

Coronavirus Information Hub: FAQ Tax

Filing deadlines for tax returns

The filing deadline of my personal tax return 2019 expires on March 31, 2020. Do I have to ask for a deadline extension?

Various cantons introduced automatic filing deadline extensions (usually initially set to March 31, 2020) of the tax return of individuals subject to ordinary taxation:

- Aargau: June 30, 2020
- Appenzell Ausserrhoden: May 31, 2020
- Appenzell-Innerrhoden: None (initial deadline April 30, 2020)
- Basel-Land: June 30, 2020
- Basel-Stadt: May 31, 2020
- Bern: September 15, 2020
- Fribourg: June 30, 2020
- Geneva: May 31, 2020
- Glarus: May 31, 2020
- Grisons: June 30, 2020
- Jura: July 31, 2020
- Lucerne: May 31, 2020
- Neuchatel: None (initial deadline February 28, 2020)
- Nidwalden: June 30, 2020
- Obwalden: August 31, 2020
- Schaffhausen: June 30, 2020
- Schwyz: May 31, 2020
- Solothurn: July 31, 2020
- St. Gallen: May 31, 2020
- Thurgau: None (initial deadline April 30, 2020)
- Ticino: June 30, 2020
- Uri: May 31, 2020
- Valais: May 31, 2020
- Vaud: June 30, 2020
- Zug: June 30, 2020
- Zurich: May 31, 2020

Longer deadline extensions are generally available upon request. Please note that different deadlines may be applicable in certain cases, e.g. to tax returns filed by self-employed taxpayers or in a canton in which the taxpayer is only subject to limited tax liability.

Several cantons introduced deadline extensions for the request of tariff corrections by individuals subject to payroll taxation:

- Basel-Land: September 30, 2020
- Geneva: May 31, 2020
- Schwyz: May 31, 2020
- Uri: May 31, 2020
- Valais: May 31, 2020
- Zug: June 30, 2020

Is the filing deadline of a legal entity's tax return 2019 automatically extended?

Few cantons introduced automatic extensions of the filing deadlines for the tax return 2019 of legal entities:

- Aargau: September 30, 2020
- Basel-Land: September 30, 2020
- Bern: September 15, 2020
- Geneva: May 31, 2020
- Jura: July 31, 2020
- Nidwalden: September 30, 2020
- Ticino: September 30, 2020

This being said, in various cantons, the initial filing deadlines of tax returns of legal entities expire in the second half of the year in any case (e.g. in Zug and Zurich September 30).

Payment terms

I received the provisional invoice for my direct federal taxes 2019. Do I have to pay it timely?

In principle, the due date has not changed. However, as part of the Corona measures, all invoices regarding federal income and profit taxes with a due date between March 1 and December 31, 2020 may be paid until December 31, 2020 the latest,

without incurring any late interest (the Swiss government's ordinance of March 20, 2020 and the federal tax administration's circular letter of March 24, 2020 in this respect can be downloaded in [German](#) and in [French](#)). This new and provisional rule is also valid for all invoices received for previous tax years with due dates between March 1 and December 31, 2020.

Did the payment terms change for my VAT and customs?

The accrual of late interest on VAT and customs is suspended between March 20 and December 31, 2020. However, please be aware that this rule does not change the duty to file VAT declarations on time.

Are there any deferred payment terms available for my cantonal and communal taxes 2019 and/or 2020?

There is no general answer to this question. Please be aware that in some cantons, the respective competence to delay due dates without paying late interest is with the cantons, in other cantons with the communities. For instance, the canton of Zurich lowered its late interest rate for cantonal and communal tax purposes from 4.5% to 0.25% between May 1, 2020 and December 31, 2020. If you have difficulties to pay your cantonal/communal taxes on time, please contact the respective tax authorities and you may ask for an approval for a late payment or for a payment in instalments. In some cases, it is possible to apply online.

Can I change the amount of taxable income expected in 2020?

Yes, if your provisional invoice for taxes to be paid for 2020 is too high, you should contact the respective tax authority (federal/cantonal/communal) in order to ask for a reduction of your provisional income tax base 2020. Online applications for adjustments are frequently possible.

Is the late interest for withholding tax and stamp duties also deferred?

No, unfortunately not. Please be aware that the late interest for withholding taxes and stamp duties is still 5% and therefore it is very much advisable to pay these taxes on time.

Will the cantonal and federal tax authorities continue to notify decisions in tax matters?

Generally yes. However, certain cantons have communicated that they have reduced their activities and some cantons have indicated that they will not issue any decisions until further notice.

Are there any deferred payment options available with regard to social security?

Yes, companies and self-employed individuals may ask for an interest-free payment delay for social security contributions. They may also request an adjustment of their monthly or quarterly down payments, based on the new (reduced) income situation.

Provisions in annual accounts 2019

Is it possible to deduct a "corona-provision" from the taxable income 2019?

Generally no. The annual accounts prepared in accordance with commercial law are generally relevant for tax purposes. According to commercial law, a provision must be booked in the annual accounts 2019 if an "event in the past" leads to the expectation of a cash outflow in future years. Such a provision would generally be accepted by the tax authorities.

Under commercial law, it is doubtful whether there is a requirement or obligation to book a "corona-provision". For example, the Swiss expert association for auditing, taxes and fiduciary advice "expertsuisse" (statement published on March 20, 2020) considers that the coronavirus does not qualify as such an "event in the past" for the annual accounts 2019. However, businesses have an option (but not an obligation) to book a provision if it is made in order to ensure long-term prosperity of the business. In "normal times", such optional provisions are typically not tax deductible.

