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Fiscal Federalism in Switzerland

Presentation by Dr. Peter Mischler, Deputy Secretary-General of the Conference of cantonal ministers of finance. Conference on Fiscal Federalism "learning by doing": Models of collection and redistribution of tax revenue between the center and the peripheries. LUISS Guido Carli, November 19, 2009, Rome (I).

Introduction

Ladies and Gentlemen,

In the next 30 minutes I'd like to introduce you to the complex world of Swiss fiscal federalism. First, I'd like to provide some general features of the Swiss system. Second, I will talk about the assignment of responsibilities between the three levels of government: the Confederation, the cantons and the municipalities. Third, sub-national revenue competences will be examined. I will conclude my short presentation by addressing some lessons learned from Swiss style fiscal federalism.

I cannot speak about Federalism in Switzerland without referring to the major reform of intergovernmental fiscal relations with the working title "Nuova impostazione della perequazione finanziaria e della ripartizione dei compiti tra Confederazione e Cantoni (NPC)" which came into effect on January 1, 2008. Even though the experience with the new system is still limited and data about the economic effects of the change are not available yet, the NPC reform has found sustained political support. A constitutional referendum about the principles of the reform drew a majority of 64% of population and 23 (out of 26) cantons. The long preparation period of the reform project dating back to the early 1990 as well as the intense co-operation between federal and the cantonal levels during that time has been seen as an important prerequisite for successful implementation. I will refer to the NPC reform at different points of my presentation.

General features of Swiss fiscal federalism

As you all may know, Switzerland is a small country with a fragmented territorial structure. It considers itself as a federal country: The Confederation as the central level, the 26 cantons as the regional level and 2636 municipalities.

Since early on, **diversity** has been an issue for Switzerland as a nation state. Language, religion, economic perspectives, etc. varied significantly in the different parts of this small country. Generally, socio-economic and cultural boundaries have not coincided with the territorial structure of the cantons. When you look at simple ratios for the range of some basic indicators you will get a first impression:

- The surface of the canton of Grigioni is e.g. 192 times larger than the smallest canton of Basilea Città.
- The population of the canton of Zurigo (with 1.3 million inhabitants) is 85 times higher than the population of Appenzello Interno (with only 15'500 inhabitants).
- Aggregate income per capita in the canton of Basilea Città is around 3 times higher than in the canton of Giura.
- And as a last example: Total income tax burden on a payroll of CHF 100'000 of a married couple with two children is 3.3 times higher in the canton of Giura than it is in the canton of Zugo.

The fragmented structure provides economically **beneficiary effects**. The classical arguments are well known from the economic literature on fiscal federalism (with authors like Musgrave, Tiebout, Oates) and apply in many ways to the realities in Switzerland:

- Federal systems of government respect heterogeneous preferences of the constituency in different regions for taxation and public service provision in a more accurate way. (e.g. taxation, primary education)
- Federal systems may lead to closer accountability for government activity at the respective levels of government.
- Federalism serves as a laboratory for public policy innovation. There is a possibility to learn from each other and to improve mutually the effectiveness and the efficiency with regard to delivering public services.

However there are signs as well that Switzerland is **too fragmented**:

- In some areas cantonal service provision cannot benefit from economies of scale (e.g. higher education, hospitals).
- Because of the fragmented territorial structure a lot of Swiss employees work in another canton than the one which they reside in and pay income taxes to. Public service provision in the cantons has thus to cope with spillover-effects. There may be free-riding behavior by neighboring cantons that will under-provide certain services.
- Even though there is widespread agreement with regard to far-reaching local and cantonal autonomy, there are limits which fiscal disparities cannot go beyond. As we will see later, fiscal equalization should be able to preserve sub-central fiscal autonomy by assuring a comparable initial starting point for sub-central service provision.

Differences and disparities among cantons with regard to taxation and public service provision have a long history in Switzerland and are up to a certain extent generally accepted, since these differences usually reflect their very own preferences (or at least the preferences of the median voter). This leads to a healthy competition among cantons and municipalities for efficient service provision and moderate taxation. At the same time co-operation among cantons and between the cantons and the Confederation is indispensable to overcome the problems of fragmentation and to provide the public services in an accurate and effective way.

