

NEWSLETTER

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(English machine translation provided as courtesy)

The advantages of Swiss Tax Law – artax in exchange with Germany

Dear Sir or Madam

On October 31, 2024, artax Fide Consult AG and the German RIEDLINGER Partnergesellschaft mbB met for the fourth time to discuss exciting questions on topics such as taxes, real estate, labor law, and more.

After an interesting day, one thing became particularly clear: We can be glad to live in Switzerland. Besides the well-known advantages like our mountains, the landscape, etc., the tax law here is significantly more relaxed.



I was particularly impressed when I saw the countless books on tax law. The enormous amount arises from the fact that in Germany, tax laws change approximately every six months. While in Switzerland, in special and extraordinary cases, one contacts the tax office to find a solution together, this is unthinkable in Germany. For every even the most unlikely scenario, there are countless pages on it in the tax code, and negotiating with the tax office would be unthinkable.

The day was cleverly arranged. In the morning, when everyone was still awake and highly motivated, listening was the main focus. Representatives from artax and Riedlinger gave lectures on various topics. After a delightful lunch break, it continued. As the first thoughts began to wander and the midday slump slowly set in, a discussion round was initiated, during which exciting questions about the legal situation in the other country were mutually posed. This successfully prevented the onset of boredom.

During the discussion round, the aforementioned authority of German tax law became clear once again. Rainer Soboll (Partner at Riedlinger) illustrated this to us with several different examples.

One of them, however, particularly stuck in my mind: *A Swiss man bought a house by the lake in Germany due to his enthusiasm for fishing. The purchase and registration were completed correctly. Due to renovation work, the Swiss national spent more than half the year in his fishing hut, thereby unintentionally triggering a tax liability in Germany. A situation that, in Switzerland, most likely would have gone unnoticed by anyone and would not have had any consequences. In Germany, however, it's different, and the enthusiastic fisherman was closely monitored by the tax office.

**Fictitiously altered situation to protect confidential customer data*

These and other situations described lead me to two conclusions: Firstly, we are very lucky to live in Switzerland (especially for tax reasons), and secondly, no one is safe from the long arm of the German tax office.

Riedlinger primarily addressed international matters. The departure tax (which fortunately does not exist in Switzerland), the increasingly emerging topic of home office/branch office, and the double taxation agreement were the main topics. Other exciting topics presented by artax included real estate law and capital gains tax in Switzerland, as well as the secondment of employees from abroad to Switzerland.

If you are planning to sell a property in Switzerland or provide services as a foreign company, we are here for you and will support you to ensure there are no surprises.

Best regards

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