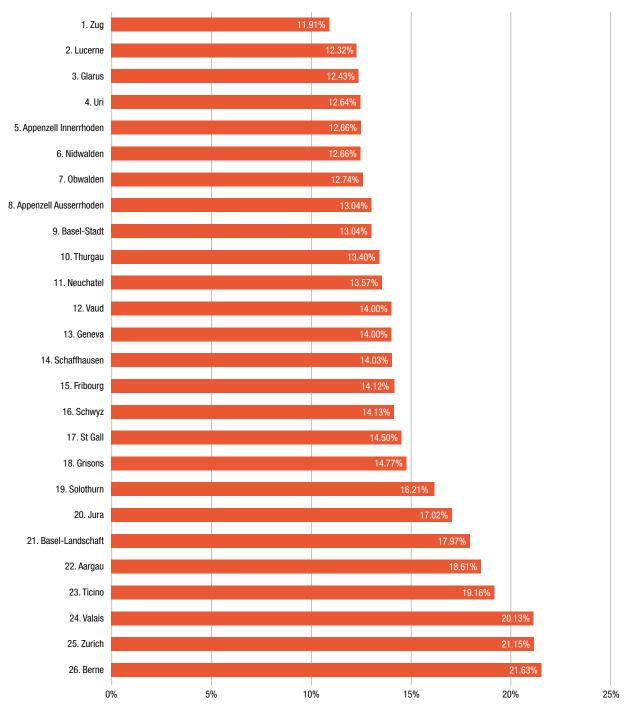
Compared to 2019, there have been some significant reductions in ordinary cantonal tax rates in many cantons. This is a result on Swiss corporate tax reform, which became effective as of 1 January 2020.

The graphic below shows very clearly that the cantons of Bern, Zurich and Valais have some of the highest tax rates in the country, while tax rates in central Switzerland are significantly lower. As a result of the Swiss tax reform, due to the introduction of new relief measures, from 2020 the effective corporate income tax rate can further be reduced for companies qualifying for one or more of the newly introduced relief measures, such as the deduction for R&D costs, the patent box deduction, the deduction on net equity (the latter in the canton of Zurich only) or if they qualify for temporary transition relief due to the abolishment of former tax regimes.



2020 corporate tax rates in Switzerland

Within the cantons themselves, corporate tax rates vary considerably depending on where the entity is located or moving to. There are various cantons with a uniform tax rate for all municipalities, including Neuchâtel, St. Gallen and Basel-Stadt. For the other cantons, the tax rate may vary due to municipality-dependent multipliers. The table shows the rate for the cantonal capital.

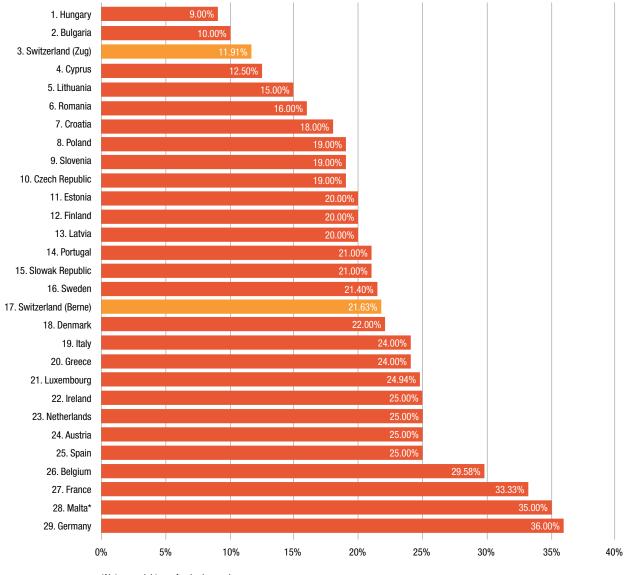


2020 corporate tax rates in Switzerland

2020 tax burden in cantonal capital

2020 corporate tax rates in the EU and Switzerland

The Swiss cantons with the lowest rates in Switzerland compare well with the lowest tax rates in EU countries. With a tax burden twice as high, the most expensive cantons rank in the lower mid-range internationally. The most favourable cantons are near the top of the rankings. The chart compares the corporate tax rates in Zug and Bern with the tax rates of all EU countries.



