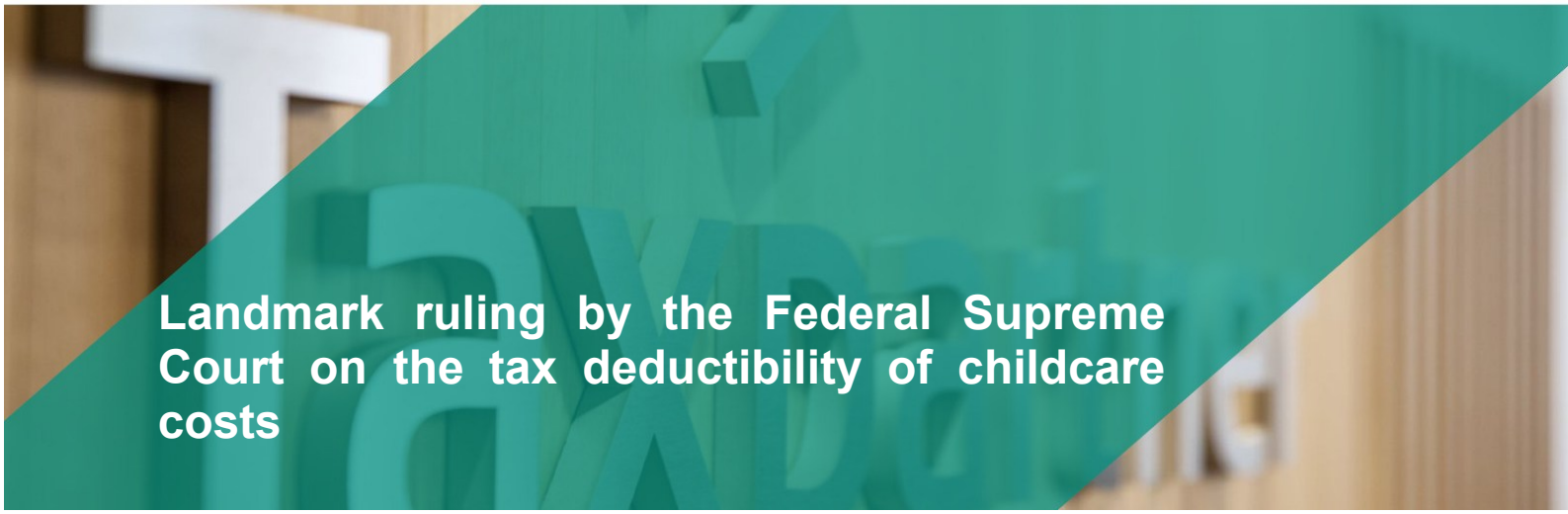


Landmark ruling by the Federal Supreme Court on the tax deductibility of childcare costs

In its landmark ruling of January 29, 2026 (BGE 9C-156/2025), published yesterday, the Federal Supreme Court recognizes that the costs of school courses and holiday camps are deductible third-party childcare costs, provided that these costs are directly related to the parents' need for childcare.

Specifically, the case in question concerned a married couple residing in the canton of Geneva with two school-age children. Both spouses were gainfully employed and enrolled their children in courses and holiday camps on Wednesday afternoons and during school holidays. The cantonal tax administration did not want to accept the associated costs as deductible third-party childcare costs. The Federal Supreme Court has now concluded that the costs of third-party childcare are tax-deductible if the child is under 14 years of age, lives in the same household, and the childcare is directly related to the parents' employment, education, or incapacity to work. The primary purpose of the childcare must be to meet childcare needs, which may also be the case for working parents during school vacations or school holidays. The main reason for registering the child must be childcare and not leisure activities.

This ruling is generally welcomed in the context of efforts to improve the compatibility of family and work life. In this regard, it should also be noted that the maximum deduction for third-party childcare costs for direct federal tax has been increased to CHF 25,000 as of 2023 (with annual adjustment to the national consumer price index).

The Federal Supreme Court's press release and the ruling can be found here: 9c_0156_2025_2026_03_12_T_d_09_18_01.pdf

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