

# Tax breaks for innovative start-ups

An overview on the Cantonal measures

# Eligibility criteria

Two criteria need to be **cumulatively** met in order to be considered an innovative start-up:

1.

Prove to be already legally **registered as a company**

+

2.

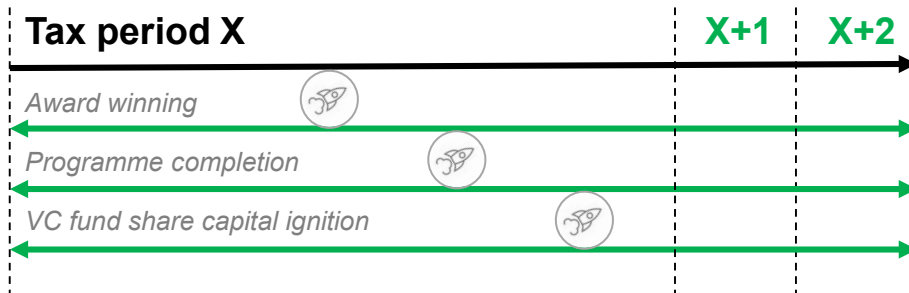
Fulfill **at least one of the requirements** listed in art. 5a par. 1 of the [Cantonal Tax Regulation](#)

# Period of eligibility

The tax break is granted for the **three tax periods** after:

- the win of one of the prizes according to art. 5a par. 1 of the Ticino [Cantonal Tax Regulation](#) (Regulation);
- the fulfilment of one of the programmes according to art. 5a of the Regulation;
- a venture capital (VC fund) according to art. 5a of the Regulation invests as shareholder in the start-up company.

The year in which the conditions are met counts as the **first period**.



# Three measures

... for  
**investors**



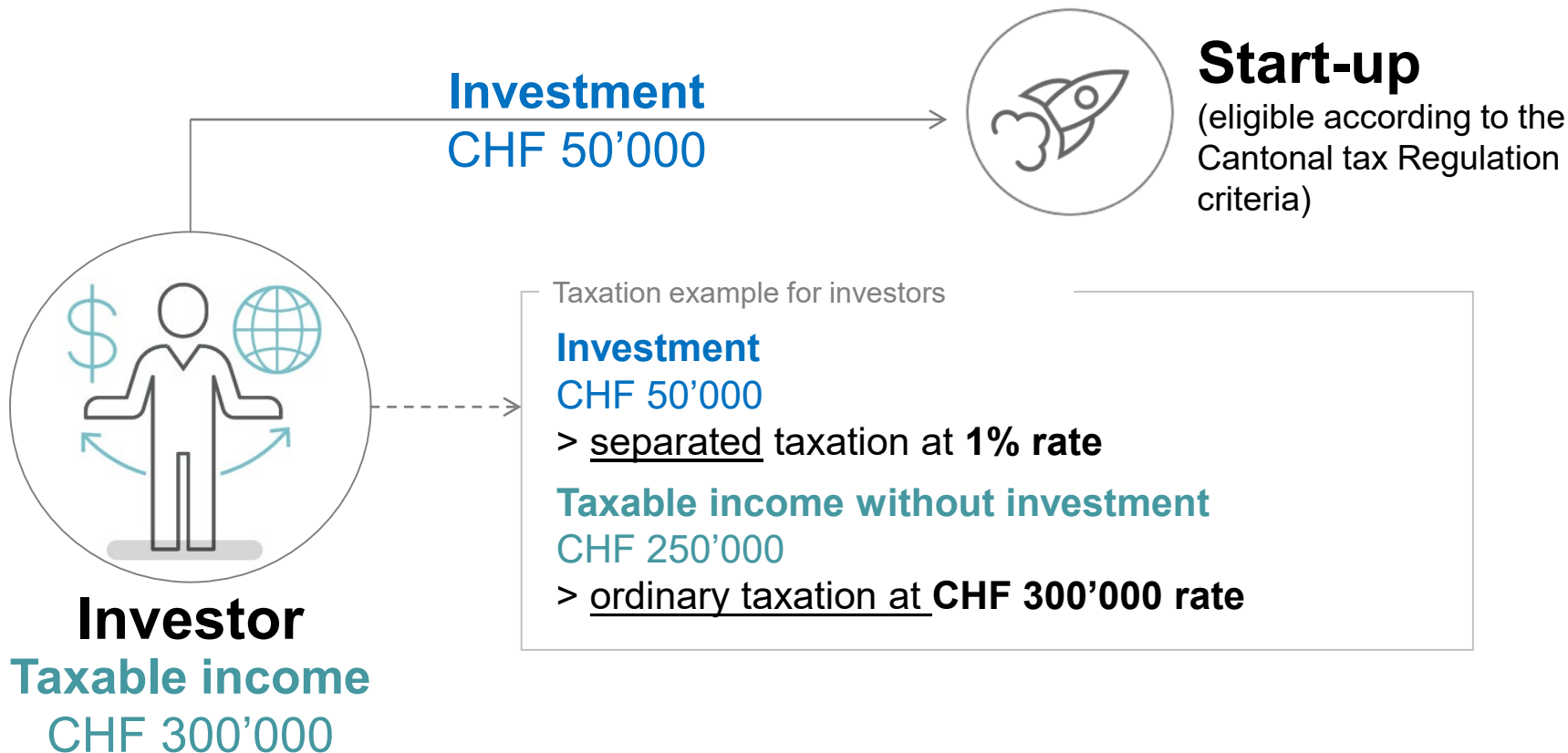
- 1 Separated taxation at an income tax rate of 1% of the part of the taxable income of the individual which is equal to the amount invested from the same individual in the innovative start-up**  
(art. 37c LT)

