

Lucerne¹

<p>Status of the bill</p>	<p>PUBLIC VOTE – By 23 September 2025, the Cantonal Government submitted to Parliament the proposal on the further development of location promotion, together with a draft amendment to the Act on Economic Promotion and Regional Policy. Parliament adopted the legislative amendment by 86 votes to 27.</p> <p>The proposal is subject to an optional referendum; a popular vote is scheduled for September 2026.</p>
<p>Focus</p>	<p>Companies engaged in innovative activities will be able to apply in the Canton of Lucerne for funding contributions in the form of tax credits or financial grants for personnel, investment and contract research expenditures (Lucerne Innovation Contribution, “LIB”).</p> <p>Eligible activities include basic research, industrial research and experimental development, including related innovation functions (in particular DEMPE functions, as well as supporting functions such as administration, IT, legal or finance). The definition is aligned with international standards (notably EU State aid rules) and is designed as a non-selective incentive regime.</p> <p>Under the law, a maximum support rate of up to 50% of eligible expenditures is provided for, although the effective rates to be set at ordinance level are expected to be significantly lower.</p> <p>The specific support rates and eligible cost categories (e.g. personnel, investments/depreciation, contract research) will be defined at ordinance level and may be adjusted in light of international developments.</p> <p>Funding is calculated based on actual expenditures (rather than profits or tax burden) and typically with a time lag (currently envisaged: reference year two years prior to the application).</p> <p>In principle, all companies carrying out economic activities in the Canton of Lucerne are eligible (non-selective system), provided that, among other re-</p>

¹ Consultation on the further development of location promotion of 10 March 2025; Table last updated on 24 April 2026.

	<p>quirements, they maintain reliable financial reporting (audited financial statements) and can demonstrate their R&D activities and sustainability performance.</p> <p>In addition, measures are planned to strengthen the startup and innovation ecosystem, support international schools (as a location promotion measure to attract international companies), and improve the availability and development of commercial real estate.</p>
Funding	<p>The funds available for the Lucerne Innovation Contribution are determined annually as part of the budgeting process and depend on economic developments as well as the canton's financial position.</p> <p>For the current planning period, an annual allocation of approximately CHF 110–160 million is envisaged (as indicated in the official message; this is not a fixed fund amount).</p> <p>If the contributions applied for exceed the available funds, the amounts granted will be reduced on a pro rata basis. Any unused funds may, in part, be carried forward.</p>
Form of contributions	<p>Funding contributions may be granted in the form of financial assistance (direct subsidies), refundable tax credits ("qualified refundable tax credits", QRTC), or non-refundable tax credits (NRTC, subject to application).</p>
Decision-making authority	<p>The specific design and form in which the contributions are granted fall within the competence of the Cantonal Government; however, the overall funding volume is determined annually by the Cantonal Parliament as part of the budgeting process.</p>
Application and approval	<p>Funding contributions are granted upon application. The application must include detailed evidence of eligible activities as well as a verified financial basis (typically audited financial statements). Applications must be submitted annually; contributions are awarded on a periodic basis and may be reduced on a pro rata basis if the budget is exceeded.</p>
Entry into force	<p>The parliamentary deliberations have been completed. Entry into force is envisaged for 1 October 2026, subject to the outcome of the public vote.</p>