

## Changes for the 2024 tax year

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**The start of the new tax year 2024 is accompanied by many changes. We are happy to provide you with an overview of important changes.**

### Value added tax

We would like to take this opportunity to remind you that at the end of 2022, the Swiss people approved an increase in VAT rates with effect from January 1, 2024. The background to the increase is the financing of the "AHV" ("Alters- und Hinterlassenenversicherung", "Old-age and survivors' insurance").

As a result, the following VAT rates will apply from January 1, 2024:

	<b>So far</b>	<b>New</b>
Standard rate	7.70%	8.10%
Reduced rate	2.50%	2.60%
Special rate for accommodation services	3.70%	3.80%

If you require further details and explanations about the changes to the VAT rates, please refer to our [blog post](#) published in August 2023. Further information and sample forms for invoicing from 2024 can also be found on the SFTA website.

### Individual taxes in regards Direct Federal Tax

There will be no significant changes to taxes for private individuals in 2024. Various deductions will be adjusted slightly upwards due to inflation:

<b>Deduction</b>	<b>2023</b>	<b>2024</b>
Training and further education	12'700	12'900
Double income deduction	13'600	13'900
Child deduction	6'600	6'700
Support deduction	6'600	6'700
Married status deduction	2'700	2'800
Deduction from the tax amount per child	255	259
Pillar 3a (with pension fund)	7'056	7'056
Pillar 3a (without pension fund)	35'280	35'280
Childcare deduction	25'000	25'500

### **Higher interest on arrears and remuneration**

Anyone who pays direct federal tax in advance will now receive a refund interest rate of 1.25% (2023: 0%). However, anyone who misses the payment deadline must now pay 4.75% interest on arrears (2023: 4%).

### **Introduction of equalization and compensation interest at cantonal and municipal tax level**

We would also like to draw your attention to the fact that certain cantons are reintroducing equalization interest as of 2024. For example, the canton of Zug is introducing equalization interest of 2%. In principle, this interest will apply to all outstanding amounts against the respective tax administration as at 1.1.2024. The right to establish deviating rules at the different cantonal levels is reserved. We therefore recommend that you contact your tax authority to clarify your situation with regard to any unpaid tax debts as at 1.1.2024.

Both individuals and legal entities are affected by equalization interest.

Due to the renewed introduction of equalization interest, the cantons will introduce compensatory interest as a counterpart.

### **Changes in the canton of Zurich**

Since 2016, the canton of Zurich has dropped a total of 13 places in terms of profit tax rates compared to other cantons. Current tax burden data shows that the canton of Zurich now has the highest ordinary profit and capital tax burdens in the country. In response to this, the Department of Finance has taken measures to make the canton more attractive again. The plan is to ease the burden on companies slightly, while shareholders will be asked to pay more. Specifically, a reduction in the simple profit tax rate from 7 to 6 percent is planned. This would reduce the overall tax burden from 19.7% to 18.2% (direct federal tax, state and municipal taxes in the city of Zurich, calculated on pre-tax profit). In addition, the taxation of dividends from qualified participations is to be increased from 50% to 60%.

Although these changes are planned, their implementation is not scheduled until 2025.

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**Author**, CV in short form (continuous text up to max. 200 characters incl. blank lines)