



Swiss voters approve Federal Act introducing individual taxation: what does this mean in practice?

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Key takeaways

- **On 8 March 2026, Swiss voters approved the Federal Act introducing individual taxation. This marks a shift from the current joint taxation of married couples to a system of individual taxation.**
- **In the future, married couples will be assessed separately, in the same way as unmarried individuals, and will therefore be required to file two separate tax returns.**
- **The tariff of the Swiss federal direct tax will be adjusted; the child deduction will be increased from CHF 6,800 to CHF 12,000.**
- **The cantons will need to implement the reform in their own tax legislation. The effects at cantonal and communal level will largely depend on the future design of cantonal tax rates and deductions.**
- **The impact will vary depending on the distribution of income and the family situation. Dual-income couples with similar earnings are likely to benefit, while households with highly unequal income levels may face higher tax burdens.**
- **The new rules are expected to enter into force on 1 January 2032. Cantons and municipalities will need to adapt their legislation accordingly before that date.**

Introduction

On 8 March 2026, Swiss voters approved the Federal Act introducing individual taxation, with 54.3 % voting in favour. This marks a fundamental shift in the taxation of individuals: going forward, all persons – irrespective of their marital status – will be taxed individually.

The reform replaces the current joint taxation of married couples with individual assessment. Its objective is to introduce a marital-status-neutral tax system and to reduce the “marriage penalty” under the Swiss federal direct tax regime; at the same time, certain tax rates and deductions will be adjusted.

At the federal level, the reform therefore establishes the transition to individual taxation for Swiss federal direct tax purposes and provides for adjustments to certain deductions. It remains to be seen, however, how cantons and municipalities will implement the reform in detail, in particular with regard to tax rates and cantonal deductions.

Below we outline the practical implications for married couples and unmarried individuals.

What was the subject of the vote?

The vote concerned the Federal Act introducing individual taxation adopted by the Swiss Parliament. The core element of the proposal is the transition from the current joint taxation of married couples to individual taxation for all individuals.

Under the current rules, spouses are jointly assessed and taxed for purposes of the Swiss federal direct tax. Their incomes are combined and subject to a separate progressive tax tariff. Unmarried individuals, by contrast, are already assessed and taxed individually. This different treatment can result in a higher tax burden for married couples with two incomes.

The reform not only affects Swiss federal direct tax but must also be implemented at cantonal and communal level. In addition to introducing individual taxation, the legislation provides in particular for an adjustment of the federal direct tax tariff and an increase of the child deduction. The specific design of the reform at cantonal level, however, remains largely open and will continue to vary between cantons.

How are married couples taxed under the current system?

Under the current rules, spouses are jointly assessed for purposes of Swiss federal direct tax. This means that their income and assets are combined and taxed as a single unit. A joint tax return is filed and a single progressive tax tariff is applied.

Due to the progressive nature of the tax system, combining the spouses’ income can result in a higher overall tax burden than that borne by two unmarried individuals with comparable individual income levels.

To mitigate the effects of this progression, the current rules provide, among other measures, for a so-called dual-income deduction. This deduction reduces the taxable income for Swiss federal direct tax purposes in the case of married couples with two sources of income. Despite this deduction, joint assessment may still result in a higher tax burden for married couples with two incomes than for two unmarried individuals with identical individual income levels. Cantons have introduced different mechanisms to reduce or eliminate this “marriage penalty”.

Unmarried individuals, by contrast, are already taxed on an individual basis.

What will change with the introduction of individual taxation?

In the future, spouses will no longer be taxed jointly but separately. As a result, the same taxation principles will apply to all taxpayers.

The key changes can be summarised as follows:

Separate assessment

Each married individual will in future be assessed separately. Spouses will file two separate tax returns and will be taxed individually. Their incomes will no longer be combined for tax purposes.

Allocation of income and assets

Income and assets will be allocated to the individual to whom they belong under civil law. Employment income, pensions and self-employment income will therefore be attributed to the respective individual. In the case of jointly held assets, such as co-owned property or joint bank accounts, income and assets will be allocated proportionally in accordance with the respective ownership shares.

