

Tax strategy after the minimum tax

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The minimum tax requires the canton to rethink its tax strategy. For large groups, the effective rate is now fixed at 15 per cent, so that the canton cannot compete by lowering it further. For smaller companies and individuals, the canton's low rates remain a significant advantage. The canton's strategy can therefore combine three elements. The first is to maintain low ordinary rates for companies below the threshold of the minimum tax and for individuals, which preserves the advantage for small and medium-sized companies, entrepreneurs, family offices and wealthy residents. The second is to use the additional revenue from the minimum tax for measures that increase the canton's attractiveness in ways that the international rules permit, such as investment in infrastructure, education, research and housing. The third is to provide legal certainty and efficient administration, which international companies value as much as low rates.

The design of location promotion measures requires care. Measures that reduce the effective tax rate of large groups below 15 per cent would be counted against the minimum tax and would produce no benefit. Measures that are designed as subsidies for specific activities, such as research and development or the creation of jobs, may be compatible with the rules if they meet the conditions of qualified refundable tax credits or of the qualified tax incentives recognised by the OECD in January 2026.¹ Several cantons, among them Zug and Basel-Stadt, have adopted such measures.² The canton should design its measures in coordination with the Confederation and other cantons, to avoid a new form of harmful competition that could provoke international countermeasures.

1 Notes

1. DLA Piper, "OECD releases Pillar Two Side-by-Side package: Key tax takeaways for businesses", 13 January 2026, dlapiper.com: qualified refundable tax credits (QRTCs) and marketable transferable tax credits

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are treated as income that increases the denominator of the effective tax rate without reducing covered taxes; the new qualified tax incentives (QTIs) increase covered taxes, subject to a substance-based tax incentive safe harbour capped at 5.5 per cent of eligible payroll or of depreciation of eligible tangible assets (or, by election, 1 per cent of their carrying value). ↩

2. SRF, "Abstimmung Kanton Zug: In Zug sinken die Steuern – Inklusion beim Abstimmen nimmt zu", 30 November 2025, [srf.ch](https://www.srf.ch): Gesetz über die Standortentwicklung (GSE) approved with 66.7 per cent Yes; the canton expects about CHF 200 million a year in additional revenue from the OECD minimum tax, to be used for measures in favour of the population and the economy. MME, "Accepted: new law in the canton of Zug on location development (GSE)", [mme.ch](https://www.mme.ch): up to CHF 150 million a year in 2026–2028. Basel-Stadt: [watson.ch](https://www.watson.ch), "Die Abstimmungen im Kanton Basel-Stadt vom 18. Mai 2025": location package (Standortpaket) with two funds financed in response to the minimum tax, CHF 150–500 million a year, 80 per cent for research and innovation, approved with 63.2 per cent. ↩

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