

Lump-sum taxation in Switzerland: taxation according to expenditure

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Wealthy foreign nationals who move to Switzerland and do not work here can, in most cantons, be taxed on their expenditure instead of their worldwide income and wealth. Lump-sum taxation, as it is usually called, gives families a predictable tax bill agreed in advance with the canton, and it spares them the detailed declaration of foreign income and assets. The regime has clear conditions and minimum amounts, and it is not available everywhere in Switzerland, so the choice of canton and the preparation of the ruling decide how much it is worth.

1 Who qualifies

Taxation according to expenditure is available to individuals who do not hold Swiss nationality, who take up tax residence in Switzerland for the first time or after an absence of at least ten years, and who do not carry on gainful activity in Switzerland (Article 14 of the Federal Direct Tax Act). Managing one's own private assets is not gainful activity, but working for a Swiss or foreign employer in Switzerland, or running a business from Switzerland, excludes the regime. Where spouses live together, both must meet the conditions.

2 How the tax is calculated

The tax base is the taxpayer's annual worldwide living expenditure, including that of the family members supported, but it cannot fall below certain minimum amounts. For the federal direct tax, the base must be at least the higher of a statutory minimum, originally CHF 400,000 and adjusted periodically for inflation, and seven times the annual rent or rental value of the taxpayer's home. The cantons set their own minimum amounts, which are often higher. The ordinary tax rates are then applied

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to this base, and a wealth tax is levied on a multiple of the expenditure base according to cantonal law.

A control calculation ensures that the tax is not lower than the ordinary tax on certain Swiss-source income and assets, such as Swiss real estate, Swiss securities and Swiss pensions, and on foreign income for which relief under a double taxation treaty is claimed.

3 Which cantons offer it

Most cantons offer taxation according to expenditure, but the cantons of Zurich, Schaffhausen, Appenzell Ausserrhoden, Basel-Landschaft and Basel-Stadt have abolished it. Among the cantons that offer it, the minimum amounts, the practice and the tax rates differ considerably, and so do the schools, housing and airports that matter to a family. Geneva, Vaud, Zug, Schwyz, Lucerne, Ticino and the mountain cantons are frequent choices.

4 Obtaining a ruling

Before the move, the family should obtain a written ruling from the cantonal tax authority that confirms the tax base and the resulting tax. The request describes the family, the planned home, the expected expenditure and the Swiss-source income and assets. The ruling is usually coordinated with the residence permit, because for nationals of states outside the European Union and EFTA the permit itself depends on the fiscal interest of the canton, as explained in the article on [moving to Switzerland](#).

5 Treaty questions

Some states do not grant treaty benefits to persons taxed on their expenditure, or grant them only where the control calculation includes the income concerned. Families with significant income from such states should model both the lump-sum tax and the ordinary tax before deciding, as explained in the article on [private client taxation](#).

6 How Ressos Legal helps

I advise families on the choice of canton, prepare and negotiate lump-sum tax rulings together with the residence permit, and review their structures and treaty position before the move. [Contact me](#) for a first conversation.

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.

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