



## The Taxation of ordinary companies in the Canton of Lucerne

### Terminology

Ordinary companies are enterprises which carry out a trading, manufacturing or service activity in Switzerland. They are subject to ordinary taxation.

#### 1. Subjective and Objective Taxation Requirement

This regime is applicable to corporations, limited partnerships, limited liability companies, cooperatives and branches of foreign companies. Those entities are paying a yearly tax on the taxable income and on the taxable capital.

A company is taxable as soon as the registered domicile or the effective management is within the Canton of Lucerne.

Is the company just partially linked to the canton of Lucerne (e.g. property or manufacturing facility), the cantonal taxation is based on the income and capital connected to this particular business.





## 2. Basis of assessment and taxable amount

### 2.1. Income Tax

Taxable basis is the profit stated in the annual accounts according to Swiss law. All non-business related expenses, depreciation and amortizations will be added to this income. The tax payment itself is deductible.

It is possible to deduct the taxable income with the accumulated deficits of the last seven years.

The income tax is 4 % of the taxable income multiplied by the applicable cantonal and communal multiplier (between 3.00 and 4.55 units). Hence the tax charge is between 12 % and 18 %.

Furthermore there is the federal corporate income tax to pay. The rate is 8.5 % of the total taxable income. In case of the company holding qualified participations, the rate is reduced within the participation exemption.





## 2.2. Capital tax

The capital tax involves the equity capital as per end of the decisive year. The equity capital consists of:

- Paid in equity (share capital, original stock or capital), participation capital,
- Declared and hidden reserves created from Tax profits as well as retained earnings.

At the minimum, the paid in equity capital including the paid in participation capital is taxable.

The capital tax is 1.0 ‰ of the taxable capital, multiplied by the applicable cantonal and communal multiplier (between 3.00 and 4.55 units).

The shareholder's funds are calculated at the end of the relevant tax period.

In case of the company holding qualified participations, the rate is reduced within the participation exemption.

There is no federal capital tax.

Source: [www.steuern.lu.ch](http://www.steuern.lu.ch)

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