

Switzerland: the 3rd Reformation

The 3rd corporate tax reform, aims to strengthen the attractiveness of the Swiss tax Square eliminating the tax differentials applied by the cantons to income earned by foreign companies compared to those achieved by national companies. From the mid-2000s, the imposition of business is increasingly the target of international criticism. International criticism concerning the Swiss practice privileged taxation of income from foreign sources ('ring fencing') holding companies, domiciliary and mixed companies. These in fact, they enjoy the so-called cantonal tax status. In this respect, Switzerland is conducting a dialogue on corporate taxation with the EU. In the OECD Switzerland actively participates in the work to make tax competition more equitable between states. The 3rd RI enterprises is based on the suppression of the cantonal tax status. For Switzerland this will result in a loss of competitiveness, which must be offset by measures accepted internationally. Both Houses have approved the project with modifications, in the summer session 2016. The Parliament has deleted from the project of the Federal Council to issue tax on their capital, which would be discussed later in a separate project. The Cantons may also introduce a tax on profit after deduction of interest on own capital above average when taxing dividends from investments from 10 percent to at least 60 percent.