



Canton of Basel-Stadt

Basel is Switzerland's most dynamic economic region and one of the most productive and innovative in the world. It provides employment to around 300,000 people from Switzerland and abroad. Basel's success is owed first and foremost to the output of its knowledge-based industries, including the chemical-pharmaceutical industry. Basel, positioned on the River Rhine and bordering the two EU countries Germany and France, combines the location benefits of Switzerland – such as highly-qualified workers and low taxation – with proximity to the most important sales markets. Thanks to its central location, Basel offers all internationally-operating companies optimum accessibility, whether by air, by rail, by road or – which is particularly important for the logistics industry – by water. The Canton of Basel-Stadt also has a very well-developed and inexpensive public transport network.

In addition to the city, the Canton of Basel-Stadt also encompasses the northern rural municipalities of Riehen and Bettingen. Riehen is a small town, although it has retained a village-like character. Riehen was the first European town to be recognised for its forward-looking energy policies, and is considered to be the Swiss town with the highest quality of life.

As the city of Humanism and the oldest university town in Switzerland, Basel has a long-standing tradition as a centre of education. The range of training and education available in Basel is extremely extensive and varied. This includes public school, universities of applied sciences, the University, private colleges and numerous other institutions. It is the diversity of around 40 museums, such as for example the world-renowned Fondation Beyeler in Riehen, and a dozen theatres, in particular the Theatre Basel, as well as cinemas, concert halls, Switzerland's most modern Musical Theatre and a variety of open air concerts which lend the cultural city of Basel its particular charm. Basel is also Switzerland's sporting centre, with the football club FC Basel and the Davidoff Swiss Indoors, one of the most important indoor tennis competitions in Switzerland. The famous Basel Fasnacht (or carnival) and the Herbstmesse (autumn funfair) attract a great many visitors to the city from other parts of Switzerland and abroad. Family-friendly policies are supported, and families benefit from the Basel's family pass (which is unique in Switzerland) as well as the museum pass, which is also valid in neighbouring countries, and provides access to a wide variety of special offers in the fields of culture and sport.

Taxes ...

The Swiss tax system reflects the state's federal structure. In Switzerland, taxes are imposed by the federal government, the 26 cantons as well as the approx. 2,800 municipalities. This means each canton has its own tax laws and levies different levels of tax on income, assets and inheritance, capital gains and real estate capital gains as well as other tax objects. The federal government's tax harmonisation legislation limits the disparities between the cantons. This establishes basic principles pertaining to tax liability, the object and periodic assessment of the taxes, procedural rules and criminal tax law. Tax rates and personal tax allowances are not affected by the harmonisation. For taxpayers, the taxes imposed by the cantons and municipalities are much more significant than those levied by the federal government.

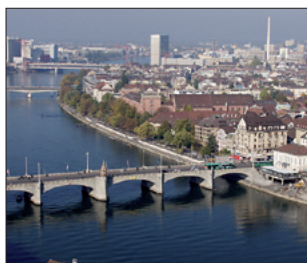
The Canton of Basel-Stadt imposes taxes on natural persons and legal entities, as well as on real estate property and motor vehicles. Natural persons and legal entities are liable for tax.

The inhabitants of the City of Basel pay only cantonal income tax and cantonal asset tax. The City of Basel does not impose any municipal taxes. By contrast, the inhabitants of the municipalities of Bettingen and Riehen also pay municipal taxes in addition to the cantonal taxes. The cantonal share amounts to 55% of the full income tax and asset tax. This means the residential municipalities have the opportunity to set independent tax multiples – both in respect of income tax, as well as in respect of asset tax – within the framework of the municipal tax share of 45 per cent.

Fire brigade duty, real estate capital gains tax as well as gift and inheritance tax are levied by the canton irrespective of the particular municipality in which the taxpayer is domiciled. Profit tax and capital tax imposed on legal entities are also levied by the canton, whereby tax shares are earmarked for the rural municipalities. Real estate capital gains tax, real estate transfer tax, value added duty and stamp duty are likewise collected by the canton.

