

November 2023

CANTON TICINO: GENERAL REVISION (FOR TAX PURPOSES) OF PROPERTY VALUATIONS IN 2025: TAX CONSEQUENCES FOR PROPERTY OWNERS?

The legal bases of cantonal tax law state that real estate properties is to be assessed for tax purposes at its market (market) value.

Numerous case law and well-founded studies lead to the conclusion that the current official appraisal values forming the basis for current property taxation are between 30% and 40% of the market value, which is contrary to both cantonal law and higher law and in particular the principle of equal treatment under constitutional law.

A potentially painful (for the taxpayer who owns real estate in the canton) direct consequence of such a revision, which would double the appraised values compared to the current ones, would be a significant increase in wealth tax if the current tax rates were to remain unchanged. Undoubtedly, this would create significant tax revenues for the benefit of the cantons and municipalities and would violate the principle of fiscal neutrality of such a revision of the estimates, which would have to be revised every 20 years.

The only remedy to comply with the principle of fiscal neutrality (the revision of values must not lead to an increase in tax revenue) would be a significant reduction in the cantonal wealth tax rates, which today amount (maximum rate) to 2.5 per thousand without taking into account the contribution to the municipalities that the taxpayer pays on the basis of municipal multipliers.

With a parliamentary motion of 17.10.2022 and a popular initiative launched by various centre-right parties, the aim is, on the one hand, to anchor the principle of tax neutrality in the cantonal constitution and, on the other hand, to take incisive legislative measures to compensate for the increase in valuation values by reducing the tax rates for the wealth tax of individuals in general as well as the property tax for companies and legal entities.

According to this motion, the cantonal wealth tax rate should be reduced to at least half of its current level, i.e., to 1.25 per mille, which would make the canton of Ticino far more competitive in tax terms than the current heavy wealth taxation.

In other words, the taxation of movable assets consisting of assets such as shares in the capital of companies, shares, bonds, credits, current accounts, precious metals, etc. wherever they are located, would entail a taxation that would be almost halved compared to the current taxation, while the future taxation of property would remain unchanged.

The political-legislative process of the motion and the popular initiative cannot be taken for granted. Maintaining and even attracting wealthy taxpayers to Ticino is vital for the public accounts and the economic prosperity of the canton, and a desired significant reduction in wealth tax can only contribute to this.

For further information do not hesitate to contact us

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