



Tax fact sheet for legal entities

Welcome to success. Canton Uri – the attractive tax landscape.

In the canton of Uri, you will find a business-friendly climate with a mutually cooperative relationship between the canton's citizens and authorities – short, direct routes to policy makers and administrative offices and very attractive tax rates make your business life here simple.

In Uri, a friendly tax system is a key prerequisite in ensuring growth and financial prosperity. In Switzerland, tax sovereignty lies with the cantons, and the Confederation may levy only limited federal taxes. This fiscal autonomy is firmly rooted in the history of the country, and as a result the cantons compete with each other to provide a superior service. This competitive spirit is seen as a very positive force: it promotes an efficient provision of government services and ensures the quality of the infrastructure.

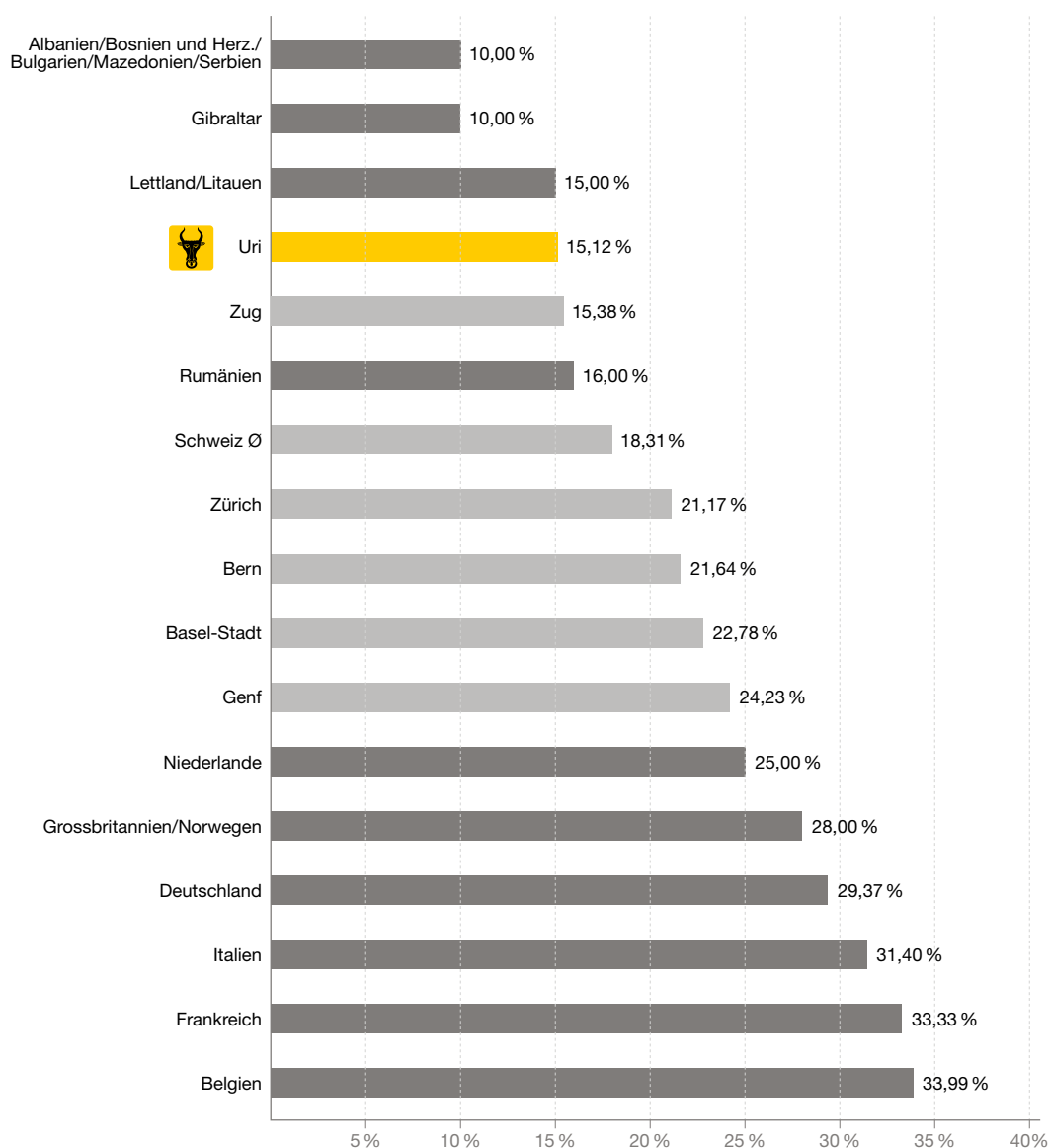
Calls for leaner government have also included the tax system. The furthest reforms can go is installing a flat tax rate. With this the tax system would be radically simplified. In Uri, companies have benefited for years from a low corporate flat rate tax and generous depreciation allowances. These advantages make Uri an extremely attractive base for all types of businesses.

