

## International tax burden comparison for physical persons

Assuming non-itemized deductions and equivalent income levels the tax burden in Switzerland and Germany results in the following comparison:

Switzerland: Physical person, married , no kids, no additional income (example: Canton Basel City BS, 2001)

	in CHF		
Gross income	100,000	150,000	200,000
Itemized deductions *	- 11,550	- 17,109	- 22,634
Net income	88,450	132,891	177,366
Lump-sum deductions **	- 8,400	- 8,400	- 8,400
Taxable income	80,050	124,491	168,966
Taxes Switzerland			
- Total in CHF	14,907	29,511	46,817
- in % of gross income	14.9	19.7	23.4

\* Itemized deductions = actual expenditure (see Chapter 10.3):  
 5.05% AHV/IV/EO  
 1.50% ALV I  
 1.00% ALV II  
 5.00% Pension plan

\*\* Non-itemized deductions:  
 Travel to work 500  
 Gen. professional expenses 700  
 Insurance 1,000  
 Family exemptions 6,200

Germany: Physical person, married

	in EUR		
Gross income	65,000	97,500	130,000
Employee lump-sum amount (advertising cost allowance)	- 1,044	- 1,044	- 1,044
	63,956	96,456	128,956
Statutory social welfare contributions **	- 4,002	- 4,002	- 4,002
Lump-sum deductions***	- 72	- 72	- 72
Taxable income	59,882	92,382	124,882
Income tax	12,786	25,504	40,824
Solidarity premium (5.5%)	703	1,403	2,245
Taxes Germany			
- Total in EUR	13,489	26,907	43,069
- In % of gross income	20.8	27.6	33.1

\* Higher advertising costs allowed if itemized (e.g. travel expense)

\*\* Max. deductible amount is limited to EUR 4,002 but actual employee expense is EUR 12,500

\*\*\* Special expenditures deductible without limit

Source: Dr. Hubertus Ludwig, VISCHER Attorneys at Law, Basel; Heiko Kubaile, Ernst & Young Deutsche Allgemeine Treuhand AG