

Fiscal equalisation and national solidarity

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The Swiss system of fiscal equalisation redistributes resources from the financially strong cantons to the financially weak ones. Zug, with its high tax base per inhabitant, pays the largest amount per capita into the system. Its contributions have grown with its revenues and reached several hundred million francs a year.¹ The canton has long complained that the system penalises its success and has pressed for reforms that would reduce its contributions or cap them.

The debate on equalisation will intensify as the minimum tax revenues flow in. Because the system counts the tax potential of the cantons, the additional revenue from the minimum tax increases the potential of Zug and the other cantons with many large companies. The Federal Council has proposed adjustments to take account of the minimum tax in the equalisation formula.² The outcome will influence how much of the canton's windfall it can keep. The debate also touches the national cohesion that underpins Switzerland's federalism. A canton that is perceived as too rich and too unwilling to share risks losing political support at the national level, where decisions on taxation, immigration and relations with Europe are taken.

1 Notes

1. zentralplus, "«Ein super Ergebnis»: Zug verzeichnet erneut grosses Plus", 19 March 2025, [zentralplus.ch](https://www.zentralplus.ch): contribution of the canton of Zug to the national fiscal equalisation CHF 435 million in 2025, projected to reach CHF 690 million by 2030. ↩

2. Federal Council, explanatory report on the Federal Decree on a special taxation of large corporate groups (implementation of the OECD/G20 minimum tax), 11 March 2022, admin.ch (newsd.admin.ch, attachment 70598), section 4.2.4: revenue from the supplementary tax is to flow into the fiscal equalisation system as additional tax revenue, which raises the weight of corporate profits in the resource potential. The effectiveness report on fiscal equalisation 2020–2025 (efv.admin.ch, April 2025) also addresses the interaction of the minimum tax with resource equalisation. ↩

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