

2018 fiscal equalization between the Confederation and the cantons

Examination of data processing by cantonal and federal offices

Key facts

The total volume of fiscal equalization for 2018 is CHF 5,091 million, representing a year-on-year increase of 2.1% (CHF 4,987 million).

The new corporate tax reform proposal, tax proposal 17 (TP17), will lead to significant changes to fiscal equalization, probably from 2024, due to the abolition of special tax statuses for legal entities and the change regarding the fiscal utilisability of legal entities' profits.

The quality of tax data delivered at cantonal level is good

In 2017, the Swiss Federal Audit Office (SFAO) examined the tax data in the cantons of Basel Landschaft, Geneva, St. Gallen, Schaffhausen, Ticino and Vaud. It did not detect any significant errors. The quality assurance processes in place are generally appropriate and the quality of the data supplied by the cantons is good despite the disparity of the control mechanisms established. The IT systems used by the cantons are very varied and specific improvements could be made.

Systematic reporting of cantonal data by dossier to the Federal Tax Administration (FTA) would enable the checks to be more effective. However, it is hampered by technical constraints and the political sensitivity of the cantons.

The fiscal equalization processes in the offices are effective at federal level

Overall, the fiscal equalization processes and internal control systems of the federal offices are effective. The SFAO found no errors in the processing of fiscal equalization data, the calculation of 2018 equalization amounts and the last payments made.

In response to an SFAO recommendation dating from 2012, the FTA initiated the development of a project for greater automation of processes in 2017, bringing efficiency gains and processing security gains.

The description of processes and the documentation of checks could be strengthened and further improved at the Federal Statistical Office (FSO).

The IT program for the processing of fiscal equalization data by the Federal Finance Administration (FFA) must be replaced by the end of 2017. The FFA analysed its needs and tested a new program. It plans to implement the new solution by then. The SFAO is encouraging the FFA to take advantage of this change to reassess data transfer formats with other offices if it simplifies the process.

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