2020 corporate tax rates in the EU and Switzerland

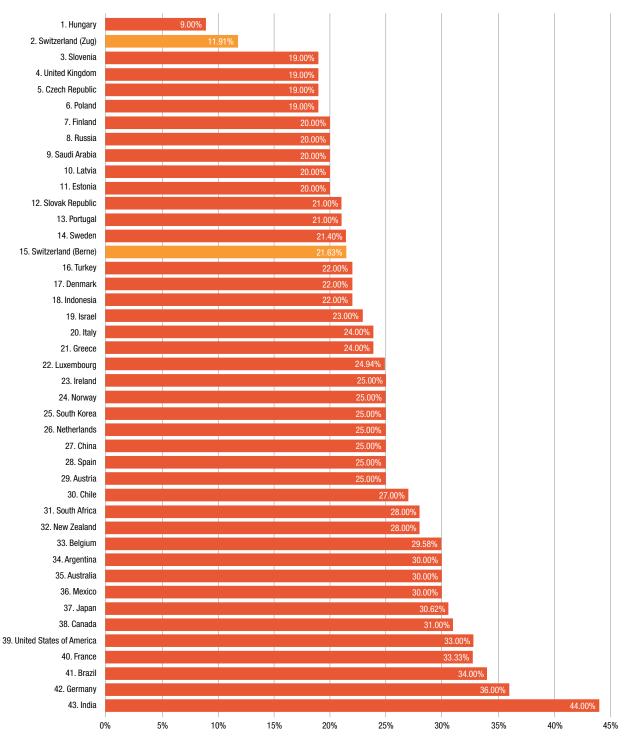
*Note: special tax refund rules apply

2020 corporate tax rate

2020 corporate tax rates in OECD and G20 countries

The Swiss cantons with the lowest rates in Switzerland compare well with the lowest tax rates in the OECD/

G20 nations. With a tax burden twice as high, the most expensive cantons rank in the mid-range internationally.



2020 corporate tax rates: OECD and G20 countries

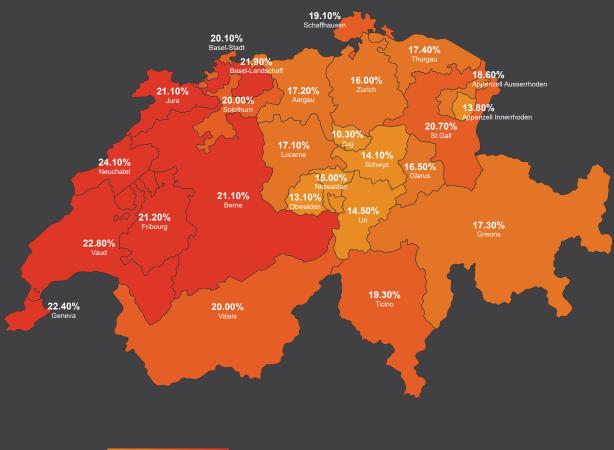
Comparing taxes: natural persons

Income tax rates in Switzerland vary considerably from canton to canton and from municipality to municipality. For example, Zug has the lowest rate of any cantonal capital for a taxable income of 100'000 CHF (10.30%), and Neuchatel, the highest (24.10%). Maximum marginal tax rates for high incomes range from 22.40% in Zug, all the way up to 45.00% for Geneva. Find out how your canton of residence compares with others. At **www.pwc.ch/international-tax-comparison** you can use our interactive map of Switzerland to put together detailed comparisons.

On the next few pages we present an overview of the cantons.

2020 tax burden for natural persons (100'000 CHF net income)

This overview shows tax rates for each cantonal capital. The figures are for a net income of 100'000 CHF. In this scenario Canton Zug (represented by its capital, Zug) has the lowest tax rate, 10.30%. The most expensive cantonal capital for a net income of 100'000 CHF is the municipality of Neuchatel, with a tax rate of almost double that 24.10%.



