

Taxation of wealthy individuals

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

The taxation of wealthy individuals is shaped by the federal structure of Switzerland. The Confederation levies a direct income tax, but no federal wealth tax and no federal inheritance tax. The cantons and municipalities levy income and wealth taxes and, in most cantons, inheritance and gift taxes. The rates and the rules differ considerably from canton to canton, which gives families a choice of residence that is unusual in Europe.¹

The canton of Basel-Stadt has relatively high income tax rates for high incomes, although they have been reduced in several steps since the corporate tax reform of 2019. Its wealth tax rates are moderate. The neighbouring canton of Basel-Landschaft has higher wealth tax rates, which has been a subject of political debate. Both cantons exempt spouses and direct descendants from inheritance tax, which is the rule in most cantons, while they tax inheritances by more distant relatives and unrelated persons at rates that rise with the distance of the relationship and with the amount.² The canton of Schwyz levies no inheritance tax at all, and other cantons such as Zug and Nidwalden offer lower overall tax burdens than Basel. Families planning their residence in Switzerland therefore compare cantons carefully.

Lump-sum taxation is a special regime for foreign nationals who take up residence in Switzerland for the first time or after an absence of at least ten years and do not pursue a gainful activity in Switzerland. They are taxed on the basis of their expenditure in Switzerland and abroad, subject to a minimum. Since 2016, the minimum for the federal tax is seven times the rental value of the taxpayer's home or four hundred thousand francs, whichever is higher, while the cantons set their own minimums.³ Several cantons abolished lump-sum taxation by popular vote, among them Zurich in 2009 and the two Basel cantons in the years from 2012.⁴ A federal popular initiative to abolish the regime throughout Switzerland was rejected in November 2014. Wealthy foreigners who want to use lump-

sum taxation therefore settle in other cantons, typically in the cantons of Vaud, Valais, Geneva, Graubünden, Ticino, Schwyz or Bern. A family that chooses Basel as a home accepts ordinary taxation, a choice that is often made for its schools, its culture, its proximity to Germany and France and its airport.

1 Notes

1. On the allocation of taxing powers between the Confederation and the cantons (Art. 128 and 129 BV), the absence of a federal wealth and inheritance tax and the cantonal wealth, inheritance and gift taxes, see the publications of the Federal Tax Administration. To be verified. ↩
2. On the inheritance and gift tax laws of Basel-Stadt and Basel-Landschaft, including the exemption of spouses and descendants and the progressive rates for other beneficiaries, see the cantonal tax legislation. To be verified. ↩
3. Art. 14 DBG on taxation according to expenditure, as amended by the Federal Act of 28 September 2012, in force since 1 January 2016 (minimum of CHF 400,000 for the direct federal tax, indexed). To be verified. ↩
4. On the abolition of lump-sum taxation in the canton of Zurich (vote of 8 February 2009), Basel-Landschaft (vote of 2012) and Basel-Stadt (vote of 2013 or 2014), and the rejection of a federal initiative to abolish it on 30 November 2014, see the cantonal and federal records. Dates to be verified. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/basel-taxation-of-wealthy-individuals