There are also other institutional features that are important for a general understanding of the functioning of fiscal federalism in Switzerland:

- Switzerland has a power-sharing system of government (at executive level). Individuals from different political parties are elected to a governing council.
- Direct democracy has an important role at each level of government. Referenda and popular initiatives are possible on legislative as well as – in the cantons and the municipalities – on budgetary issues.

Assignment of responsibilities

(Slide 8) I'd like to address now the particular issues starting with the question of assignment of responsibilities.

According to the Constitution the cantons are completely autonomous in their areas of competence (Art. 3, Art. 42 and Art. 43 Cst.). The competences of the Confederation are explicitly defined in the constitution. For constitutional amendments a referendum is mandatory. Therefore, the barrier for an adjustment of these competences is high. Exclusive competences of the Confederation are e.g.:

- Foreign policy (Art. 54 Cst)
- Armed forces (Art. 58 Cst)
- Promotion of research and innovation (Art. 64 BV)
- Postal and telecommunication services (Art. 92 BV)
- Monetary Policy (Art. 99 BV)
- Agriculture (Art. 104 BV)
- Unemployment insurance (Art. 114 BV)

The Constitution also provides for joint competences of both the Confederation and the cantons e.g. in the areas of:

- Security of the country and protection of the population (Art. 57 BV)
- Spatial planning (Art. 75 BV)
- Energy (Art. 89 BV)

Only very few policy areas are exclusive competences of one single level of government. Shared tasks are often assumed by different jurisdictions jointly. In some areas there is

- vertical co-operation between the cantons and the Confederation (e.g. social security: Whereas public old-age and handicapped pension schemes are organized at the federal level, social aid for the poor is exclusively financed at the local level)
- horizontal co-operation among cantons without the involvement of the Confederation. (e.g. Universities are generally cantonal institutions with inter-cantonal funding schemes)

The NPC reform formulated explicitly the criteria for the allocation of responsibilities between the Confederation and the cantons. The principle of subsidiarity and the principle of fiscal equivalence have been the guidelines for the reassignment of responsibilities during the reform. Pursuant to the principle of subsidiarity, competences are vested at the cantonal level and can only be transferred to the

Confederation when the lower level is no longer in a position to provide a service "efficiently". According to the principle of fiscal equivalence, the circles of beneficiaries, financers, and deciders of a public service should coincide in order to avoid externalities and therefore causing over- or under-provision of public services. These principles are stated in the constitution (in Art. 5a, 43a para. 1 und 47 Abs. 2 Cst. and Art. 43a para. 2 – 3 Cst.) and should also apply to future tasks and responsibilities. These principles, even though intuitive and convincing in theory, may still be a difficult to implement in practice. The assignment of responsibilities is hardly ever possible from scratch but often dependent on an existing service provision. Therefore, a strict separation of responsibilities is often not possible. There may be also additional goals than economic efficiency for public service provision (e.g. equity). This difficulty has been observed during the reassignment of function exercise in the context of the NPC reform in Switzerland.

Another challenge is the administrative implementation of the competences. The constitution states in Art. 46 para. 1 Cst. that "the cantons shall implement federal law in accordance with the Federal Constitution and federal legislation." This means that in principle the cantons are not entitled to compensation for administrative duties they bear caused by federal legislation. There is no "Konnexitätsprinzip" in Switzerland. Nevertheless there is usually a political debate as to the financial impact of a new federal law on the cantonal budgets and possibilities of compensational measures by the Confederation. However, since there are no institutional rules that assure an automatic compensation, the financial autonomy of the cantons is under permanent pressure.

When we look at the levels of spending for particular government functions at the three levels of government, the tendencies with regard to the assignment of responsibilities become obvious.