Low income tax rates

High income tax rates

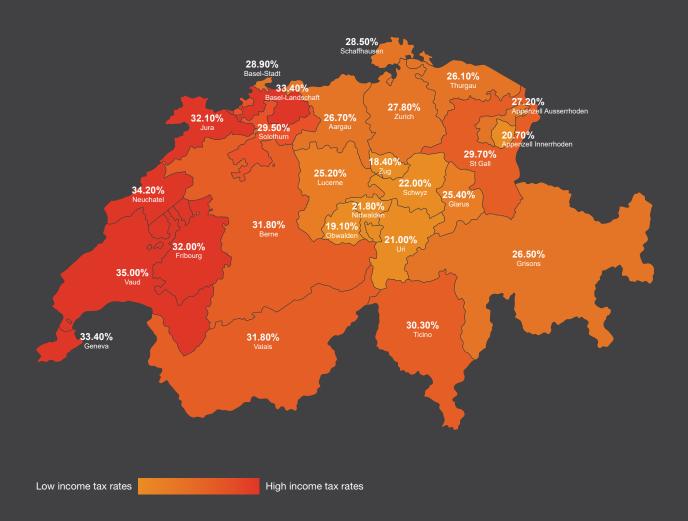
The chart below shows the rates for the different cantonal capitals. However, in some cases there are big differences within individual cantons. Under this scenario, for example, the highest tax rate is 25.70% in the municipality of Enges in Canton Neuchatel, compared with only 24.10% in the canton's capital, Neuchatel.

1. Zug	Zug 10.30%		18.40% 22.	40%				
2. Obwalden	Sarnen	13.10%	19.10%	24.30%				
3. Appenzell Innerrhoden	District: Appenzell / Municipality: Appenze	ell 13.80%	20.70%	24.40%				
4. Schwyz	Schwyz	14.10%	22.0	10% 26.80	%			
5. Uri	Altdorf	14.50%	21.00%	<mark>6</mark> 25.30%				
6. Nidwalden	Stans	15.00%	21.8	0% 25.60%				
7. Zurich	Zurich	16.00%	%	27.	.80%		40.00%	
8. Glarus	Glarus	16.50)%	25.40%	31.5	50%		
9. Lucerne	Lucerne	17.1	10%	25.20%	31.20)%		
10. Aargau	Aarau	17.	20%	26.70	%	34.50%		
11. Grisons	Chur	17.	.30%	26.509	<mark>%</mark> 32	.20%		
12. Thurgau	Frauenfeld	17	.40%	26.10%	3	2.40%		
13. Appenzell Ausserrhoden	Herisau		18.60%	27.2	. <mark>0%</mark> 30.70%	6		
14. Schaffhausen	Schaffhausen		19.10%	28	3.50% 31.10)%		
15. Ticino	Bellinzona		19.30%		30.30%	6	40.60%	
16. Solothurn	Solothurn		20.00%		29.50%	33.70%		
17. Valais	Sion		20.00%		31.	. <mark>80%</mark> 36.50%		
18. Basel-Stadt	Basel		20.10%		28.90%		40.50%	
19. St Gall	St Gall		20.70%		29.70%	33.30%		
20. Berne	Berne		21.10	%	31.	<mark>80%</mark>	41.40%	
21. Jura	Delémont		21.10	%	32	<mark>.10%</mark>	39.90%	
22. Fribourg	Fribourg		21.20	%	32	.00% 35.80%		
23. Basel-Landschaft	Liestal		21.9	00%		33.40%	42.20	%
24. Geneva	Geneva		22	.40%		33.40%		45.00%
25. Vaud	Lausanne		22	2.80%		35.00%	41.50%	
26. Neuchâtel	Neuchâtel			24.10%		34.20% 38.	.10%	
0	% 10)%	20	%	30	0%	40%	
l	100'000 CHF net income	-	250'000 CHF	net income	n	narginal tax rate		

2020 tax burden for natural persons (sorted according to rate for 100'000 CHF net income)

2020 tax burden for natural persons (250'000 CHF net income)

This overview shows tax rates for each cantonal capital. The figures are for a net income of 250'000 CHF. Zug also leads the rankings in this scenario with an attractive tax rate of 18.40%. The municipality of Lausanne, with a rate of 35.00%, is at the foot of the rankings.



