

Newsletter VAT

Tax rate increase as of 1st January 2024

With the popular vote dated 25th September 2022, the amendment of the AHV Act (AHV 21) and the additional financing of the AHV through an increase of the VAT rates was accepted.

From 1st January 2024, the following tax rates apply

	Previously	New as of 1st January 2024
Standard rate	7.7%	8.1%
Reduced tax rate	2.5%	2.6%
Special rate for Accommodation services	3.7%	3.8%

General Information

Neither the date of invoicing nor the date of payment are decisive for the applicable tax rate, **but the date of performance of the service**. In the case of periodic services (e.g. subscription), the period during which the service is provided is decisive.

Services provided until 31st of December 2023 are subject to the previous tax rates. Services rendered as of 1st of January 2024 are subject to the new tax rates.

If services are rendered which are subject to both the previous and the new tax rates due to the period of their provision, and such services are listed on the same invoice, the date or the period of the provision of the service and the respective share of the amount attributable to it must be shown separately. If this is not the case, the entire invoiced services must be invoiced at the new tax rates. The correct allocation of the services to the previous and the new tax rates can also be proven in another way.

Partial payments and partial invoices

Partial payments for services provided until 31st December 2023 must be invoiced at the previous tax rates and settled with the FTA. Partial payments for services provided as of 1st January 2024 must be invoiced at the new tax rates and settled with the FTA.

Advance payments and advance payment invoices

An advance payment exists if no service has been rendered at the time the tax claim arises.

If it is known at the time of the prepayment or prepayment invoice that the supply of goods or services will take place in whole or in part after 31st of December 2023, the part of the service attributable to the period as of 1st January 2024 may already be listed at the new tax rate, both in the invoice to the customer and in the statement with the FTA.

Periodic benefits

Subscriptions for transport services (e.g. half-fare and general season tickets or ski season tickets) or service and maintenance contracts for lifts, household machines, computer systems and the like are generally payable in advance. **If such a subscription or contract extends beyond the time of the tax rate increase, the payment shall in principle be divided pro rata temporis between the previous and the new tax rate.**

Reduction in remuneration

Reductions in remuneration (discounts, rebates, notices of defects or losses) for services rendered before 1st January 2024 must be adjusted at the previous tax rate.

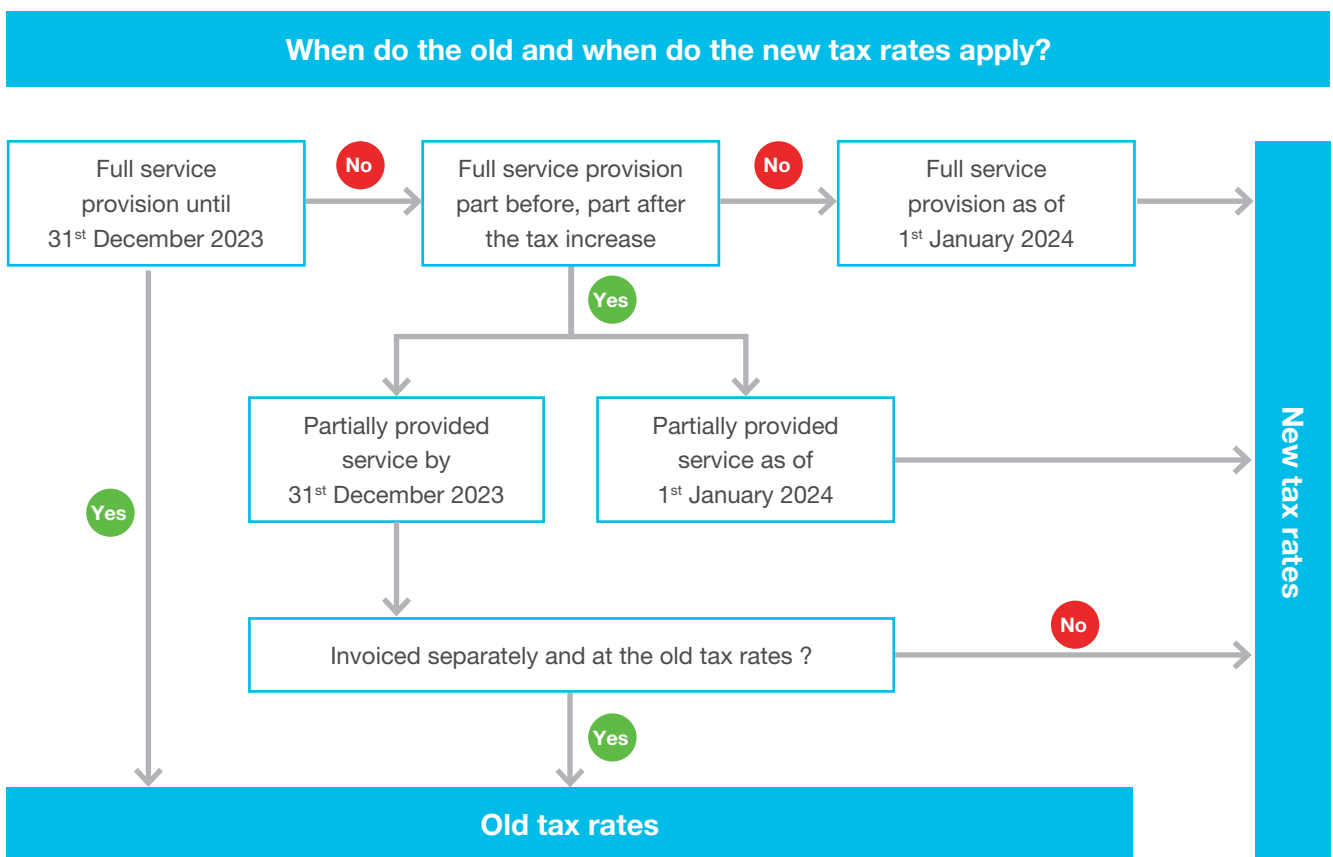
Purchase tax

In the case of services that are subject to the purchase tax, only the timing (or period) of the purchase of the service is decisive for the tax rate to be applied. The date of payment or invoice is not decisive.

Declaration with the FTA

With the declaration of the 3rd quarter 2023 (in case of effective reporting method or settlement according to the flat tax rate method), the 2nd semester 2023 (in case of settlement according to the net tax rate method) and as of July 2023 (in case of monthly reporting), the turnover can be declared with both, the previous and the new tax rates, for the first time.

The above principles can be represented graphically as follows:



We will gladly advise you on the topics relevant to you.

Contact us:



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