

N E W S L E T T E R

Author:

Alev Ibis

Edition: 12'500
(sent electronically)

B.A. in Business Administration
Tax & Mobility Specialist

(14.04.2025)

(English machine translation provided as courtesy)

Tax implications of the abolition of the imputed rental value

Dear Sir or Madam

For several years now, the abolition of the imputed rental value for residential property has been discussed for several years. Now the debate has intensified at the end of 2024, The National Council and Council of States have reached an agreement and now the people are to vote on it.

The following decision was made in December 2024:

- The imputed rental value will be abolished for primary and secondary residences.
- Maintenance deductions for residential property are no longer possible.
- Debt interest deductions are now only possible according to the proportionate-restrictive method
method (only for rented properties and very limited for new new purchasers).
- The cantons have the option of introducing a property tax on on second properties. This mainly affects the mountain cantons.

If the imputed rental value is abolished, a system change is to be introduced for the taxation of residential property. Taxation of residential property is to be introduced (property tax on second properties). As this would require an amendment to the constitution and parliament has linked the entire imputed rental value bill to this, it will be put to the vote on 28 September 2025. This will be put to the vote on 28 September 2025.

The imputed rental value (notional source of income) briefly explained:

The imputed rental value serves to put tenants and homeowners on an equal footing for tax purposes. It is comparable to the rental income that an owner could earn by renting out the property. The imputed rental value is fully taxed as income. In return, homeowners and landlords can deduct the mortgage interest and the maintenance and repair costs that preserve the value of the property from their taxable income.

Example with high mortgage interest and maintenance costs

Earned income CHF 110,000

Rental value CHF 15,000

Total CHF 125,000

less property maintenance CHF - 10,000

less debt interest CHF - 8,500

Total taxable income CHF 106,500

Example with low mortgage interest and maintenance costs

Earned income CHF 110,000

Rental value CHF 15,000

Total CHF 125,000

less property maintenance CHF - 1,000

less debt interest CHF - 5,000

Total taxable income CHF 119,000

The planned change: system change in the taxation of residential property

This parliamentary bill aims to abolish the tax recognition of the owner-occupied rental value, property maintenance costs and mortgage interest on owner-occupied properties. This concerns the abolition of the imputed rental value on primary and secondary residences.

Example

Earned income 110,000

Best regards

artax Fide Consult AG

Gartenstrasse 95, Postfach, 4002 Basel

Tel: +41 61 225 66 66

info@artax.ch, www.artax.ch

Independent Member of Morison Global

[General Terms & Privacy](#)