

The Helvetic experiment in taxation

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The Helvetic Republic attempted to create a modern state. It abolished the subject territories and the feudal relations. It introduced unified civil and criminal codes, state monopolies on salt, the postal service and coinage, and educational reforms. It also introduced a modern tax system, with taxes on property, on inheritances and on luxury.¹

For the inhabitants of the old canton of Zug, the Helvetic tax system was a novelty and a burden. The old canton had not known regular direct taxes in the modern sense. Its public revenues came from the foreign pensions, from the town's monopolies and market dues, from the income of public property and from occasional levies. The Helvetic Republic replaced this patchwork with general taxes assessed on the wealth and income of all citizens, collected by a central administration. At the same time, the war of the Second Coalition, which was fought in part on Swiss soil in 1799, brought requisitions, billeting and destruction to central Switzerland.² The failure of the Helvetic experiment left a lasting mark on the Swiss constitutional imagination. The central Swiss cantons associated centralised taxation with foreign occupation, with the loss of their autonomy and with a regime imposed by force. When the federal state was created in 1848, direct taxation remained with the cantons while the Confederation was financed by customs duties and postal revenues. The cantonal tax sovereignty that made tax competition possible in the twentieth century was, in part, a reaction to the Helvetic experience. The historical root of Zug's fiscal policy thus lies, paradoxically, in the resistance of the old Catholic cantons to the modern state.

1 Notes

1. HLS, "Helvetische Republik": abolition of subject territories and feudal relations; introduction of modern tax systems (property, inheritance and luxury taxes); unified civil and criminal codes; state

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monopolies on salt, the postal service and coinage; educational initiatives. ↩

2. HLS, "Helvetische Republik": political instability and military conflicts during the War of the Second Coalition (1799). ↩

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