... for  
**innovative  
start-ups**






- 2 Gift tax exemption**  
(art. 155 par. 4 Ticino Cantonal tax Law)
- 3 Reduced capital tax at 0.01‰**  
(art. 87 par. 1bis Ticino Cantonal tax Law)

# 1 Separated taxation at 1%

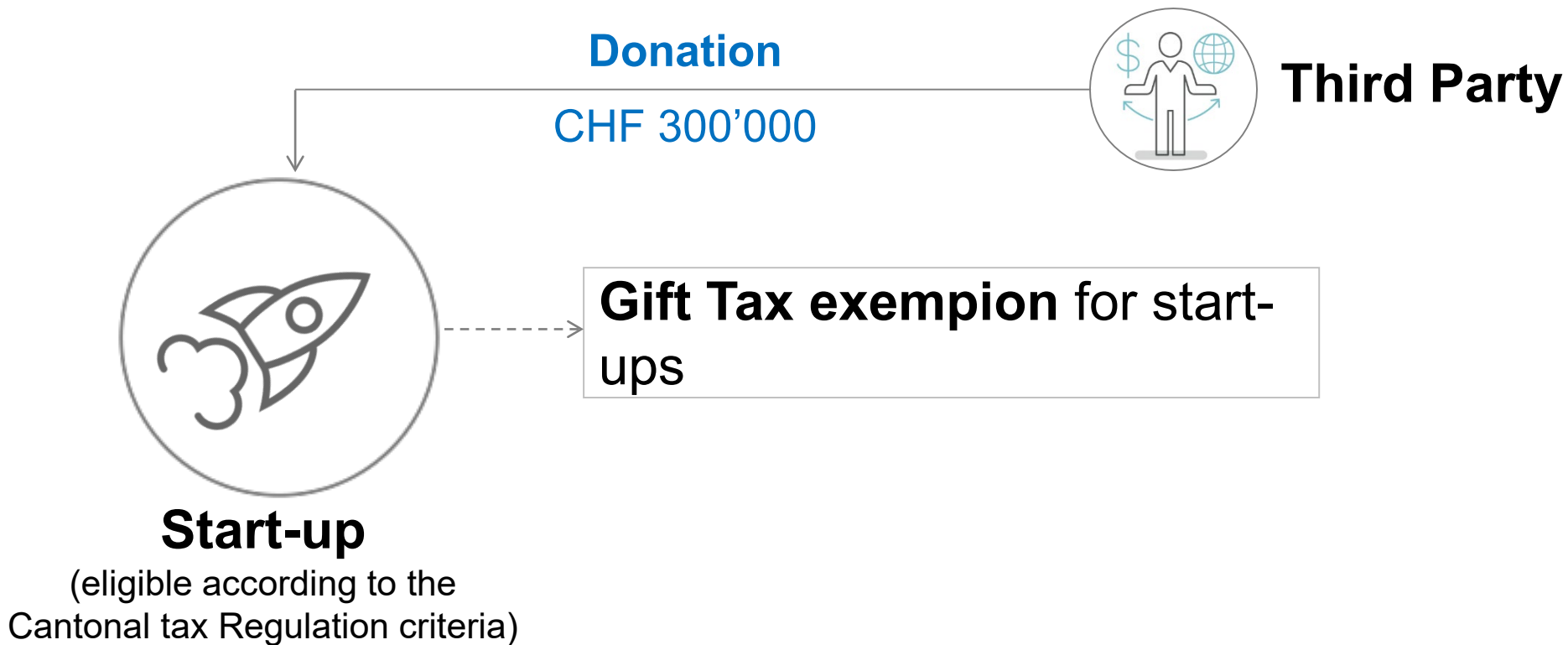


# 1 Criteria for the separated taxation at 1%

- 1) Total **minimum** investment **CHF 50'000**
- 2) Maximum tax privilege granted on **80% of taxable income of investor (individual)**, in any case **not exceeding CHF 800'000** per fiscal year

Investor	 Taxable income <b>CHF 300'000</b>	 Taxable income <b>CHF 300'000</b>	 Taxable income <b>CHF 1'250'000</b>
Investment			
<b>Start-up A</b>	CHF 20'000	CHF 20'000	
<b>Start-up B</b>	CHF 30'000	CHF 20'000	CHF 850'000
<b>TOTAL</b>	<b>CHF 50'000</b>	<b>CHF 40'000</b>	<b>CHF 850'000</b>
Min. CHF 50'000	✓	✗	✓
80% taxable income	CHF 240'000	CHF 240'000	CHF 1'000'000
<b>Separated taxation</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
<b>Amount</b>	<b>CHF 50'000</b>		<b>CHF 800'000</b>

## 2 Gift tax exemption



## 3 Capital tax at 0.01‰



### Start-up

(eligible according to the Cantonal tax Regulation criteria)

Example of taxation for start-ups

**Taxable capital**

> privileged tax rate

**Capital tax**

**tot. CHF 1'000'000**

**0,01‰**

**CHF 10**



# Procedure

The tax break is granted only if an **innovative start-up certificate** is attached to the tax declaration. This must be requested from the **Ufficio dell'amministrazione e del controlling**, by providing the following information:

1.

The certificate issued by **the VC fund, the programm or award organizers**, stating that the requirements listed at art. 5a par. 1 were fulfilled and on which date.



2.

VC fund, the program or award organizers **contact information** (contact person, phone, email, etc.).



3.

The **company registration excerpt** issued by company register of the Canton of Ticino.