

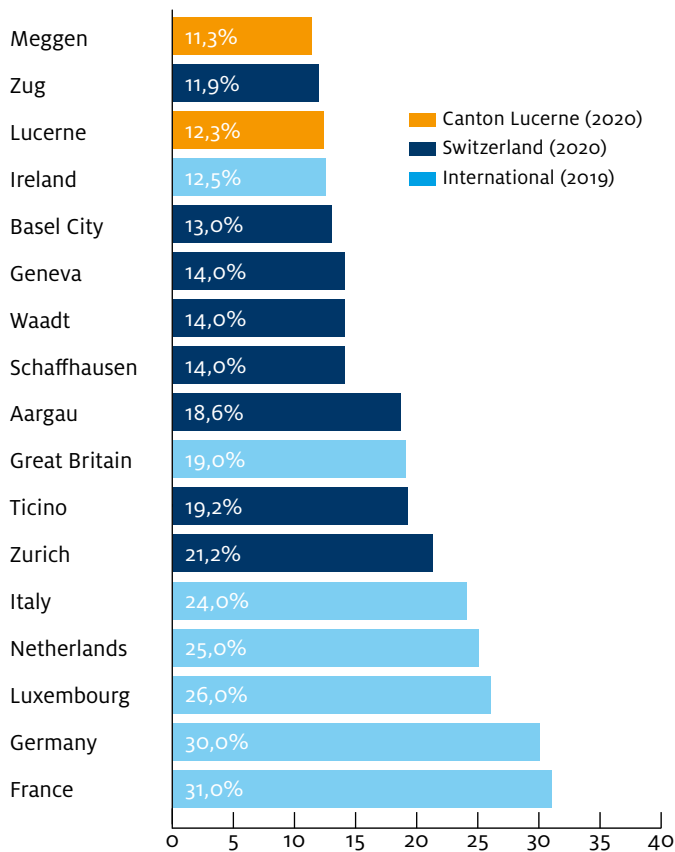


The lowest corporate tax rate in Switzerland

In the Canton of Lucerne, established and new businesses can enjoy the lowest corporate tax rates in Switzerland. This leaves your company more capital for investments and dividend payouts.

Taxes on earnings for legal entities, 2019 / 2020

Maximum corporate income tax rates, CH: max. effective rate on pre-tax profits for federal/cantonal/municipal taxes in the respective cantonal capital



Sources: EY; KPMG International; Canton of Lucerne, Tax Office

Taxation

The main taxes for legal entities (AGs, GmbHs) and branch offices are those on earnings and capital.

Corporate income tax

The actual tax on company earnings (at a federal, cantonal and municipal level) in the Canton Lucerne is between 11.3% (Meggen) and 13.2% (Hasle), and 12.3% in the city of Lucerne.

Capital Tax

Tax on capital is 0.5%. Capital-intensive holding companies enjoy the lowest tax on capital in Switzerland, with a fixed rate of 0.01%. Holding company earnings are tax-free at a cantonal level.



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Moderate income tax

The federal, cantonal and municipal governments charge individuals taxes on income and assets. Thanks to Lucerne Canton's cost-conscious investment policy, income is also taxed at a moderate level. In return, the canton provides an outstanding infrastructure, a very high degree of personal safety, first-class healthcare and an excellent standard of living.

Withholding tax

Foreigners working as salaried employees in Switzerland and who do not yet hold a C-class residence permit are liable to pay withholding tax. The withholding tax rates take into account flat charges for professional fees, insurance premiums and family charges. It is deducted directly by the employer.

Taxation on expense (flat-rate taxation)

People residing or maintaining a tax residence in Switzerland for the first time or after ten years out of the country may pay a tax on expense if they are not gainfully employed in Switzerland.

Other taxes

The Canton of Lucerne similarly does not charge any gift tax or property tax.

> <https://steuern.lu.ch>

Total income tax in %, 2019

(incl. federal tax, excl. church tax)

Stadt Luzern

Income	80 000	120 000	200 000	500 000
Individual	12,1	14,7	18,8	25,3
Married couple	8,2	11,1	16,5	24,3
Married couple / 2 children	4,4	7,9	13,6	23,1

Meggen

Income	80 000	120 000	200 000	500 000
Individual	9,4	11,7	15,3	21,2
Married couple	6,4	8,7	13,4	20,4
Married couple / 2 children	3,3	6,1	11,0	19,4

Horw

Income	80 000	120 000	200 000	500 000
Individual	11,2	13,7	17,6	23,9
Married couple	7,6	10,3	15,4	22,9
Married couple / 2 children	4,0	7,3	12,7	21,8

Schenkon

Income	80 000	120 000	200 000	500 000
Individual	10,4	12,8	16,6	22,7
Married couple	7,0	9,6	14,5	21,8
Married couple / 2 children	3,7	6,8	11,9	20,7

Source: Canton of Lucerne, Tax Office, January 2020