JUSO Initiative - Federal Council position statement (December 13, 2024)

A. Executive Summary

On December 13, the Swiss Federal Council published its position on the JUSO initiative:

- **Reminder**: The initiative suggests a federal inheritance and donation tax of 50% for assets exceeding CHF 50 million.
- **Validity of the initiative**: The Federal Council considers the initiative to be valid (despite some reserves).
- **Application of the initiative over time:** The Federal Council's position provides a degree of legal security as to how the initiative will be applied over time.

	Phase	Inheritance and donation taxation	Sanction of tax avoidance measures
1	Before the vote (November 30, 2025, or March 8, 2026)	No	No
2	In between the vote and the implementation of the enforcement measures (the latest 3 years after the vote)	Yes	No
3	After the implementation of the enforcement measures	Yes	Yes

- **Key element:** No retroactive effect for measures against tax avoidance. If the initiative is accepted, the taxpayers involved would still be able to leave Switzerland within 3 years without any negative tax consequences.

B. Key elements (if the initiative is adopted, which remains unlikely)

1. ***Triggering of a potential tax***: The decision to leave Switzerland is not automatically classified as tax "avoidance". The departure may indeed be motivated by other reasons (marriage, health, professional reasons, etc.). To be sanctioned[1], there must be evidence of an intention to avoid taxation (e.g. donation shortly after leaving Switzerland). If the initiative is adopted, the Federal Council is therefore not planning a generalized *exit tax.*

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[1] For example, by a fiction of residence in Switzerland for 5 years, even if the implementation of such a tax when the taxpayer is abroad seems hardly practicable.

2. *Timing*:

   a. *Timing for taxation of inheritance/donation:* ***day of voting***: Inheritances and donations of Swiss tax residents at the time of death/donation that are implemented after the date of the (favourable) vote would be taxed.

   b. *Timing for avoidance measures:* ***day of voting + 3 years***: Measures to prevent "tax avoidance" would not be implemented retroactively. They would only take effect when the provisions for enforcement come into force (the measures must be enacted within 3 years following the positive vote). In brief, the concerned taxpayers can leave Switzerland within 3 years following a positive vote, without any negative tax consequences.

3. Political agenda

January 20, 2025:	Discussion by the Committee for Economic Affairs and Taxation of the National Council
March 2025:	National Council debate
Summer session 2025:	Council of States debate
June 2025:	Parliament's voting recommendation
November 30, 2025, or March 8, 2026:	Possible date for popular vote

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