- Municipalities account for 60% of total spending on culture and sports and 65% of total spending on the environment.
- Cantons account for the largest share of spending on public safety (66%), education (54%), health (65%)
- Whereas the Confederation secures nearly the entire expenditures on foreign affairs (100%) and national defense (93%)

With the NPC reform, Switzerland tried to offset a tendency called "creeping centralization". The influence of the Confederation on public service provision increased over the years and became a challenge to cantonal autonomy. A new assignment of responsibilities following the principle of subsidiarity and the principle of fiscal equivalence, new financing instruments with program agreements and block-grants instead of matching grants, and new instruments that encourage inter-cantonal co-operation were designed to cope with this. However, the reform showed that the assignment of responsibilities is an ongoing task and not a discrete choice that can be made once and for all.

Sub-national revenue competences

The assignment of revenue competences is organized in a similar way like the other responsibilities in the Swiss Constitution. In principal, the cantons are completely autonomous to levy taxes. The Confederation is only allowed to exploit a tax base that is explicitly defined in the constitution. In order to change the given setting, an amendment of the constitution with a mandatory popular referendum is required.

Indirect taxation is essentially a federal task. Especially the value added tax (Art. 130 Cst.) is an important revenue source of the Confederation. Other consumption and expenditure taxes are also at the federal level. Taxation on motor vehicles is cantonal; the municipalities can levy minor taxes on dogs, entertainment and games. There is hardly any revenue sharing arrangement between the levels of government with regard to indirect taxation.

Direct taxation is a shared competence of the three levels of government in Switzerland (Art. 127 Cst.). The Confederation levies a federal direct tax on personal income and business profits. The cantons and municipalities have access to the taxation of individual income and wealth and of corporate profits and capital. The cantons have a high degree of autonomy with regard to their direct taxes. They are free to set their tax rates, deductions and the progressivity of the tax scheme according to their preferences. Municipalities are however less free: They have to apply the respective cantonal tax code, but they can levy a surtax in the form of a coefficient in per cent of the cantonal tax.

Tax administration for direct taxation is located mainly at the cantonal level. The federal direct income tax is administered and perceived by cantonal tax authorities. The revenues are transferred afterwards to the Confederation. The cantons get 17% of the revenues of the federal direct income tax on their territory. This amount that can be viewed as a revenue sharing scheme is a form of compensation for the cantons in return for their tax administration efforts. Since the different levels of government have a significant leeway to use their fiscal autonomy with regard to direct taxation, large scale **revenue sharing** schemes are **not necessary** in Switzerland. Each level of government is responsible for accurate financing of public services using their fiscal autonomy. However, there may be equity concerns in such a system which is the case in Switzerland too. This aspect is addressed in the equalization system which I will discuss later on.

The dependency of the cantons on **specific grants and subsidies** from the Confederation has been an important issue in the past and has been discussed during the NPC reform in Switzerland. Since there are several joint responsibilities of the Confederation and the cantons there have been also a large variety of conditional and matching grants to the cantons. Generally these transfers have even been adjusted to the financial capacity of the cantons. Relatively poor cantons received higher grants than rich ones. One objective of the NPC reform was to stop this dependency of poorer cantons on conditional grants and subsidies from the Confederation. Instead the part of unconditional grants including equalization transfers should be raised.

The data confirm this picture of public finances in Switzerland although they do not yet reflect the adjusted situation after the implementation of the NPC reform:

- The share of tax revenues for municipal finances is with 48 % relatively high. Numerous services at the local level are financed according to the benefit principle it is therefore not surprising that 27% of total local revenues come from user charges.
- For the cantons, the tax revenues account for 48% of their total resources. Besides personal income, wealth and corporate profits, property taxes and the motorvehicle duty are also an important source of revenue. Grants and subsidies are at 28% of total cantonal revenues. Since this value of 28% is an average number including equalization transfers, the dependency on grants of the cantons varies largely among them.

- The Confederation has its major revenue source in the value added tax at 46%. Direct taxation accounts for 38% of total revenues.