Uniform tax tariff for all individuals

In the future, the same Swiss federal direct tax tariff will apply to all individuals. The current special tariff for married couples will be abolished. As a result, the progressive tax rates will apply to each individual's income separately.

Adjustment of the child deduction

To mitigate potential additional burdens for families, the child deduction for Swiss federal direct tax purposes will be increased from CHF 6,800 to CHF 12,000 per child.

Where married parents live in the same household with the child and exercise joint parental responsibility, the child deduction will be split equally between the parents. Each parent will therefore be entitled to claim a deduction of CHF 6,000.

Where maintenance payments are borne by only one parent, or where different custody or maintenance arrangements apply, the allocation of the deduction will follow the statutory attribution rules.

Implementation at all levels of government

Cantons and municipalities will also be required to amend their tax legislation accordingly and introduce individual taxation. The specific design of tax rates and deductions will, however, remain within cantonal competence and may therefore continue to vary between cantons.

As a result, the tax burden will be more closely aligned with each individual's income and personal circumstances.

What are the implications for married couples?

The impact of individual taxation will depend largely on the distribution of income between spouses. As incomes will no longer be combined, the progression-related additional tax burden that currently arises in certain situations will disappear in some cases. At the same time, other situations may lead to a higher tax burden. The overall effect will depend not only on how income is distributed between spouses but also on the future design of cantonal tax rates and deductions.

The main scenarios can be distinguished as follows:

Married couples with similar income levels

For dual-income couples with comparable earnings (e.g. a 50/50 income split), the introduction of individual taxation is likely to result in a lower tax burden.

In the future, each spouse will be taxed solely on their individual income. The progressive tax rates will therefore apply to two separate and lower tax bases. This effect may be particularly noticeable for middle- and higher-income households.

Married couples with highly unequal income levels

For married couples with a strongly asymmetric income distribution (e.g. 100/0 or 80/20), the reform may lead to a higher tax burden.

Under the current system of joint assessment, the main income has benefited from the more favourable tariff applicable to married couples. With the introduction of individual taxation, the higher income will in future be taxed on a standalone basis and without such preferential treatment. As a result, the progressive tax rates will apply fully to the higher income.

Whether and to what extent a higher tax burden will actually arise will depend on the level of income and on the cantonal tax rates, which remain to be determined.

Married couples with children

The combination of the increased child deduction for Swiss federal direct tax purposes and the introduction of individual taxation may lead to a more significant reduction in the tax burden, particularly for families with two sources of income. For single-income marriages, the outcome will depend largely on the level of income and on the specific design of the applicable tax rates.

Incentives for secondary earners

A key effect of the reform concerns secondary income. Where one spouse already earns a high income, the additional income of the second earner currently falls directly into a higher progressive tax bracket. As a result, the second income is often taxed at a significantly higher marginal tax rate than would be the case under a system of separate taxation.

With the introduction of individual taxation, each person will be taxed solely on their own income. The second income will no longer be added to the higher income of the other spouse. This may reduce the marginal tax burden on that additional income and thereby strengthen financial incentives to enter the workforce or to increase working hours.

In practice, the reform may also entail additional administrative implications, such as increased coordination when allocating jointly earned investment income or deductions, as spouses will in future be required to file two separate tax returns.

While dual-income couples with similar income levels are likely to benefit overall, higher tax burdens cannot be ruled out for single-income households or couples with strongly asymmetric income structures. The actual impact will therefore need to be assessed on a case-by-case basis.

What are the implications for unmarried individuals?

Unmarried individuals are already assessed and taxed on an individual basis under the current system. In this respect, the fundamental structure of taxation will remain unchanged for them.

However, indirect effects may arise from the adjustment of the Swiss federal direct tax tariff. As a uniform tariff will apply to all individuals going forward, the current distinction between the basic tariff and the tariff applicable to married couples will be abolished. Depending on the level of income, this may result in either a lower or a higher tax burden for unmarried individuals.

