

# Inheritance Tax Initiative

Making sure you know what to expect

August 2024

## Statement by the Federal Council

On 22 August, the Federal Council responded to the Schneeberger interpellation (24.3763) and clearly rejected the possibility of an exit tax, sending out an important signal in the process.

In June, National Councillor Schneeberger asked a range of questions about the possible measures mentioned in the text of the initiative to prevent tax avoidance, particularly in the case of emigration. The Federal Council now states that the implementation must, as usual, comply with international law and the constitution in each case. Emigrating from Switzerland does not automatically qualify as tax avoidance, which is subject to tax consequences. The Federal Council has ruled out any further measures such as passport withdrawals or capital controls.

A 'subsequent right of taxation', e.g. in the case of gifts made shortly after emigrating, would be a theoretical possibility. Interestingly, the Federal Council only mentions gifts in this context and not inheritances. In addition, Switzerland is unable to enforce claims of this nature abroad due to the lack of execution assistance in the double taxation agreements that are currently in force with regard to inheritance taxes.

The introduction of an exit tax, even if the initiative is very unlikely to be accepted at present, does not appear to be an option for the Federal Council. Nevertheless, the dispatch that the Federal Council has to submit to Parliament by February 2025 remains to be seen before the situation can be reassessed.

## About the initiative

In March 2024, the popular initiative 'For a social climate policy – financed fairly through taxation (Initiative for a Future)' – in short, the Inheritance tax initiative' – came into being. It calls for an estate and gift tax of 50%. This is to be levied by the federal government in addition to cantonal or municipal inheritance and gift taxes. Those affected can claim a one-off tax exemption of CHF 50 million on all gifts and a person's estate after the initiative is adopted. The number of persons or institutions that receive donations from this estate is irrelevant. A national register must

be maintained for this purpose. The text of the initiative does not allow for any exceptions and prescribes additional measures to prevent tax avoidance, for example when moving abroad. After the initiative is adopted, the legislative authorities must adopt the implementing provisions within three years. Two thirds of the revenue from the new inheritance and gift tax will go to the federal government and one third to the cantons. They are to use these funds to combat the climate crisis in a manner that is socially just, as well as for the necessary restructuring of the economy as a whole.

## Critical appraisal

The text of the initiative, which is very short on details, does not make it clear how the initiative could be implemented. Based on the publications of the initiative committee, we interpret it as follows:

> The legislator is not granted any leeway or exceptions, not even in the case of company succession. In many cases, such transactions will only be possible if they are combined with partial sales and IPOs of companies, or if significant external financing is taken out to cover the tax payable.

> Non-profit institutions would also be affected by the initiative being implemented without exceptions. These are often taken into account in the context of inheritances. If the initiative is adopted, they would only receive 50% of the allocated amount.

> Since the federal estate and gift tax is to be levied in addition to the existing cantonal inheritance and gift taxes, in extreme cases this could result in a tax rate of almost 100%.

## Stages in the political process


Parliament is still expected to address the initiative in the first half of 2025 at the earliest. The current mood suggests that a counterproposal is unlikely, meaning that the vote would take place in late 2025 at the earliest but more likely in 2026.

Please refer to our previous publications in connection with the inheritance tax initiative: [PwC homepage](#)



## Happy to help you in your local area

We experts at PwC are happy to discuss the issue with you as well as its impact on your current or future situation. We look forward to hearing from you.



**Norbert Kühnis**  
norbert.kuehnis@pwc.ch  
+41 58 792 63 63



**Aarau and Berne**  
**Roman Leimer**  
roman.leimer@pwc.ch  
+41 58 792 77 24



**Basel**  
**Jacqueline Landmann**  
jacqueline.landmann@pwc.ch  
+41 58 792 53 96



**Geneva**  
**Morad Laqtaibi**  
laqtaibi.morad@pwc.ch  
+41 58 792 91 07



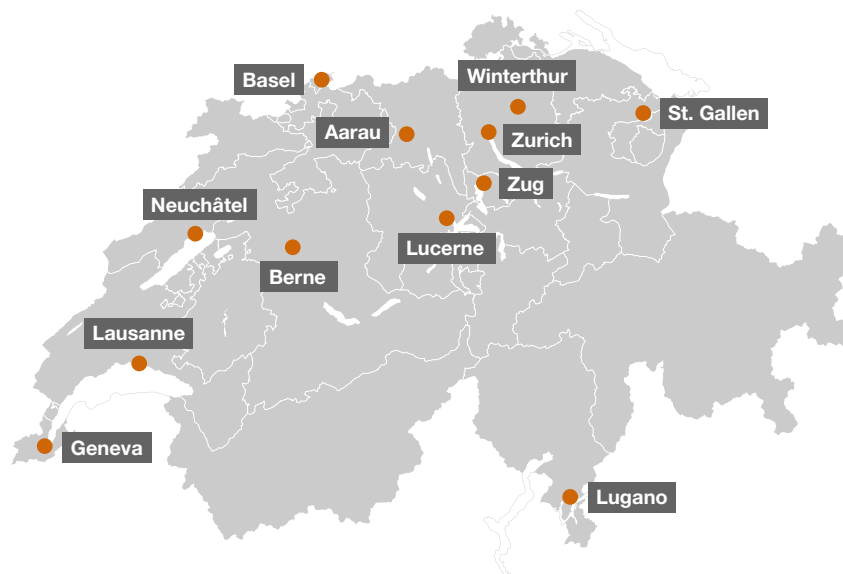
**Lausanne**  
**Sophie Limbioul**  
sophie.x.limbioul@pwc.ch  
+41 58 792 81 83



**Lugano**  
**Louis Macchi**  
louis.macchi@pwc.ch  
+41 58 792 65 16



**Lucerne**  
**Florian Fischer**  
florian.fischer@pwc.ch  
+41 58 792 62 85





**Neuchâtel**  
**François Burgat**  
francois.burgat@pwc.ch  
+41 58 792 67 86



**Zug**  
**Marcel Wyrsh**  
marcel.wyrsh@pwc.ch  
+41 58 792 68 26



**St. Gallen**  
**Roman Fallet**  
roman.fallet@pwc.ch  
+41 58 792 72 82



**Zurich**  
**Jürg Niederbacher**  
juerg.niederbacher@pwc.ch  
+41 58 792 42 93



**Winterthur**  
**Marcel Angehrn**  
marcel.angehrn@pwc.ch  
+41 58 792 42 56



**Zurich**  
**Kornel Wick**  
kornel.wick@pwc.ch  
+41 58 792 42 48