

Taxes on wealth and inheritance

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The taxation of wealthy individuals has returned to the political agenda. Switzerland is one of the few developed countries that levies a tax on net wealth. It does so at the cantonal level, with rates that vary widely between the cantons and are among the lowest in Zug. Most cantons do not tax inheritances passing to direct descendants, while the Confederation levies no inheritance tax at all. These features have made Switzerland, and Zug in particular, attractive to wealthy families from abroad. Part F described how they shaped the wealth management sector of the canton.

In November 2025, Swiss voters decided on a popular initiative of the Young Socialists that proposed a federal tax of 50 per cent on inheritances and gifts above 50 million francs, with the revenue earmarked for climate protection.¹ Although the initiative was rejected clearly, the debate before the vote showed how sensitive the wealthy residents of Zug are to such proposals. Several announced that they would leave Switzerland if the initiative were accepted, while advisers reported a wave of enquiries about relocation to other jurisdictions. The episode showed that the canton's attraction for wealthy families depends on the stability of the federal tax framework as much as on the cantonal rates.

International pressure on the taxation of wealth is growing as well. The G20 discussed a minimum tax on billionaires in 2024, on the initiative of the Brazilian presidency.² Such a tax is unlikely to be implemented in the near future, but the debate may shape national policies. A world in which major economies tax the wealth of their residents more heavily could make Zug more attractive to the wealthy but could also bring international pressure on Switzerland to cooperate in the enforcement of such taxes, as it did with the automatic exchange of information.

1 Notes

1. Swissvotes, vote no. 681 "Initiative für eine Zukunft" (Volksinitiative "Für eine soziale Klimapolitik – steuerlich gerecht finanziert"), swissvotes.ch: vote of 30 November 2025, rejected with 21.72 per cent Yes and by all cantons, Zug included. The rate of 50 per cent and the allowance of CHF 50 million are those of the initiative text, which that summary page does not reproduce. ↩
2. EU Tax Observatory, Gabriel Zucman, "A blueprint for a coordinated minimum effective taxation standard for ultra-high-net-worth individuals", 2024, taxobservatory.world: report commissioned by the Brazilian G20 presidency proposing a minimum tax of 2 per cent a year on the wealth of billionaires. ↩

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