

## Lucerne<sup>1</sup>

<b>Status of the bill</b>	CONSULTATION: On 10 March 2025, the Government Council ( <i>Regierungsrat</i> ) launched the consultation on the further development of location promotion measures. The deadline was 9 June 2024. Around 60 statements with over 850 individual responses were received. These will now be examined and, if necessary, considered in the government's dispatch to the cantonal parliament.
<b>Focus</b>	<p>Companies engaged in innovation are to be able to apply for subsidies in the form of tax credits or financial assistance for personnel, investment and contract research expenses in the canton of Lucerne (Lucerne Innovation Grant). Specifically, basic research, industrial research and experimental development are to be promoted, provided they meet the five main criteria set out in the OECD Frascati Manual and the management functions as defined by the DEMPE functions. According to the law, a maximum subsidy rate of 35% is set for the activities and measures carried out by a company in a fiscal year. According to the draft of the corresponding ordinance, it is planned to subsidise personnel expenses at 30%, investment expenses in the form of depreciation at 20% and expenses for contract research at 10%.</p> <p>Furthermore, measures to promote the start-up and innovation ecosystem, support for international schools and measures concerning the availability and development of economic areas are planned.</p>
<b>Funding</b>	The financial resources available for Lucerne's innovation subsidy are to be determined annually by the Cantonal Parliament ( <i>Regierungsrat</i> ) at the request of the Government Council ( <i>Kantonsrat</i> ) – based on economic development and the development of the cantonal budget. An annual allocation of CHF 160 million is to be expected from 2026.
<b>Form of contributions</b>	Lucerne's subsidies may be paid out as qualifying tax credits (QRTC) or as financial aid.
<b>Decision-making authority</b>	The competence to approve the expenditure ultimately lies with the Government Council ( <i>Regierungsrat</i> ).

<sup>1</sup> Consultation on the further development of location promotion of 10 March 2025; Table last updated on 29 August 2025.

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<b>Application and approval</b>	Subsidies are paid upon application. The details of the application are regulated in a corresponding ordinance. The application must be submitted anew every year, and the funding is granted once a year.
<b>Entry into force</b>	The consultation in the Cantonal Parliament ( <i>Kantonsrat</i> ) is expected to take place at the beginning of 2026, with a referendum planned for September 2026. The aim is for the bill to come into force on 1 October 2026.