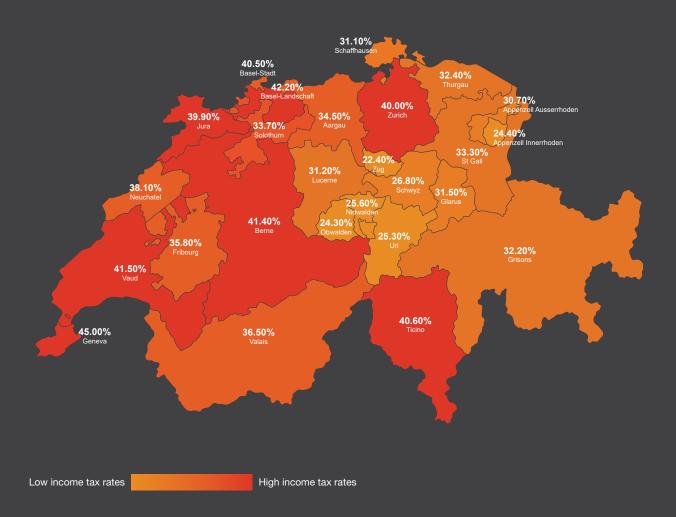
The chart below shows the tax rate for the different cantonal capitals. Rates may vary slightly by municipality due to different communal multipliers, except for Glarus which is the only canton with a uniform tax rate across all municipalities. You can do further comparisons online at www.pwc.ch/international-tax-comparison.

2020 tax burden for natural persons (sorted according to rate for 250'000 CHF net income)

1. Zug	Zug 10.30%		18.40% 22.4	10%					
2. Obwalden	Sarnen	13.10%	19.10%	24.30%					
3. Appenzell Innerrhoden	District: Appenzell / Municipality: Appenze	m13.80%	20.70%	24.40%					
4. Uri	Altdorf	14.50%	21.00%	25.30%					
5. Nidwalden	Stans	15.00%	21.80	<mark>%</mark> 25.60%					
6. Schwyz	Schwyz	14.10%	22.00)% 26.80%					
7. Lucerne	Lucerne	17.1	10%	25.20%	31.20%				
8. Glarus	Glarus	16.50	1%	25.40%	31.50	%			
9. Thurgau	Frauenfeld	17	.40%	26.10%	32.	40%			
10. Grisons	Chur	17	.30%	26.50%	32.2	0%			
11. Aargau	Aarau	17.	20%	26.70%		34.50%			
12. Appenzell Ausserrhoden	Herisau		18.60%	27.20%	30.70%				
13. Zurich	Zurich	16.00	6	27.80	%		40.00%		
14. Schaffhausen	Schaffhausen		19.10%	28.50	<mark>0% 3</mark> 1.10%				
15. Basel-Stadt	Basel		20.10%	28	.90%		40.50%		
16. Solothurn	Solothurn		20.00%	2	29.50%	33.70%			
17. St Gall	St Gall		20.70%		29.70% 3	3.30%			
18. Ticino	Bellinzona		19.30%		30.30%		40.60%		
19. Valais	Sion		20.00%		31.80	<mark>)%</mark> 36.50%			
20. Berne	Berne		21.10%	0	31.80)%	41.40	1%	
21. Fribourg	Fribourg		21.20%	0	32.0	0% 35.80%			
22. Jura	Delémont		21.10%	0	32.1	0%	39.90%		
23. Basel-Landschaft	Liestal		21.9	0%	3	3.40%	42.	20%	
24. Geneva	Geneva		22.	40%	3	3.40%		45.00%	
25. Neuchâtel	Neuchâtel			24.10%		34.20% 38.	10%		
26. Vaud	Lausanne		22	.80%		35.00%	41.5)%	
0	% 10	%	20%	, 0	30%	, D	40	%	
	100'000 CHF net income		250'000 CHF n	et income	ma	rginal tax rate			

