



Which taxes are appropriate when living in your own home?

Stefan Drack, February 1, 2018

Economically, home ownership consists of assets, income and consumption. Should a home be only taxed as an asset? Or is it appropriate to tax also the income side or the residential consumption? If so, such a tax can be based on the imputed rental value.

Home ownership a) standard apartment b) luxury apartment	Only property tax Income : tax free Residential consumption : tax free	Only property tax Income : tax free Residential consumption : 8% **	Rental value taxation Income : Tax of e.g. 20%* Residential consumption : tax free
 Rental value: 20'000 CHF/a	<p style="text-align: center;">0 CHF annual tax</p> <p style="text-align: center;">Swiss Council of States, proposition 17.400</p>	<p style="text-align: center;">1'600 CHF annual tax</p> <p style="text-align: center;">The 8 % residential tax aims to achieve solidarity between renters and homeowners</p>	<p style="text-align: center;">4'000 CHF annual tax</p> <p style="text-align: center;">Current tax model in Switzerland</p>
 Rental value: 50'000 CHF/a			

* 20% could apply to a person without mortgage debt. This tax model applies in Switzerland, whereby the tax rate depends on many factors.

** A flat tax of 8% corresponds approximately to the Swiss VAT. In contrast to VAT, the residential tax would be distributed equally to canton and municipality.