For unmarried parents living in the same household and exercising joint parental responsibility, the increased child deduction will also apply. The allocation of the deduction will follow the statutory rules governing maintenance and caregiving responsibilities.

Overall, the underlying system of taxation for unmarried individuals will remain unchanged. Any financial impact will primarily result from the new tariff structure and adjustments to certain deductions rather than from a fundamental change in the method of assessment.

What are the financial implications of the reform?

The introduction of individual taxation is expected to result in estimated revenue losses of around CHF 630 million per year for Swiss federal direct tax. This reduction is primarily attributable to the separate taxation of spouses, as well as to the adjustment of the tax tariff and the increase in the child deduction.

Cantons are also required to introduce individual taxation. The financial impact at cantonal and communal level will depend on the specific design of the applicable tax rates. While some cantons expect a decrease in tax revenues, other configurations may also result in additional revenues.

Overall, the reform shifts the tax burden more strongly towards individual income levels and less towards marital status. From an economic perspective, the reform is also expected to increase labour market participation, particularly with regard to secondary earners.

What happens next?

In the coming years, the focus will be on the adaptation of cantonal tax legislation and the revision of cantonal tax tariffs. While cantons are required to introduce individual taxation, they will retain autonomy over their tax rates. As a result, different approaches and implementations across cantons are to be expected.

At the same time, administrative and technical adjustments will be necessary. Tax authorities will need to adapt their assessment processes, as married couples will in future also be required to file two separate tax returns. In addition, detailed rules governing the allocation of income, assets and deductions will need to be clarified.

Until the reform enters into force on 1 January 2032, the current system of taxation will remain in place. In the meantime, the focus will be on the legislative implementation at cantonal and communal level as well as on the administrative preparations by the tax authorities.

In many cases, reliable conclusions regarding the future tax position of individual taxpayers will only be possible once the cantonal implementing legislation (in particular the rules on tax tariffs and deductions) has been enacted.

Do I need to take any action now?

In the short term, no immediate action is required. However, in light of the upcoming changes, it may be advisable to review one's income and asset structure at an early stage and to monitor developments regarding the cantonal implementation of the reform. The future tax burden will depend more strongly on each individual's income. This may be particularly relevant in the following situations:

Income structure within a marriage

Where income levels between spouses are highly asymmetric, the overall tax burden may change. It may therefore be advisable to review the allocation of employment income, bonuses, dividends or self-employment income between spouses.

Entrepreneurial couples

Where spouses hold participations in operating companies, the question arises as to how salary and dividend structures should be optimally designed in the future.

Pensions and lump-sum withdrawals

Lump-sum withdrawals from occupational pension schemes or from pillar 3a arrangements will in the future be taxed individually. The timing of such withdrawals between spouses may therefore need to be reassessed.

Part-time employment and adjustments to working hours

As secondary income will in future be taxed separately, the effective marginal tax burden may decrease. Increasing working hours or re-entering employment may therefore become more attractive from a tax perspective.

Asset structure between spouses

As income and assets will be attributed to each individual separately, the ownership structure of assets between spouses may become more relevant from a tax perspective than under the current system.

In practice, it is advisable already today to clearly document, for each spouse, ownership structures and sources of income (e.g. bank accounts, securities, participation income and self-employment income). This may facilitate the allocation of income and assets once separate assessment is introduced.

The introduction of individual taxation will not only affect the current tax burden but may also have implications for marginal tax rates, work incentives and long-term planning. An early simulation of the future tax burden may help to identify and assess potential structural adjustments in a timely manner.

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No legal or tax advice

This legal update provides a high-level overview and does not claim to be comprehensive. It does not represent legal or tax advice. If you have any questions relating to this legal update or would like to have advice concerning your particular circumstances, please get in touch with your contact at Pestalozzi Attorneys at Law Ltd. or one of the contact persons mentioned in this legal update.

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