Fiscal Equalization

One of the main purposes of the NPC project has been the reform of the fiscal equalization scheme between the Confederation and the cantons. Since 2008 there are two instruments of fiscal equalization in Switzerland:

- Equalization of fiscal resources
- Expenditure needs equalization

The first instrument, **Fiscal resources equalization**, aims at providing a minimal level of fiscal equity among the cantons. The starting point for the equalization scheme is an assessment of the resources potential by examining the size of the most important tax bases of the cantons. It is important to stress that tax bases are considered and not actual fiscal revenues or tax burdens of the cantons. The system is comparable to the so called "representative tax system", frequently cited in the economic literature on fiscal equalization. The equalization transfers are funded by the Confederation and the cantons having a higher than average resource potential. There is thus a vertical (Confederation-canton) and a horizontal (or Robin Hood-type, among the cantons) component of resources equalization in Switzerland. Total annual funding of resources equalization is determined by a decision of the federal Parliament every four years. The recipient canton having the lowest resource potential should reach after equalization transfers the level of about 85% of the Swiss national average of the resources potential per capita.

The other instrument, **Expenditure needs equalization**, addresses disparities between the cantons with regard to their structural preconditions for public service provision. The first instrument focuses on geographic-topographic needs. It tries to capture the structural difficulties of rural and mountainous cantons with regard to public service provision. The second instrument compensates cantons facing socio-demographic needs caused by a high portion of inhabitants having a particularly high demand for public services (e.g. pupils, elderly, poor people, etc.). Both instruments use a synthetic indicator instead of a standard spending assessment. They aggregate structural variables into indicators in order to capture the specific situation

in a canton. The deviation from the national average of these aggregate indicators is considered as a form of "relative expenditure needs". Both instruments are financed by the Confederation. The annual funding is fixed exogenously every four years by the federal Parliament, like it was the case for resources equalization. Expenditure needs equalization however is entirely financed by the Confederation.

The new equalization system is very recent and therefore there are not yet sufficient data to evaluate the effects of the new system. There are no fundamental criticisms of the new systems at the moment. However, some implementation problems with regard to data quality occurred and need to be fixed in the near future. It is clear that there are also special interests from different stakeholders (e.g the Confederation wants low funding, Cantons in general want more funding, High resources cantons want a limit for their contributions to horizontal resources equalization, etc. etc.). It will be difficult politically to deal with such demands. The federal law on fiscal equalization foresees a technical evaluation and a report on the effectiveness of the system. The funding of resources and expenditure needs equalization has to be evaluated as well. Such an evaluation has not been established yet. The first report has to be delivered by the Federal Finance Administration very soon in order to determine the equalization funding in 2012.

Lessons learned from Swiss fiscal federalism

I would like to finish my cursory presentation on Swiss Fiscal Federalism by highlighting some lessons learned:

The experience with fiscal federalism in Switzerland is indeed very positive. Local and cantonal autonomy with respect to service provision and taxation has been economically beneficial. Inter-jurisdictional competition led to pressure for an efficient resources allocation and the respect of heterogeneous preferences. However, the fragmented structure requires from the cantons to co-operate among each other or with the Confederation in many areas of public service provision as well as in the area of direct taxes. This tension between competition and co-operation is not always easy, but it worked out well in Switzerland.

The reform project "Nuova impostazione della perequazione finanziaria e della ripartizione dei compiti tra Confederazione e Cantoni (NPC)" has been an important

boost to cantonal financial autonomy. However this autonomy cannot be reached once and for all. Responsibilities as well as tax bases evolve and may require adjustments over time.

In Switzerland inter-cantonal differences in public service provision and taxation are generally accepted. However, some basic level of fiscal equity is still necessary. Fiscal equalization is an important instrument to reach this goal. There are disadvantaged cantons that can hardly compete with economically dynamic regions like the agglomerations of Zurich, Geneva or Basilea. Equalization transfers for the poorer cantons assure a basic level of equity. For the economically dynamic cantons, their contribution to the equalization system is therefore "the price to pay" when eventually all the cantons benefit from an extensive financial autonomy.

