

Steuerfüsse and the rate competition

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The cantonal tax system of Zug, like that of most Swiss cantons, works with a "Steuerfuss", a multiplier. While the tax law sets the simple tax according to a schedule of rates, the canton and the communes each levy a multiple of the simple tax, expressed as a percentage, which they set annually in their budgets. A communal Steuerfuss of 60 per cent means that the commune levies 60 per cent of the simple tax on top of the cantonal tax.¹ From the 1970s onwards, the communes of the canton reduced their multipliers continuously. The town of Zug reduced its Steuerfuss from 97 per cent in 1985 to 54 per cent in 2020, while Baar's fell from 87 per cent to 50.88 per cent.² The differences between the communes, which had been large in 1950, narrowed as the corporate tax base spread across the canton: whereas in 1950 the range extended from 100 per cent in the town of Zug to 201 per cent in Neuheim, a spread of 101 points, all communes levied between 50.9 and 65 per cent in 2023, a spread of 14 points.³

The falling multipliers reflect a virtuous circle, as the canton's supporters describe it, or a race to the bottom, as its critics describe it. Low taxes attracted companies and wealthy individuals, whose taxes increased the revenue of the canton and the communes. The higher revenue allowed further tax reductions, which in turn attracted further companies and individuals. The circle was not frictionless. The canton ran deficits in several periods: from 1953 to 1960, from 1970 to 1975, throughout the 1990s, from 2002 to 2004 and from 2013 to 2017. Over the period from 1950 to 2022 as a whole, however, the cumulative balance was positive, at 1,333 million francs.⁴

1 Notes

1. Federal Tax Administration, Kantonsblatt Zug, Stand February 2026, estv2.admin.ch/stp/kb/zg-de.pdf; legal basis Steuergesetz vom 25. Mai 2000 (BGS 632.1); taxes computed as a simple tax (einfache Steuer)

multiplied by the cantonal, communal and church Steuerfuss; the ESTV describes the cantonal rate of 82 per cent of the simple tax as the "gesetzliche Steuerfuss". ↩

2. Zug in der Welt, "Zug mit Steuern steuern": from 1975 to 2022 the Steuerfüsse declined continuously; town of Zug from 97 per cent (1985) to 54 per cent (2020); Baar from 87 per cent to 50.88 per cent. ↩
3. Zug in der Welt, "Die Finanzen des Kantons Zug und seiner Gemeinden seit 1950": highest municipal rate 201 points (Neuheim, 1950), lowest 100 points (town of Zug, 1950); by 2023 convergence to 50.9–65 points; the range narrowed from 81 to 14 points. The article states a range of 81 points for 1950, which does not correspond to the difference between the two figures it reports (101 points); the discrepancy is noted here. ↩
4. Zug in der Welt, "Die Finanzen des Kantons Zug und seiner Gemeinden seit 1950": deficit periods 1953–1960, 1970–1975, 1990–1999, 2002–2004 and 2013–2017; largest deficit 149 million francs (2014); largest surplus 321 million francs (2022); cumulative balance 1950–2022 of 1,333 million francs. ↩

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