Swiss Tax Regulations in the Canton of Lucerne
Taxes in Switzerland are levied at three levels: federal, cantonal and municipal. Due to the fact that the Swiss tax system has grown historically and reflects the federal state culture, each of the 26 cantons has its own tax law.

Federal tax is calculated on annual income and is levied at a rate of 8.5%.

The cantons and municipalities also levy annual taxes on income and wealth. The cantons are sovereign in their tax collection.

The following is a brief description of the tax regulations for individuals and legal entities:

Income and Wealth Tax for Individuals in the Canton of Lucerne
Individuals are taxed in their municipality of residence. Non-cantonal and international income and fortune are only included at a determined rate (progressive scale).

Personal income and fortune are determined by means of an annual tax return. In the Canton of Lucerne, one can expect a maximum tax burden of approximately 14% on income and approximately 4% per mil on fortune; however, the total tax burden of federal, cantonal and municipal taxes may not exceed 25% of an individual’s income.

In the Canton of Lucerne, taxation on a time and material basis (flat-rate taxation) is also possible. The minimum tax amount is CHF 200’000 per annum for EU/EFTA citizens and CHF 400’000 per annum for third-party nationals. Meggen is the most tax efficient municipality in the Canton of Lucerne.

Tax on Profits and Capital of Legal Entities
A legal entity is taxed at its registered office, as recorded in the Commercial Register, based on the values reported in its annual accounts (balance sheet and income statement).

In 2019, the ordinary profit tax rate for companies in the Canton of Lucerne is 12.3%.

Special Taxes in the Canton of Lucerne
The Canton of Lucerne has special regulations for the following taxes:
- Property gains tax
- Property transfer tax
- Inheritance and gift tax
- Liquidation tax

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