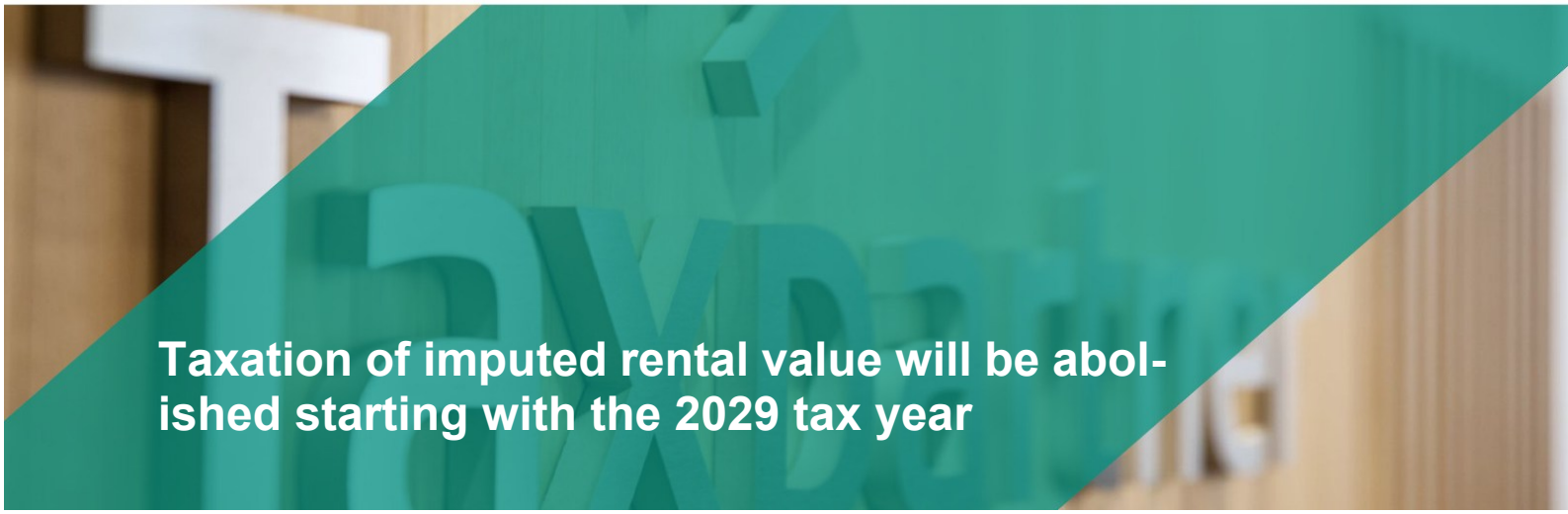


Taxation of imputed rental value will be abolished starting with the 2029 tax year

At its meeting on April 1, 2026, the Federal Council decided to implement the reform of home ownership taxation effective January 1, 2029. From that point on, the imputed rental value on owner-occupied residential property will no longer be subject to taxation; in return, the deduction for property maintenance costs will be eliminated, and the deduction for mortgage interest will be significantly restricted (see our Tax News article Abolition of the imputed rental value – the implications for you as a homeowner).

The abolition of the imputed rental value allows the cantons to levy a special property tax on second homes to offset the loss of revenue. However, the design and introduction of this additional tax appear to be legally and politically more complex than anticipated prior to the vote. The mountain cantons, which are particularly affected, have therefore requested that the reform not come into force until 2030, a request which was, however, rejected by the Federal Council in today's decision.

Private homeowners thus have one more year than originally expected to carry out building renovations in a tax-efficient manner. Contributions to statutory renovation funds of a condominium association will also generally remain deductible until the end of 2028, provided they fall within the previous limits or are increased for objectively justifiable reasons. All taxpayers with debt should therefore review their financing situation in light of the changing tax framework.

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



Maxim Dolder
Partner
maxim.doler@taxpartner.ch
044 215 77 28



Marco E. Vitali
Counsel
marco.vitali@taxpartner.ch
044 215 77 82

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