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Swiss Population Rejects Federal Estate and Gift Tax Initiative

On 30 November 2025, the Swiss population voted on the Young Socialists' (JUSO) popular initiative "For a Social Climate Policy – Fairly Financed Through Taxation (Initiative for a Future)." As expected from pre-vote polls, the proposal was clearly rejected, with 78.28% voting against it. The initiative sought to introduce a federal estate and gift tax at a rate of 50% on the portion of inheritances and gifts exceeding CHF 50 million, with revenues earmarked for climate-related measures and the ecological transformation of the economy.

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A. Legal Concerns and Retroactivity

A central factor in the public debate was the initiative's explicit retroactive application from the date of the vote. Although the Federal Council confirmed that the proposal met constitutional requirements, it cautioned that retroactive taxation could create significant legal uncertainty. Such an approach is atypical in the Swiss legal system and raised concerns about defensive relocation measures and the potential impact on confidence in the stability of the tax framework.

Economic considerations further shaped the outcome. While revenue estimates were substantial, the Federal Council and various economic organisations warned that any fiscal gains could be largely diminished if highly mobile, high-net-worth individuals chose to emigrate. A decline in income and wealth tax receipts could have resulted in net losses for both the Confederation and the cantons.

Institutionally, the proposal would have introduced a new federal tax in an area traditionally regulated on the cantonal level. This shift was seen by many as a significant departure from long-standing principles of cantonal autonomy in estate and gift taxation.

B. Implications for Legal and Tax Planning

With the initiative rejected, the existing legal framework remains unchanged. Individuals with substantial wealth, family businesses, or complex succession arrangements can continue with their tax planning without the negative impact of a retroactively applied federal estate and gift tax. During the campaign, the Federal Council had already indicated that no anti-avoidance measures would apply retroactively before the entry into force of implementing legislation; the vote outcome confirms this position.

The decision also maintains Switzerland's reputation for legal and tax predictability. In contrast to several jurisdictions that have recently tightened inheritance, gift, or exit-tax rules, Switzerland's framework remains stable and attractive. This is certainly an asset for internationally mobile individuals and families considering Switzerland within their long-term planning.

C. Comment and Outlook

With the proposal rejected, no federal estate or gift tax will be introduced. Cantonal rules remain unchanged. Most cantons exempt transfers between spouses and in the direct line, and some levy no inheritance or gift taxes at all, which typically allows for a tax-neutral transfer of the family wealth to the next generations. The result preserves continuity in planning practices and maintains a tax framework that continues to emphasise stability, cantonal autonomy, and predictability for succession and wealth planning.