

Zug¹

<p>Status of the bill</p>	<p>ADOPTED - The report and motion of the Government Council (<i>Regierungsrat</i>) dated 22 October 2024 on “Implementation of the OECD minimum tax: Act on Location Development (GSE)” was comfortably approved by the Cantonal Parliament on 28 August 2025 by 57 votes to 16. As the matter was subject to a mandatory referendum, it was put to a popular vote and was finally accepted on 30 November 2025 with 66.71% of votes in favour.</p>
<p>Focus</p>	<p>One-time investments and ongoing contributions are to be used for three priority areas (social affairs, infrastructure/innovative projects and subsidies to companies). While separate proposals are being worked on for the first two points, subsidies will focus on the following:</p> <ul style="list-style-type: none"> - Impact-oriented sustainability promotion: companies that substantially reduce greenhouse gas emissions in their upstream supply chains can apply for subsidies. The annual subsidy is calculated based on the actual volume of emissions reduced and amounts to CHF 30 per tonne of CO₂ equivalent avoided. <ul style="list-style-type: none"> ▪ Eligibility for the subsidy is subject to the company demonstrating that: <ul style="list-style-type: none"> ▪ the emissions intensity of procured goods and services has been effectively reduced; ▪ at least 50,000 tonnes of CO₂ equivalent are avoided per year; and ▪ no offsets or comparable compensation instruments have been used. ▪ The required evidence must be provided as part of the company’s non-financial reporting and be audited by a state-supervised audit firm.

¹ Implementation of the OECD minimum tax: Act on Location Development (GSE), Report and Motion of the Government Council of 22 October 2024, Submission No. 3834.1; table last updated on 2 December 2025.

	<ul style="list-style-type: none"> - Expense-related innovation funding: The annual subsidy amounts to 25% of the qualifying expenditures. Subsidies for personnel costs are planned in the following areas: <ul style="list-style-type: none"> ▪ Basic research ▪ Applied industrial research ▪ Experimental development ▪ Activities related to the development, improvement, protection and exploitation of intellectual property rights ▪ Clinical trials conducted in Switzerland ▪ Expenditures as defined in § 60a of the Tax Act are not eligible - Revenue-side innovation support: A previously contemplated revenue-side innovation incentive (e.g. a patent box-type regime for IP income) is not implemented as a standalone instrument in the Ordinance on the Implementation of the Location Development Act (SEVO).
Funding	<p>During the three-year initial phase from 2026 to 2028, the Canton of Zug plans to allocate a net amount of around CHF 200 million each year to strengthening Zug as a business location. Of this total, CHF 150 million will be available each year for promotional contributions to companies.</p> <p>A subsidy is granted only if the total annual funding amount per company exceeds CHF 7,500. For this purpose, contributions from sustainability incentives and innovation incentives are aggregated.</p> <p>If the total calculated subsidies exceed the available financial resources, all contributions are reduced on a pro rata basis. In addition, the Cantonal Government may set a generally applicable maximum amount per company or group of companies. If a subsidy falls below the minimum threshold as a result of such proportional reduction, it will nevertheless be paid out in the reduced amount.</p>
Form of contributions	<p>The proposal gives preference to direct subsidies. The SEVO provides exclusively for direct subsidies and does not include any provisions on QRTC.</p>

Decision-making authority	The Finance Board is responsible for implementing the location promotional measures or subsidies.
Application and approval	<p>Applications for funding can only be submitted via an electronic platform. Applications must be submitted annually.</p> <p>Applications for funding must be submitted no later than 31 May of the second calendar year following the financial year-end. Applications submitted after this deadline will not be considered.</p> <p>Applications must be accompanied by a confirmation of the underlying calculations issued by the statutory auditor. Approved contributions are paid out in the calendar year of submission, provided the application was filed within the prescribed deadline.</p>
Entry into force	It is envisaged that the bill will come into force on 1 January 2026, and that it will be possible to award subsidies for the first time for the 2026 tax period.