

Debt, Church property and the first direct tax

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The canton entered the federal state heavily indebted. According to the figures assembled in the cantonal school journal, the public debt stood at 5,054,265.8 lire on 5 June 1846 and at 6,300,000 lire on 5 July 1848, excluding the 640,000 lire needed to redeem the toll concession on the causeway of Melide.¹ The causeway illustrates both the ambition and the financing methods of the period. Proposed on 4 June 1840, it was financed by a subscription opened on 16 February 1844 for 700 shares, taken up by 171 shareholders, and built from the summer of 1846 by the contractors Luigi Caccia and Giuseppe Bordelli under a contract of 732,000 lire, which the difficult foundations exceeded by about 140,000 lire. The self-taught engineer Pasquale Lucchini of Montagnola designed it. The company received a concession to collect a toll (*pontonaggio*), with fixed rates for carriages, carts, horses, cattle and pedestrians. The causeway was inaugurated on 3 October 1847.² By July 1848 the canton was already reckoning with the cost of redeeming the shareholders' toll concession, a step that fitted the federal policy of abolishing internal tolls against compensation.

The radicals' answer to the fiscal crisis combined two measures. The law of 18 March 1848 transferred the credit instruments of the religious corporations to the state treasury, which gave the canton capital estimated at about 1,100,000 cantonal lire, although the opposition pointed out that many of the loans concerned would be difficult to recover.³ The second measure was the direct tax, which the federal settlement had made unavoidable and which was, in the words of the historian of the reform of 1855, an explosive issue in the canton. It was finally voted in 1855, after the *pronunciamento*, as a tax on income and on wealth (*imposta sulla rendita e sulla sostanza*).⁴ The canton that had begun in 1803 by abolishing the Helvetic direct taxes thus reintroduced them fifty-two years later, under the pressure of the federal state and of its own debts.

1 From 1848 to the present: the fiscal constitution of the canton

The settlement of 1848 to 1855 laid down the structure of Ticino's public finances that still exists. The canton and its communes levy direct taxes on the income and wealth of individuals and on the profits and capital of companies, within the framework that federal law has harmonized since the 1990s.⁵ The Confederation collects customs duties, value added tax, the federal income tax and the withholding tax. It also redistributes resources among the cantons through a system of financial equalization approved in 2004.⁶ The cantonal constitution of 1997 obliges the canton to keep its finances in balance over the medium term and sets limits on deficits (Articles 34bis and 34ter).⁷ For the private clients of Lugano's banks and fiduciaries these rules are not abstract. The cantonal wealth tax, the lump-sum taxation of foreign residents and the taxation of companies, which Chapters E.V and F.II discuss, are all exercises of the fiscal sovereignty that the canton defended in 1848 and rebuilt in 1855.

2 Notes

1. Brogginì (above). ↩
2. Agliati, study of the causeway of Melide, Scuola ticinese, no. 86, https://m4.ti.ch/fileadmin/DECS/DS/Rivista_scuola_ticinese/ST_n.86/ST_86_Agliati_ponte-diga_Melide.pdf. ↩
3. Brogginì (above). ↩
4. Marazzi, reform of 1855 (above); Brogginì (above). ↩
5. Federal Act on the Harmonization of Direct Taxes of Cantons and Communes of 14 December 1990 (StHA), SR 642.14. ↩
6. Rey (above). ↩
7. Costituzione cantonale (above), Art. 34bis and 34ter. ↩

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