2020 tax burden for natural persons (marginal tax rate)

This overview shows tax rates for each cantonal capital. The figures refer to the marginal tax rate. Here again, the municipality of Zug is at the head of the rankings with a rate of 22.40%. At the foot of the rankings is the municipality of Geneva with 45.00%, almost double the rate of Zug.



Depending on the level of income, it makes sense to compare applicable tax rates across cantons and municipalities. Even though the municipality of Zug has the lowest tax rate of any cantonal capital, a similar tax rate is found in the municipality of Wollerau in the canton of Schwyz (which at 21.90% even boasts a slightly lower rate than Zug).

Do your own personal comparison online at www.pwc.ch/international-tax-comparison.

2020 tax burden for natural persons (sorted according to marginal tax rate)

1. Zug	Zug 10.30%		18.40% 22.4	40%					
2. Obwalden	Sarnen	13.10%	19.10%	24.30%					
3. Appenzell Innerrhoden	District: Appenzell / Municipality: Appenzel	ell 13.80%	20.70%	24.40%					
4. Uri	Altdorf	14.50%	21.00%	25.30%					
5. Nidwalden	Stans	15.00%	21.80	1% 25.60%					
6. Schwyz	Schwyz	14.10%	22.0	<mark>0%</mark> 26.80%	6				
7. Appenzell Ausserrhoden	Herisau		18.60%	27.20	<mark>%</mark> 30.70%	6			
8. Schaffhausen	Schaffhausen		19.10%	28.	<mark>50% 3</mark> 1.10	9%			
9. Lucerne	Lucerne	17.	10%	25.20%	31.20	%			
10. Glarus	Glarus	16.5	0%	25.40%	31.5	0%			
11. Grisons	Chur	17	7.30%	26.50%	32	.20%			
12. Thurgau	Frauenfeld	1	7.40%	26.10%	32	2.40%			
13. St Gall	St Gall		20.70%		29.70%	33.30%			
14. Solothurn	Solothurn		20.00%		29.50%	33.70%			
15. Aargau	Aarau	17	.20%	26.70%	0	34.50%			
16. Fribourg	Fribourg		21.20%	6	32.	. <mark>00%</mark> 35.80%			
17. Valais	Sion		20.00%		31.	<mark>80%</mark> 36.50 [°]	%		
18. Neuchâtel	Neuchâtel			24.10%		34.20% 38	8.10%		
19. Jura	Delémont		21.10%	6	32.	10%	39.90%		
20. Zurich	Zurich	16.00	%	27.8	0%		40.00%		
21. Basel-Stadt	Basel		20.10%	2	8.90%		40.50%		
22. Ticino	Bellinzona		19.30%		30.30%)	40.60%		
23. Berne	Berne		21.10%	6	31.8	80%	41.40	%	
24. Vaud	Lausanne		22	.80%		35.00%	41.50	%	
25. Basel-Landschaft	Liestal		21.9	0%		33.40%	42.2	.0%	
26. Geneva	Geneva		22.	40%		33.40%		45.00%	
04		1%	20%	6	30)%	40%	6	
	100'000 CHF net income		250'000 CHF r	net income	m 📕	arginal tax rate			

Your contacts

Tax services for corporate entities



Armin Marti Partner and Leader Tax Policy +41 58 792 43 43 armin.marti@pwc.ch



Stefan Schmid Partner Tax & Legal Services +41 58 792 44 82 stefan.schmid@pwc.ch

Tax services for private clients



Kornel Wick Director Tax & Legal Services +41 58 792 42 48 kornel.wick@pwc.ch





© 2020 PwC. All rights reserved. 'PwC' refers to PricewaterhouseCoopers AG, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.