You are new to
the Canton of Basel-Stadt ...





Natural persons who are domiciled in the Canton of Basel-Stadt are taxable and are taxed within the framework of the ordinary tax assessment procedure. These individuals must in each case submit a tax return during the calendar year following the respective tax period. Income and asset taxes as well as the fire brigade duty are payable on 31 May of the calendar year which follows the tax period.

Foreign workers who do not have permanent residency status, but who are domiciled in the Canton of Basel-Stadt, are taxed at source for income derived from non-self-employed work. These withholding tax rates correspond to the cantonal tax and direct federal tax tariffs which are imposed within the framework of the ordinary tax procedure. It is essentially the case that persons whose income is taxed at source are not obliged to submit tax returns such as is required by the ordinary tax procedure. However, a retrospective ordinary tax assessment will be conducted *inter alia* if the income which has been taxed at source of a person domiciled within the Canton exceeds CHF 120,000.00 in a calendar year.

Income tax

A tariff and deduction system came into force in the Canton of Basel-Stadt which had the result of reducing income tax while simultaneously excluding the minimum subsistence level of income from taxation. In the case of persons domiciled in the City of Basel, once the standard deductions have been taken into account (occupational expenses flat-rate, insurance deduction, social insurance deductions), the following cantonal income tax rates will be imposed from the 2008 tax period onwards (not including direct federal tax).

Individual person, without children, gainfully employed

Net salary of	CHF	50,000.00	tax burden of	CHF	6,110.00
Net salary of	CHF	75,000.00	tax burden of	CHF	11,985.00
Net salary of	CHF	100,000.00	tax burden of	CHF	17,860.00
Net salary of	CHF	150,000.00	tax burden of	CHF	29,610.00
Net salary of	CHF	250,000.00	tax burden of	CHF	53,760.00

Married couple, without children, both spouses gainfully employed at a ratio of 70% to 30%

Net salary of	CHF	50,000.00	tax burden of	CHF	470.00
Net salary of	CHF	75,000.00	tax burden of	CHF	6,345.00
Net salary of	CHF	100,000.00	tax burden of	CHF	12,220.00
Net salary of	CHF	150,000.00	tax burden of	CHF	23,970.00
Net salary of	CHF	250,000.00	tax burden of	CHF	47,700.00

Married couple, two children, both spouses gainfully employed at a ratio of 70% to 30%

Net salary of	CHF	50,000.00	tax burden of	CHF	0.00
Net salary of	CHF	75,000.00	tax burden of	CHF	2,679.00
Net salary of	CHF	100,000.00	tax burden of	CHF	8,554.00
Net salary of	CHF	150,000.00	tax burden of	CHF	20,304.00
Net salary of	CHF	250,000.00	tax burden of	CHF	43,804.00

Single person, two children, gainfully employed

Net salary of	CHF	50,000.00	tax burden of	CHF	94.00
Net salary of	CHF	75,000.00	tax burden of	CHF	5,969.00
Net salary of	CHF	100,000.00	tax burden of	CHF	11,844.00
Net salary of	CHF	150,000.00	tax burden of	CHF	23,594.00
Net salary of	CHF	250,000.00	tax burden of	CHF	47,094.00

Tax calculations

www.steuerverwaltung.bs.ch/steuerrechner

The income tax burden in the residential municipalities of Bettingen and Riehen may be around 10 per cent lower than in the City of Basel.

Asset tax

The following personal allowances apply to asset tax: CHF 100,000.00 for married persons and for single persons with children, and CHF 50,000.00 for all other taxable persons. Household effects and personal items including motor vehicles for daily use are not taxed. The tax burden is lessened by assets and securities if the generated income is low relative to their market value. In other respects, tax is reduced in the case of assets which generate modest returns.