

International companies: indispensable for the national budget

13.08.2015

At a glance

New statistics published by the Federal Council confirm the extraordinary financial importance of internationally active companies. A successful third series of corporate tax reforms is crucial.

The figures presented by the Federal Council are impressive. Practically the entire amount of direct federal tax of around CHF 8 billion is paid by the 25 percent most successful companies. International companies with cantonal tax status are particularly profitable for the federal government. Although they only account for around seven percent of companies, they are responsible for around 50 percent of tax revenue. Among the companies with the highest tax contributions (over CHF 10 million), no less than 62 percent are status companies.

In the past, international companies have also contributed significantly to the strong growth in profit tax revenue. According to evaluations by the Federal Department of Finance, they accounted for over 70 percent of the profit tax revenue dynamics between 2004 and 2012 ([source](#)).

A few economically strong cantons are particularly important for tax revenue. 61 percent of the total tax amount for legal entities is generated by five cantons alone (ZH, GE, ZG, VD and BS). In the case of status companies, the same five cantons even dominate with around 76% of tax revenue.

The figures speak for themselves. For financial policy reasons in particular, it is imperative to maintain tax competitiveness for internationally active companies. This is the only way to ensure that these companies continue to make a substantial contribution to the financing of national budgets. This requires a reliable and legally secure tax system with a moderate tax burden. With the third series of corporate tax reforms (CTR III), the Federal Council has presented an appropriate package of measures focused on this objective.

The cantons have long been aware of what is at stake in terms of fiscal policy ([source](#)). The KOF Swiss Economic Institute at ETH ([source](#)) has confirmed this. In view of the undisputed financial importance of international companies, it is very irritating when the CTR III is fought with the argument of tax losses. National Councillor Hildegard Fässler-Osterwalder (SP, SG) has requested these new statistical bases from the Federal Council in a postulate. It is to be hoped that the right conclusions will now be drawn from this.

