

Personal taxation in Zug

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For entrepreneurs and families considering a move to Switzerland, personal taxation is often as important as corporate taxation. Zug is known for comparatively low income and wealth taxes. The actual burden, however, depends heavily on the individual circumstances and on the commune chosen.

1 How individuals are taxed

Individuals resident in Switzerland pay income tax at federal, cantonal and communal level. Wealth tax is levied only by the cantons and communes, since there is no wealth tax at federal level. Married couples are generally assessed jointly. Zug's cantonal and communal rates for both income and wealth tax are among the lowest in Switzerland, which makes the canton particularly interesting for persons with high income or substantial assets.

The federal income tax is identical throughout the country and is progressive. For high incomes, it therefore forms a significant share of the total burden, even in a low-tax canton such as Zug.

2 Lump-sum taxation

Switzerland allows certain foreign nationals who take up residence in the country and do not engage in gainful activity in Switzerland to be taxed on the basis of their worldwide living expenses instead of their actual income and wealth. Some cantons have abolished this form of taxation, among them Zurich. Zug continues to offer it.

The conditions are strict and include minimum amounts at federal and cantonal level, and the assessment is usually agreed with the cantonal tax administration in advance. Lump-sum taxation is not suitable for persons who wish to work for a Swiss company or manage their business actively from Switzerland. Whether it is advantageous in an individual case should

be examined carefully, also in view of the rules of the country of origin and any applicable double taxation agreement.

3 Choosing a commune within the canton

Each commune in Zug sets its own tax multiplier, so the burden differs within the canton. Beyond taxes, families often weigh access to schools, travel times to Zurich, the availability of housing and the character of the neighbourhood. Lakeside communes and the city of Zug are popular, while other communes may offer more space at somewhat lower prices.

4 Residence and permits

Tax residence follows actual residence. Persons from outside the EU and EFTA require a residence permit, which is subject to specific conditions depending on whether they intend to work, invest or live from their own means. Immigration and tax planning should therefore be coordinated from the start.

5 What pays off in practice

- **Calculate the burden for the specific commune.** Tax multipliers and personal circumstances change the result considerably.
- **Clarify lump-sum taxation before moving.** An advance agreement with the tax administration creates certainty.
- **Plan the departure from the home country.** Exit taxation and continuing tax ties abroad can outweigh Swiss advantages.

6 How Ressos Legal helps

I advise private clients and families on relocating to Zug, including residence permits and the coordination of Swiss and foreign tax aspects. [Contact me](#) for a first conversation.

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