



WEALTH PLANNING NEWS

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CANTON OF GENEVA: TAX RELIEF FOR ENTREPRENEURS / STRENGTHEN PURCHASING POWER AND TAX REVENUES

The canton of Geneva aims to reduce the tax burden on individual taxpayers and improve its intercantonal competitiveness, via two different tax bills.

1. **Bill 13345 - TAX RELIEF FOR ENTREPRENEURS**

What is it about?

This law proposes to amend the taxation on individuals by lowering the tax on entrepreneur's "work tools". This tax relief will apply the wealth tax of entrepreneurs, domiciled or residing in the canton of Geneva, carrying out their main dependent activities in their company, of which they hold, in a private capacity, at least 10% of the unlisted securities or not regularly negotiated.

Entrepreneurs who meet the above criteria will benefit from an 80% tax reduction on the wealth tax of their unlisted securities worth up to CHF 10 million and 40% on the portion exceeding CHF 10 million.

By reducing the taxation of entrepreneurs' "work tool", the State Council aims to reduce double economic taxation of the capital and movable assets of entrepreneurs/shareholders, support entrepreneurs in their activity, decrease their need for liquidity to pay their taxes, and promote employment which simultaneously allows the Canton of Geneva to have an attractive and competitive tool on an intercantonal level.

The State of Geneva estimated that the measure would reduce annual cantonal and municipal tax revenues by around CHF 33 million for an estimated 6,000 affected taxpayers.

On September 22, 2024, Geneva citizens will be asked to vote on this law, that was adopted by the Grand Council on January 26, 2024 and been subjected to a referendum.

If the law is passed, the State Council will set the date of its enforcement.

2. Bill 13402 - STRENGTHEN PURCHASING POWER AND TAX REVENUES

What is it about?

This bill, initially introduced by «right-winged» parties and submitted to the Grand Council in April 2024 after a prior study by the Council of State, aims to strengthen the purchasing power of the Geneva population through a «generalized» decrease in income tax.

By restructuring the scales and the rates of the different brackets, the bill proposes a reduction in income tax ranging from 11.4% for lower incomes to 5.4% for higher incomes.

The decrease of the annual tax revenues was estimated at around 326 CHF million for the canton and about 108 CHF million for the municipalities.

The Grand Council adopted the bill and sent it to the Council of State in mid-May 2024. A referendum remains a possibility.

Contact

Fabien Nanchen
Wealth Planning (Suisse)
Fiscaliste suisse
f.nanchen@edr.com

Victoria Mazzone
Wealth Planning (Suisse)
Planificatrice patrimoniale
v. mazzone@edr.com

Sabrina Reymond
Responsable du Wealth Planning (Suisse)
s.reymond@edr.com

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