



Trust, Accounting and Business Consulting

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Top 7 tips for saving taxes in Switzerland

My name is Rico Gass

Since more than 20 years I am an independent financial advisor and tax consultant.

People living in Switzerland shoulder one of the lowest income tax burdens in the world. Nevertheless, nobody likes to pay too much taxes. Claiming tax deductions is an easy way to save money, but many residents of Switzerland do not claim all of the deductions which they are entitled to.

Here are my 7 most important tips for saving taxes in Switzerland.

1. Commuting costs

Swiss tax laws favor commuters who use public transportation. If you get to work and back by bus, train, boat, cable car, or other common carrier, you can deduct up to 3000 francs of transportation expenses from your taxable income. If you commute by car or motorcycle, you can still claim a deduction, but only if you meet certain criteria. Criteria vary between cantons, but you will typically be excused for commuting by car if your home or your workplace is located far from a public transportation connection (1 kilometer or more, for example) or if commuting by car is significantly less time-consuming than commuting by public transportation.

2. 2nd and 3rd pillar retirement savings.

Now this one is really important!

Did you hear about the 3rd pillar? If you tuck away money in a 3rd pillar savings account or policy to improve your social security and retirement savings, make sure to claim the 3a tax deduction. The limit on the amount of money you can save in the 3rd pillar changes occasionally, but the current limit for the year 2019 is 6'826 francs for employees and 34'128 francs for self-employed individuals.

You might also make additional payments to your 2nd pillar pension fund. You can also deduct these voluntary contributions from your taxable income.

If you are not sure what to do and how it works exactly, just drop me an email: My advice will be free of charge.

3. **Work-related expenses.**

Being employed often brings considerable added costs, including the cost of special clothing, vehicles, equipment, office space and reference materials. A flat-rate deduction applies to cost which are directly related to your career. Special limits apply to vehicles. For example, the federal tax deduction for privately-owned cars used for work is 70 Rappen per kilometer. The deduction for bicycles and motorcycles is limited to a maximum of 700 francs per year. Other costs directly related to work can be deducted from taxable income up to a maximum of **4000 francs** per year (for federal tax purposes). Cantonal and municipal deductions vary between cantons.

If going home for lunch break is not an option because you work far from where you live, you can deduct the cost of eating out from your taxable income. This deduction is applied at a flat rate of 3200 francs per year for federal tax purposes (1600 francs if your employer provides you with discounted meals). Cantonal tax deductions for eating out vary.

4. **Childcare.**

If you are a working parent, you are probably well aware of the relatively high cost of childcare in Switzerland. Fortunately parents can find some financial relief in the tax deduction for childcare costs. If you cannot take care of your child yourself because you are working or studying, fees charged by a third-party (a daycare center, for example) for childcare can be deducted from taxable income.

5. **Continuing Education**

The cost of continuing education for the purpose of career development is deductible. However, this deduction only applies to continuing education for adults and not to primary education. The maximum deduction varies between cantons. You are generally required to provide receipts. The Canton of Zurich allows you to deduct up to 500 Swiss francs without providing receipts.

6. Accidents and illness

Healthcare expenses which are not covered by health insurance can be deducted from taxable income. Such costs may include out-of-pocket expenses like health insurance deductibles and coinsurance payments, and the cost of medical care which is not covered by insurance. Spending on prescription glasses or contact lenses, treatment by licensed homeopaths and dental care can also be included in this deduction.

However, most cantons and the federal government only deduct the portion of healthcare costs which exceed 5 percent of your net income.

7. Debt interest

In most cases, the interest which you pay for loans is tax deductible. Loan repayments, on the other hand, are not. Interest charges which can be deducted from taxable income include those for personal loans, credit card loans and mortgages.

Interest charged for leases (leasing rates) and construction loans is not tax deductible. If you are servicing a mortgage, using indirect amortization is often beneficial from a tax perspective.

Finding a good tax consultant can be way more efficient than trying to find your way through the tax maze on your own. Often a single consultation is all it takes to get an understanding of the tax deductions and regulations which apply to your situation.

Conclusion

All cantons offer you a free software (called EasyTax) to download or you can complete the tax return online. You will find all the information on the homepage of your cantonal tax office.

If you need help filling out the tax return, contact me by email:
gbc.business@bluewin.ch

For only 89.- CHF I do the tax declaration for you. Simple and easy. If you let me do the work, there are many advantages for you.

- The price starts as low as only 89.- CHF for singles and married couples without real estate
- It makes sure no deduction will be forgotten
- Your tax return is done on time. Save yourself expensive reminder fees and troubles with the authorities
- Your tax return will be completed professionally
- Easy and convenient. We professionally fill out your tax return while you enjoy your carefree leisure time.

How to proceed:

1. Download our checklist: [Download Checklist](#)
2. Prepare your documents following the instructions on the checklist
3. Send us your documents:

Email: Scan the documents or take pictures of your documents and send them to: gbc.business@bluewin.ch

Letter post: Send your documents to:
GBC Business Management GmbH, Bottmingerstrasse 75, 4104 Oberwil

Appointment: You can bring your documents to our office in 4104 Oberwil BL.
Please call us for fixing an appointment: 061 723 24 30