



Taxes of legal entities

Information leaflet Tax relief for companies

dated 29 May 2020 (replacement of version of 24 October 2019)
is applicable to the canton
as from tax period 2020

1 Legal framework

1.1 Canton Basel-Stadt

1.1.1 Extract from the tax law

Tax relief for companies

§ 67 For companies of legal entities which have newly opened or whose business operations have substantially changed and which serve the economic interest of the canton, the government council may grant tax relief for the founding year and the following nine years.

² In its decision, the government council defines the conditions for tax relief. It may revoke the tax relief with effect from the time when it was granted if these conditions are not met.

³ The government council listens to the rural communities if they are affected by this decision.

⁴ The decision of the government council is final.

2 Practical information

2.1 General aspects

Start-ups or companies moving here from abroad are regarded as newly started companies within the meaning of § 67 Para. 1 StG (tax law). In exceptional cases, companies moving here from elsewhere in Switzerland may also fall into this category.

Start-ups or companies moving here from abroad, which operate in the field of future-oriented technology and whose operations do not compete with the industry already located in the canton are especially in the economic interest of the canton.

The tax relief may be granted both on profits tax and on capital tax.

The number and quality of jobs to be created, the need for investment and the expected growth in profits are particularly important for assessing the extent of tax relief. The tax relief can be granted in steps with decreasing percentages or depending on the growth of the company (number of new jobs actually created, profit growth).

2.2 Procedure

Tax relief is only granted on request.

The request must be submitted at the latest together with the tax return for the first complete fiscal year.

The request may be sent to the government council as a whole or directly to the director of the Finance Department (government councilor Dr. Tanja Soland) which is responsible for this matter.

The request is handled in the canton by the Finance Department (Tax Administration) as well as the Department of Economic, Social and Environmental for the attention of government council as a whole.

2.3 Application

The application for tax relief would include the following documents:

- Description of the company objectives and the precise activities of the company
- Planned balance sheets and profit-and-loss accounts (budgets) for the first few years
- Investment plan for the first few years
- Details of the jobs to be created:
 - Number (development for the first few years)
 - Quality (training requirements etc.)
 - Planned remuneration
- Details of competitive situation in Northwest Switzerland and especially in Canton Basel-Stadt
- Ownership details
- Details on the scope of the requested tax relief

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