However, the cantons of Aargau, Thurgau, Valais and Zug announced that they will recognize extraordinary tax-deductible provisions for cantonal and communal tax purposes in tax period 2019. Such provisions are allowed for legal entities or self-employed taxpayers and must be dissolved in tax period 2020. Please refer to specific information, such as maximum amounts of the provision, published by the respective tax authorities. In contrast, the cantons of Schwyz and St. Gallen announced that no corona-related provisions will be accepted for tax purposes in the 2019 tax period.

Period for appeal

Are there any deadline extensions or suspensions applicable to contentious legal proceedings in tax matters?

The running of legal deadlines (i.e. typically appeal deadlines) is generally suspended by law in Switzerland during the seven days before and the seven days after Easter. Thus, this year there is a general legal suspension of deadlines between April 5 and 19, 2020. A deadline suspension means that in order to determine the running of a deadline, days are not counted during the suspension period. As an example, a deadline that would theoretically end on April 5 therefore effectively ends on April 20. As part of the Corona measures, the Swiss government ordered on March 20, 2020 that the suspension of deadlines (where a suspension around Easter is foreseen by law) would start immediately, i.e. on March 20, 2020 already and not only on April 5, 2020 (The government's ordonnance can be downloaded in [German](#), [French](#) and [Italian](#)). There are however important exceptions to the principle of deadline suspension, one being cantonal tax proceedings, where no suspension of deadlines is legally foreseen in the first place. Therefore, the Swiss government's measure – at least currently – does especially not apply to contentious tax matters pending before cantonal tax authorities or before cantonal courts. The immediate suspension however does apply to tax matters pending before the Swiss federal tax administration (*Einsprache, réclamation, reclamo*), before the federal administrative tribunal and before the Swiss Supreme court.

I received my personal tax assessment 2018 (federal direct tax and/or cantonal and communal taxes) in March 2020. Is the 30-days deadline to appeal automatically extended?

No, it is not.

I recently received a decision in tax matters from a cantonal tax court subject to appeal before the Federal Supreme court. Is the 30-days deadline to appeal automatically extended?

Yes, the suspension of deadlines applies to proceedings before the Federal Supreme court.

I recently received a decision from the Swiss federal tax administration subject to appeal before the Federal administrative tribunal. Is the 30-days deadline to appeal automatically extended?

Yes, the suspension of deadlines applies to proceedings before the Federal administrative tribunal.

Due to the virus, I missed the deadline to challenge my tax assessment 2018. May I still challenge it?

Missed deadlines can be restored only under certain very specific circumstances, such as grave illness. In general, missing a deadline due to external causes is no sufficient grounds to restore a deadline. However, the Zurich tax administration communicated that it considered the current extraordinary situation to be a sufficient justification to restore missed deadlines. In such case, a respective demand must be addressed in writing to the Zurich tax administration and it must meet the other requirements of a valid objection (*Einsprache*). Note that this liberal approach does currently not necessarily apply to the tax court nor to the administrative court of the canton of Zurich. Other cantons may also adopt another attitude.

I recently received an information request from the cantonal tax authorities regarding my personal tax return 2018. Is the deadline to respond automatically extended?

No, it is not automatically extended. However, given the current situation, if you actively contact the tax administration before the end of the deadline it is very likely that they will accommodate you and extend the deadline.

Cross-border commuter

I am a cross-border commuter. Due to the virus, my employer requested me to work from home. Do I lose my tax status as a cross-border commuter?

According to the double tax treaty between Switzerland and Germany and the agreement of certain cantons with France, cross-border commuters are persons who return "regularly" or "usually daily" to their country of residence from their place of work. As a general rule, two border crossings per day are required.

The outbreak of COVID-19 has led to an increase in the number of home office working days demanded by employers. Therefore, France and Switzerland have concluded an agreement according to which home office working days due to COVID-19 shall not affect the cross-border commuter status of persons and, hence, change the taxation of these persons (in other words, the cross-border commuter taxation remains unaltered).

Currently no such agreement is in place with Germany. However, several cantonal tax administrations have informed Walder Wyss by telephone that, in their view, there should be no change due to increased home office days as a result of COVID-19 regarding cross-border commuters from Germany. This has also been communicated by the Chamber of Commerce Germany-Switzerland on its homepage.

Social security

I am living in an EU/EFTA country and I am subject to social security in Switzerland because I am usually not physically working as an employee in my domicile country for more than 25% of the time. Does this status change because I am requested to work from home due to the virus?

According to the Federal Social Insurance Office (FSIO), the Swiss authorities consider the current situation as a state of emergency. The FSIO takes account of this fact in that, from a Swiss perspective, cross-border commuters who generally work in Switzerland and who are now requested to work from home as a result of COVID-19 and thereby exceed the 25% limit, continue to be subject to the Swiss social security system. The French Social Security Department is also of the view, that due to exceptional circumstances, the employee remains subject to social security in the country she or he is usually working. The Chamber of Commerce Germany-Switzerland has also communicated on its homepage that in their view the same is true for German cross-border commuters.

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[Coronavirus Information Hub](#)

Walder Wyss is committed to supporting our clients through the challenges the pandemic presents. We will be publishing regular insights on this Information Hub.

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