



# Taxation in Uri

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## A. Flat Rates in combination with high social deductions for individual taxpayers

→ The rates are subject to annually fixed cantonal and municipal multipliers. On average the multipliers are 100%

	<b>canton</b>	<b>communes</b>	<b>churches</b>	<b>total</b>
<b>Income tax rates</b>	7.2%	7.2%	1.0%	15.4%
<b>Tax rates on net wealth</b>	0.11%	0.11%	0.04%	0.26%
<b>Savings capital pension plan</b>	1.9%	1.9%	0.5%	4.3%
<b>Tax rates on profits</b>	4.7%	4.7%	1.0%	10.4%
<b>Tax rates on net worth</b>	-	0.001%	-	0.001%

### Social deductions on income

Personal deduction	CHF 14'500
Married personal deduction	CHF 11'000
Deduction for children	CHF 8'000 to CHF 20'800

### Social deductions on net wealth

Personal deduction	CHF 80'000
Married personal deduction	CHF 80'000
Deduction for children	CHF 20'000

## B. Example for calculation of the tax burden for individual tax-payers

### *Married Taxpayer with two children*

Gross Income	CHF 100'000
Deduction for 1 <sup>st</sup> pillar (old age and survivors' insurance)	- CHF 6'050
Deduction for 2 <sup>nd</sup> pillar (mandatory pension plan)	- CHF 7'800
Deduction for job-related expenditure	- CHF 2'600
Deduction for insurances	- CHF 4'700
Married personal deduction	- CHF 11'000
Personal deduction	- CHF 14'500
Deduction for children (minimum CHF 8'000 per child)	- CHF 16'000
<i>Taxable base</i>	<i>CHF 37'350</i>
Cantonal tax	CHF 2'689
Communal tax	CHF 2'689
Federal tax	CHF 106
<i>Total tax</i>	<i>CHF 5'484</i>

## C. Taxation on holding companies and of equity investment companies

### Tax burden on taxable base

	<b>canton</b>	<b>communes</b>	<b>churches</b>	<b>total</b>
<b>Corporate profits</b>	0.0%	0.0%	0.0%	0.0%
<b>Net wealth</b>	-	0.001%	-	0.001%

### Mixed holding companies

Swiss companies with substantial participations get tax relief in form of participation exemption (at federal and cantonal/municipal level)

### 100% holding companies

Uri applies a holding privilege for 100% holding companies. This results in a nearly complete exemption from tax at the cantonal and municipal level (including other than participation income). In general the requirements are:

- holding activity (no active business), and
- either 2/3 of the net assets must consist of participations
- or 2/3 of the total income must consist of income from participations.

## **D. Lump-sum taxation of resident aliens**

Residents aliens may opt for lump-sum income taxation instead of the ordinary income and net wealth taxes under certain conditions. This tax is *not* based on the effective income derived by the tax-payer but on certain living expenses. It applies at the federal and cantonal/municipal level, but only if the tax-payer does not perform professional activity or employment in Switzerland.

The lump-sum is not lower than 70'000 swiss francs.

## **E. Attractive tax conditions in Uri (highlights)**

- Individual income tax rates (see the charts below)
- Family taxation: Uri applies very favourable tax conditions for families, for instance Switzerland's highest tax deductions for children (up to 20'800 francs per child and year)
- Payments in cash of 2<sup>nd</sup> pillar savings capital: lowest tax rates in Switzerland
- Privileged taxation of substantial participations of minimum 10 percent: taxable base is reduced by 60 percent on dividends and participation capital
- Taxation of net worth: lowest tax rates in Switzerland (0.001 percent)
- Taxation of corporate income: canton with one of the lowest tax costs (less than 10 percent)
- Holding Companies: lowest tax rates in Switzerland
- Under certain conditions the cantonal government may grant tax breaks for newly established companies. Such privileges are always limited to a maximum of 10 years.

## F. Income: Tax burden in Central Switzerland

*Income tax for married tax-payers with two children (in percent)*

<b>Gross income in 1000 francs</b>	<b>50</b>	<b>80</b>	<b>100</b>	<b>150</b>	<b>200</b>	<b>300</b>
<i>Lucerne</i>	1.79	5.35	6.98	10.09	12.25	14.70
<i>Nidwalden</i>	1.79	5.30	7.01	9.69	11.21	12.74
<i>Obwalden</i>	3.89	6.35	7.19	8.80	9.65	10.51
<i>Zug</i>	0.11	1.71	3.23	5.22	6.80	8.83
<i>Schwyz</i>	1.54	3.69	4.74	7.01	8.49	9.96
<i>Uri</i>	0.20	4.01	5.84	8.34	9.69	11.05
<i>Federal tax</i>	0.00	0.31	0.71	1.89	3.79	6.42

## G. Net Wealth: Tax burden in Central Switzerland

*Net wealth tax for married tax-payers with two children (in per mille)*

<b>Net wealth in 1000 francs</b>	<b>150</b>	<b>200</b>	<b>300</b>	<b>500</b>	<b>1000</b>	<b>2000</b>
<i>Lucerne</i>	1.00	1.49	2.00	2.40	2.68	2.85
<i>Nidwalden</i>	0.95	1.16	1.36	1.53	1.65	1.72
<i>Obwalden</i>	1.00	1.11	1.24	1.34	1.42	1.45
<i>Zug</i>	0.00	0.14	0.36	0.89	2.14	3.08
<i>Schwyz</i>	0.00	0.69	1.37	1.92	2.33	2.54
<i>Uri</i>	0.00	0.60	1.30	1.90	2.35	2.57
<i>Federal tax</i>	<i>There is no federal net wealth tax</i>					