

National Council's Economic Affairs Committee rejects Young Socialists' inheritance tax initiative

The Economic Affairs and Taxation Committee of the National Council (WAK-N) has recommended rejecting the Young Socialists initiative "For a social climate policy – fairly financed through taxation with a clear majority. "The initiative proposes a 50% tax on inheritances and gifts exceeding CHF 50 million, with revenues earmarked for climate protection measures.

Following extensive consultations with experts, stakeholders, and the initiative committee, the majority of the commission concluded that introducing such a tax would have significant adverse effects on the Swiss economy and public finances. It could complicate the succession of family-owned businesses, trigger emigrations abroad, and potentially lead to revenue losses. Additionally, the initiative was criticized for undermining cantonal tax sovereignty and violating the principle of taxation based on economic capacity.

The commission endorsed the Federal Council's assessment that the retroactive application of the proposed tax should only apply to inheritances and gifts made after the initiative's potential approval. However, the commission has not declared the initiative as invalid. It also chose not to propose a counterproposal with more moderate measures, such as a lower tax rate.

The National Council is scheduled to deliberate on the initiative during the 2025 spring session.

If you have any questions on this subject, please contact your Tax Partner representative or the authors:



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