

## NEWSLETTER No. 12 – Q2 2016

### Personal Taxes, Payments, Deadlines – and some breaking news ...

There has always been some confusion with how Swiss taxes are paid and when they are due. Typically, a taxpayer can have tax at source deducted from his or her salary; make payments on account; or receive tax bills several months after filing a declaration. There can also be interest charges to be paid or even interest received. The purpose of this short note is to outline the main rules and of course, some breaking news!

#### WHEN IS MY TAX DUE?

As a taxpayer, your tax bill should be paid by 31 March of the following year. As a taxpayer filing a declaration you will need to settle two types of taxes – cantonal and communal taxes (with the acronym ICC) and federal taxes (with the acronym IFD). The cantons usually ask you to make payments on account during the year whereas the federal government usually asks you to make a single payment at the end of March in the following year.

Unfortunately very few people have filed their tax declaration and received their tax assessment by March of the following year! As a result the tax authorities use a number of techniques to ensure that your estimated tax liability is paid on time.

#### HOW ARE TAX PAYMENTS CALCULATED AND MADE?

To try to resolve this problem, the tax authorities ask the taxpayer to make payments on account. Obviously the current year tax assessment is not available so they use as a guideline the last assessment that has been raised – though this may differ considerably from the tax assessment that will finally be raised for the current year.

As mentioned above, the cantons usually ask for monthly payments on account during the year whereas the federal tax authorities ask for a single payment on account in March of the following year. As an example, a tax payer in Geneva canton will make 10 payments during the tax year from March to December each of which is for 10% of the last tax assessment. A further single payment of federal income tax will be made in March of the following year.

#### INTEREST CHARGES

If the taxpayer has made payments on account which are equal to his final tax bill by 31 March of the following year, there are no additional interest charges. However late payments attract interest charges at a rate of 3% (in Geneva) while over payments receive interest at 0.5% (again in Geneva).

#### BREAKING NEWS

Finally, we promised some breaking news – and not about tax this time. We are delighted to report that we have opened a new office in London specialising in assisting UK companies coming to Switzerland and individuals returning to the UK to reside. We'll give you more news in a subsequent newsletter.

#### Who are we?

Dryden Associates SA is an independent firm of Chartered Accountants based in Geneva focused on providing services to international corporate and personal clients. We have supported many companies establish subsidiaries or branches in Switzerland. If you would like more information on the topics in this newsletter please email [geneva@dryden.ch](mailto:geneva@dryden.ch) quoting 'Newsletter' in the subject line, or go to our website [www.Dryden.ch](http://www.Dryden.ch).