



## Fact sheet on lump-sum taxation for private individuals

# Welcome to your success! Enjoy the advantages of the Canton of Uri – a natural paradise.

The peaceful coexistence of different cultures and a tradition of open-mindedness have made Switzerland a popular destination at the heart of Europe. For centuries, the country has been synonymous with stability, security and neutrality, principles that shaped Switzerland's distinctively humanitarian tradition. That is why many international organisations – such as the United Nations or the International Red Cross – have their headquarters in Switzerland.

The Canton of Uri, one of the three founding cantons of the Swiss Confederation, is a particularly strong example of these traditional values. The very low crime rate in Uri is indicative of the high level of safety for residents; the conservative and prudent decisions of the Uri electorate afford security for investments; the Swiss franc, as a stable currency in global demand, provides security for capital invested here.

First and foremost, however, the Canton of Uri is a veritable natural paradise: set amidst the Mediterranean ambience of Lake Uri and the Gotthard glacier lie snow-capped mountains, unspoilt romantic valleys and lush green forests, all surrounded by clean air; the quintessence of Switzerland in other words.

In Switzerland, the cantons have fiscal sovereignty. This independence in matters of tax policy means that the individual cantons are in healthy fiscal competition to one another. This competition in turn helps to raise national performance efficiency and infrastructure quality. Offering tax rates that are among the most attractive in Switzerland, the Canton of Uri is also the place to come for private individuals who are interested in lump-sum taxation.

# Lump-sum taxation. For security and prosperity.

## THE KEY POINTS

This simple and attractive type of taxation is aimed at persons with foreign nationality, who are relocating their main domicile to the Canton of Uri from abroad for the first time and at the same time do not engage in any gainful activity in Switzerland. In the case of married couples, both spouses must fulfil these conditions.

Lump-sum taxation is not calculated on the basis of the actual income and effective assets of these persons, but is geared to their living costs and/or consumer spending in Switzerland and abroad (costs of accommodation, travel, etc.). The bases of assessment are set in each case according to the individual lifestyle of the taxable person and their family. The minimum amounts for income taxes (federal and cantonal) are:

- seven times the annual rent or imputed rental value of the apartment, house, etc.
- but not less than CHF 400,000

In addition, at cantonal level, wealth tax is calculated based on twenty times the deemed taxable income.

## MINIMUM REQUIREMENTS

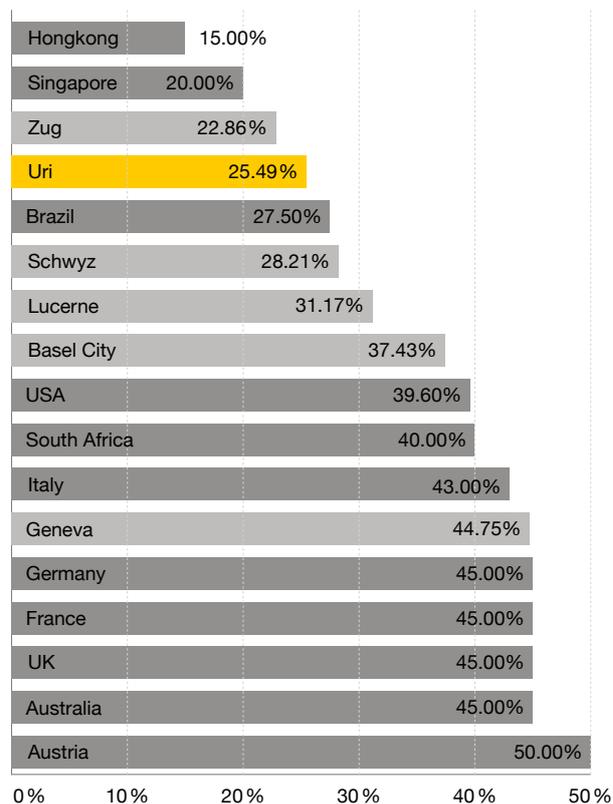
The minimum requirements for lump-sum taxation, also known as expenditure-based taxation, are handled differently in the individual cantons.

As comparison with other cantons shows, the Canton of Uri – with low minimum income and assets – offers one of the most attractive fiscal burdens in Switzerland:

Canton	Minimum income CHF	Minimum assets CHF	Minimum tax amount CHF
Uri	400,000	8,000,000	71,778
Zug	500,000	10,000,000	84,500
Schwyz	600,000	12,000,000	128,715
Lucerne	600,000	12,000,000	144,263
Zurich	Expenditure-based taxation not available		

In the Canton of Uri, cantonal tax, municipal tax and direct federal tax together result in an overall tax burden of just CHF 111,740.

## GLOBAL COMPARISON: INCOME TAX RATES WITH REGULAR TAXATION



Max. income tax rates (single, no children, no religious denomination).

Source: prepared by author based on KPMG Switzerland/KPMG International, 2016

Please note that persons of working age (under 55) from **non-EU/EFTA states** will be subject to higher minimum tax bases. Residence permits are generally granted on the basis of cantonal fiscal interests. Approval is ultimately given by the State Secretariat for Migration (SEM) in Berne.

## ADVANTAGES

Lump-sum taxation is advantageous for wealthy and financially sound individuals because (for example) it means that they do not have to fill in tax declarations with global income and assets. Setting a lump sum for taxable income and assets can also bring benefits for tax purposes. A further advantage is that the Canton of Uri does not impose any taxes on inheritances and donations in the case of gifts and legacies to direct successors.

## PRECONDITIONS FOR THE MIGRATION PROCEDURE

The Migration Department of the Canton of Uri implements the federal Foreign Nationals Act in Uri. It offers advice to employers and foreigners who wish to work and live in Uri.

Applications by **citizens of EU/EFTA states**: applications for lump-sum taxation by interested parties and persons without gainful activity will be granted on condition that the applicant has sufficient financial resources and can provide evidence of adequate sickness and accident insurance cover.

Application submitted    Approval granted



2 weeks

Expected time until approval

Applications by **citizens of non-EU/EFTA states** (nationals of third countries) will be examined on a case-by-case basis. Where there is no gainful activity, approval may be granted to pensioners aged 55 or over or to individuals on fiscal grounds if certain conditions are fulfilled.

Application submitted

Approval received



2 weeks

1 month

2 months

Expected time until possible approval

**For further details please see our other information sheets at [www.ur.ch/migration](http://www.ur.ch/migration).**



## Your partner

As our customer, you expect a fast, competent and authoritative response to your concerns, as well as excellent personal advice. We offer you all these – and the guarantees that our customers rightly expect. Our advice is free. We are happy to bring together partners from business, the community and politics.

### BUSINESS DEVELOPMENT



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### BUSINESS AND TAX ADVICE

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### LEGAL ADVICE

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