

Zug¹

Status of the bill	PUBLIC VOTE PENDING - 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 is subject to a mandatory referendum, the final decision will be made by voters on 30 November 2025.
Focus	<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. - Expense-related innovation funding: subsidies for personnel costs are planned in the following areas: <ul style="list-style-type: none"> ○ Basic research ○ Applied industrial research ○ Experimental development - Revenue-side innovation support: it is envisaged that companies that generate income from patents and other intangible rights will be supported.
Funding	During the three-year initial phase from 2026 to 2028, the Canton of Zug plans to allocate a net figure 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.
Form of contributions	The proposal gives preference to direct subsidies, although this may be changed to a qualifying tax credit (QRTC) by ordinance.

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 29 August 2025.

Decision-making authority	The Finance Board is responsible for implementing the location promotional measures or subsidies.
Application and approval	Applications for funding can only be submitted via an electronic platform. Applications must be submitted annually.
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.