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Tax Reductions in the Swiss Canton Lucerne

As of 2012, Lucerne will have the lowest Swiss-wide corporate tax rate.

On 27 September 2009 citizens in the canton Lucerne accepted improvements in tax law and tax reductions for corporations and individuals

The main changes are outlined below.

Corporate Income Tax Rate Halved

The cantonal statutory corporate income tax rate is lowered from 3% to 1.5% as of 2012. With the new tax reduction, the total tax burden in the canton of Lucerne will vary between approximately 4.3% and 6.5% (depending on the commune) and will be the lowest of any Swiss canton. A plan to allow cantonal corporate income tax to be credited against capital tax, however, has been postponed.

New Child Care Deductions for Families

The tax burden of middle-income residents will be alleviated through a linear tax cut reducing progressivity, and tax thresholds will be adjusted for inflation. For parental child care, CHF 2000 per child can be newly deducted. For outside child care, costs are deductible as long as they exceed the general child care deduction of CHF 2000.

Implications

The decisions made by voters over the weekend further increase the significance of Switzerland /Lucerne as a business and residential location.