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Summary of the past year and outlook 2026

Introduction

Another year has passed, and we would like to thank you, dear readers, for your loyalty. This edition of TaxPage will review various aspects of the past year and discuss some of the changes that await us in 2026. We would also like to remind you that there is still time to make payments into your 3rd pillar.

Summary 2025

Two major referendums were held in 2025 concerning personal taxation.

Firstly, on September 28, 2025, the Swiss people voted in favor of abolishing the rental value, which was a notional income attributed to property owners who reserve the use of their property for themselves. In return for this abolition, the legislative amendment removes the possibility for owners to deduct the maintenance costs of their property from their taxable income. The possibility of deducting private interest expenses will also be eliminated. According to the Federal Council, these legislative changes will be implemented no earlier than the 2028 tax period, so that owners will still be able to deduct maintenance costs and interest expenses in 2026 and 2027. In addition, this abolition was coupled with the introduction of a new tax on second homes, which the cantons will be free to implement. To date, the cantons have not communicated the details of such a tax.

On November 30, 2025, the Swiss people and cantons overwhelmingly rejected the Socialist Youth Initiative to introduce a federal inheritance tax of 50% on estates worth more than CHF 50 million. The power to levy such a tax therefore remains with the cantons. It should be noted that in Switzerland, unlike many European countries, inheritance taxes remain relatively low (or even non-existent in some cantons), which can also be explained by the fact that a wealth tax is levied on the deceased's assets during their lifetime.

To conclude this chapter on 2025, we would like to remind you that you can make payments into pillar 3A until the end of the year to benefit from the deduction of this amount from your taxable income (maximum payment of CHF 7,258 for people affiliated to a pension fund and CHF 36,388). As we will explain below, failing to make such a payment is not necessarily a serious matter, as it will be possible to fill gaps in pillar 3A from 2026 onwards.

Outlook 2026

A vote will be held on March 8, 2026, on the individual taxation of married couples. This is an issue that has been before Parliament for decades, following a 1984 Federal Court ruling that recognized that higher taxation for married couples compared to cohabiting couples is unconstitutional. Since that ruling, the federal government and the cantons have reformed their tax rules to reduce this difference by introducing tax scales and deductions for married couples. If this vote is accepted, married couples will no longer be taxed jointly and will each have to file their own tax returns. It should be noted that the bill was passed by a narrow margin of a few votes in both the National Council and the Council of States and, unusually, was subject to a referendum requested by the cantons.

With regard to VAT, an increase in rates is possible in the future, as this is one of the options being considered to finance the 13th AHV pension.

Finally, we would like to remind you that from 2026 onwards, it will be possible to make up for payment shortfalls in pillar 3A, provided that you have already made the maximum payment for the current year. Redemptions may cover a maximum period of 10 years, provided that the taxpayer met the conditions for making a payment into pillar 3A for all of those years. It should be noted that these buybacks are only possible for gaps that arise from January 1, 2025. The maximum contribution amounts for pillar 3A will remain the same as in 2025.

We wish you a wonderful holiday season and all the best for 2026.

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