

Taxes

In Switzerland tax charge varies according to place of residence. The most important taxes for private individuals are income, wealth, and value added taxes.

Tax System

In Switzerland the confederation, cantons, communities and established regional churches impose taxes. There are direct and indirect taxes. The most important direct taxes are the income and the wealth taxes. These must be paid directly by the taxpayer. Indirect taxes are, namely, the value added tax, the tobacco tax, or the petroleum tax. These taxes are included in the price of the respective goods. Since the cantons and communities are responsible for many taxes, direct tax rates may vary greatly according to place of residence. Married couples are charged collectively.

Tax at Source

Foreigners who have moved to Switzerland recently pay their income tax by a deduction made directly from their income (tax at source, Quellensteuer). Registration is handled by the employer.

- The level of taxation depends on income, civil status (single, married, divorced), and number of children. Changes must be reported immediately.
- Additional deductions are possible, for example, contributions to the 3rd pillar, interest on debt, high health costs, etc..
- Persons with assets must declare these assets and pay a separate tax on them.
- Persons with an income of over 120'000 Francs per year must file a tax return (regular taxation).
- Persons who are married to a Swiss citizen or a permit C holder must also file a tax return (regular taxation).

The Cantonal Tax Office (Kantonaes Steueramt) will provide additional information regarding tax at source.

Responsibility for withholding tax: Franziska Götti, 071 353 63 16, quellensteuer@ar.ch

Regular Taxation

Persons with a Swiss passport or permit C are subject to regular taxation (ordentliche Besteuerung). Taxes are not deducted from their wages. They are obligated to file a tax return and pay a tax bill. Filing taxes is complex even for the Swiss. Asking for support the first time one files is recommended. The cantonal tax administration is responsible for ordinary taxation.

In Appenzell Ausserrhoden, despite being subject to withholding tax with a B permit, you have the option to request subsequent ordinary taxation. The flat-rate withholding tax will still be deducted directly from your salary. After submitting the request, you can declare deductions that are not automatically included in the withholding tax. Once you have opted for ordinary taxation, you must declare every year.

- Contributions to the 3rd pillar
- Interest on debts
- High medical expenses
- Actual professional costs
- Costs for third-party taxation (childcare)
- Further education costs that you paid yourself
- etc.

Submission deadline: The application must be submitted by March 31 of the following year (electronic submission date). The deadline cannot be extended.

Additional information (links, addresses, information sheets, brochures)

www.hallo-ar.ch/en/money-and-taxes/taxes