The electorate of Uri approved further moderate cuts in corporate tax on earnings in the **total revision of the Tax Act in 2011**.

Growth and innovation. Internationally attractive corporate taxes.

Corporate tax rates have been falling worldwide. But in Europe the trend has come to a hold. The canton of Uri has lowered its rates twice in recent years, and for years has applied a corporate flat rate tax.

CANTONAL TAX RATES COMPARED WITH EUROPE



Highest corporate tax rates on earnings for each country on 1 March 2011. Swiss cantons: max. effective **pre-tax** rate federal/cantonal/municipal for the respective cantonal capital

Source: Own preparation based on KPMG Switzerland, 2011, KPMG International, 2011



Canton Uri
No. 1 in
Switzerland

TAX RATES (REGISTERED OFFICE ALTDORF)

	Cantonal and municipal	Federal	Total
Income tax*	9.3%	8.5%	17.8%
Capital tax**	0.01 ‰	–	0.01 ‰

* Taxes of corporate businesses can be deducted as expenditure from taxable earnings

** Corporate tax rates vary from 0.01 to 2.4 per thousand depending on municipality

Source: Tax Office Canton Uri, March 2012

CALCULATION EXAMPLE FOR A CORPORATION (REGISTERED OFFICE ALTDORF)

	100 000	200 000	500 000	2 000 000
Income (after tax)	100 000	200 000	500 000	2 000 000
Capital	200 000	500 000	1 000 000	5 000 000
Income and capital tax (federal/cantonal/municipal)	17 800	35 600	89 000	356 000
Tax burden after tax*	17.8%	17.8%	17.8%	17.8%

* Taxes of corporate businesses can be deducted as expenditure from taxable earnings

Source: Tax Office Canton Uri, March 2012

HOLDING COMPANIES

Holding companies are corporations and associations, the principal purpose of which is the permanent administration of shareholdings, with no business activities taking place. The holding company may hold patents and trademarks. The purpose of the holding must be secured by statute and be traceable. Investments or income from investments must make up at least two thirds of the total long-term assets or income, including income from property. The Tax Office will decide if a company qualifies as a holding company. For holding and management companies, tax privileges operate at a cantonal level. Holding company gains are generally tax-free. With a capital tax of 0.01 per thousand (minimum CHF 500), the canton of Uri offers one of the lowest holding company capital tax rates in Switzerland.

DIVIDEND TAX

Uri eliminates economic double taxation through a generous relief of 60%. Private individuals living in the canton benefit from the partial-income procedure, whereby dividend payments are subject to only 40% income tax.

Corporate	Federal	BS	FR	GR	LU	OW	SO	TG	UR	VS	ZG
Relief (%)	40	50	50	40	50	50	40	40	60	40	50

Relief directly on the taxable base (partial-income procedure)

CALCULATION EXAMPLE FOR DIVIDEND PRIVILEGE, MARRIED WITH TWO CHILDREN (LOCATION ALTDORF)

Gross income from earnings	100 000
Dividend income	150 000
Total gains	250 000
./. Dividend privilege (canton 60%)*	– 90 000
./. Tax deductions	– 17 300
./. Tax allowances	– 41 500
Taxable income	101 200
Tax (federal, cantonal, municipal) 8.48% burden of total gains	21 200

* Dividend privilege at the federal level: 40%

Source: Tax Office Canton Uri, March 2012

DOUBLE TAXATION AGREEMENTS (DTA)

A DTA between, for example, Germany and Switzerland includes a zero-rate agreement; i.e., the distribution of dividends of a Swiss subsidiary to its German parent company incurs no withholding tax (in Germany: capital gains tax).

LOWEST VALUE ADDED TAX RATES

The global trend towards indirect taxation continues. Switzerland has a value added tax rate of 8.0%, the lowest in Europe. In addition, companies with an annual turnover of up to CHF 100 000 are exempt from value added tax.

Your partner

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