steimle&partners Tax&Legal Consultants

February 2026

WORKS OF ART HELD BY SWISS COLLECTORS: SOME IMPORTANT FISCAL ASPECTS
An overview of selected tax issues of particular interest to art holders in Switzerland

The art world has not been subjected to any special attention from federal and cantonal legislators. Apart from a few cantons (Geneva, Basel-Stadt and Basel-Land) that are particularly interested in the subject, no specific fiscal regulations have been developed or application rules established in circulars that specify treatment in more detail.

Therefore, when referring to the general rules, reference must be made to case law (of which there is very little and which, in some cases, is even outdated) as well as to direct experience gained in contact with the tax authorities in specific cases.

Since this is a cantonal matter, the taxation aspects (and not just the tax rate) vary from canton to canton. Special attention must be given to the institution of the usufruct. In fact, while maintaining (bare) ownership of a work of art and/or an entire collection, it is possible to transfer the tax declaration duties and the resulting tax burden to other parties.

Moreover, being unique assets, it is difficult to establish a market value for property tax purposes since a market price is generally not available.

In tax practice, one refers to values or valuation methods such as the insurance value, the purchase value or other auxiliary methods, such as the opinions of experts or databases.

Works of art held by a lump sum taxpayer in Switzerland or in Swiss bonded warehouses are considered Swiss assets for the so-called ‘control computation’ for the lump sum taxation.

Therefore, since these objects do not generate their own income, it is necessary to examine and identify a constitutionally sustainable way to subject them to direct, inheritance and donation taxes as well as to VAT.

Within this context, there is the age-old question of the exemption of the capital gains on private mobile assets on the one side and attempts to tax profits realised from an activity performed in a professional or business capacity related to works of art, whilst, on the other hand, not intending to give an unconditional go-ahead to the non-taxability of million-dollar capital gains.

In the Canton of Ticino, as of 1st January 2018, the tax law was amended with the introduction of Art. 49a on the so-called 'wealth tax break', which, in certain special situations, could be an aid to a taxpayer holding works of art, taking into account, that the reduction is related to the requirement of a minimum return on assets (mobile assets and real estate properties) of 1% of the net worth.

Steimle & Partners Consulting SA
Via Dogana Vecchia 2
CH-6900 Lugano

T +41 58 896 96 60
www.steimle-consulting.ch
info@steimle-consulting.ch
CHE - 115.993.311 IVA

A company of fiduciariamega group
Unione Svizzera dei Fiduciari FIDUCIARI|SUISSE
International Fiscal Association IFA
International Tax Planning Association ITPA

The sale of works of art is one of the points on which there is a high degree of uncertainty, in particular as to how the capital gain (respectively, the loss realised) should be taxed. The big question that arises is how to interpret the gain or loss realised on the sale of a work of art for tax purposes.

For a company (legal person or entity keeping accounts), the issue is crystal clear: a work of art is a business asset that, at the time of purchase, is booked at its purchase accounting value. During the holding period, if its value decreases, its amortisation should be recognised as a tax-deductible cost, and at the time of sale, the capital gain or loss is booked to the profit and loss account and taxed accordingly.

For physical persons with private assets the situation is a bit different. In fact, a gain made by a taxpayer on the sale of an asset can be considered either as profit from an income of an independent gainful activity, or as taxable profit, or as an exempt capital gain. Moreover, works by lesser-known or minor artists are often sold at a loss. In these situations, the question arises as to whether such losses are deductible for tax purposes.

If works of art are transferred free of charge to third parties, inheritance or donation tax automatically applies.

In all Swiss cantons, the spouse and, as a rule, also descendants (and ascendants) are exempt from inheritance and donation tax. Inheritance tax rates vary depending on the canton and the degree of parentage and in the Canton of Ticino they can reach up to 41%.

Particular attention must be paid in cross-border cases where the donor or the *de cuius* is abroad. In addition to the possible application of foreign legislation that does not exclude *a priori* possible double taxation in the two countries concerned, it will be necessary to consider all those aspects relating to a possible transfer which result in VAT, customs and compliance with legislation aimed at protecting cultural assets.

In Switzerland, it is possible to obtain a 'ruling' from the tax authorities, especially when faced with interpretative uncertainties.

The fact is that Switzerland must be considered, not only as a place where customs warehouses house huge art collections (in 2015, the value of goods stored in the free port of Geneva was more than CHF 100 billion), but also as an important crossroads that creates income and which could induce some art patrons to relocate and open their collections to the public. Therefore, the subject of art may have fiscal parallels with car and/or wine collections.

Stefano Grisanti of our partner company Fiduciaria Mega SA www.fiduciariamega.ch is at your disposal for any further information