Data Annex

General indicators of the Swiss Cantons

Canton	Number of municipalities	Surface area km ²	Population in 2008		National income in 2005	
			Total population	Population density (1000p /km ²)	Total in million CHF	per capita in CHF
Zurigo	171	1'661.0	1'332'727	802.4	88'928	68'804
Berna	392	5'841.2	969'299	165.9	43'985	45'644
Lucerna	88	1'429.1	368'742	258.0	15'622	43'910
Uri	20	1'057.3	35'162	33.3	1'584	45'712
Svitto	30	851.5	143'719	168.8	6'849	50'170
Obvaldo	7	480.7	34'429	71.6	1'311	39'646
Nidvaldo	11	241.5	40'737	168.7	2'865	73'286
Glarona	25	680.7	38'370	56.4	2'790	73'236
Zugo	11	207.1	110'384	533.0	9'971	93'753
Friburgo	168	1'593.8	268'537	168.5	10'106	39'559
Soletta	125	790.5	251'830	318.6	11'564	46'844
Basilea Città	3	37.0	186'672	5'045.2	21'946	115'178
Basilea Campagna	86	517.6	271'214	524.0	14'160	53'502
Sciaffusa	27	298.2	75'303	252.6	4'086	55'126
Appenzello Esterno	20	242.9	53'054	218.5	2'317	44'215
Appenzello Interno	6	172.5	15'549	90.1	688	45'936
San Gallo	86	1'950.8	471'152	241.5	20'680	44'866
Grigioni	190	7'105.4	190'459	26.8	9'441	49'355
Argovia	229	1'395.1	591'632	424.1	27'913	49'209
Turgovia	80	862.9	241'811	280.2	10'512	44'918
Ticino	181	2'741.5	332'736	121.4	13'316	41'335
Vaud	375	2'822.7	688'245	243.8	35'102	52'901
Vallese	143	5'213.6	303'241	58.2	11'114	38'385
Neuchâtel	53	716.9	170'924	238.4	8'425	49'775
Ginevra	45	245.8	446'106	1'814.8	27'443	62'839
Giura	64	838.6	69'822	83.3	2'585	38'070
Svizzera	2636	39'995.8	7'701'856	192.6	405'300	1'406'176

Source: Dafflon & Tóth (2005); Ufficio federale di statistica (www.bfs.admin.ch)

Public Expenditures in 2007

Expenditures function	Public Expenditures in CHF 1000				Expenditure shares between gov. tiers (%)		
	Confederation	cantons	municipalities	total	Confederation	cantons	municipalities
Administration	2'368'925	4'651'065	3'911'881	10'931'870	21.67	42.55	35.78
Public order	853'532	5'666'984	2'077'485	8'598'001	9.93	65.91	24.16
control of legality	126'272	885'955	643'383	1'655'610	7.63	53.51	38.86
police	502'421	2'610'554	853'220	3'966'196	12.67	65.82	21.51
justice	131'947	1'329'822	49'598	1'511'367	8.73	87.99	3.28
prison regime	92'892	763'448	3'396	859'737	10.80	88.80	0.40
fire defence	-	77'203	527'888	605'092	0.00	12.76	87.24
National defense	4'259'346	154'460	172'488	4'586'293	92.87	3.37	3.76
armed forces	4'158'876	73'003	26'938	4'258'817	97.65	1.71	0.63
civil defense	100'470	81'456	145'550	327'476	30.68	24.87	44.45
Foreign affairs	2'260'484	-	-	2'260'484	100.00	0.00	0.00
Education	4'571'724	15'424'275	8'443'694	28'439'693	16.08	54.24	29.69
public schools	17'087	5'856'466	8'035'185	13'908'738	0.12	42.11	57.77
special schools	462'012	2'615'567	240'337	3'317'917	13.92	78.83	7.24
colleges	23'572	2'058'480	114'738	2'196'791	1.07	93.70	5.22
higher technical schools	57'788	120'877	951	179'616	32.17	67.30	0.53
universities, research	2'341'860	4'340'624	12'383	6'694'867	34.98	64.84	0.18
others	1'669'405	432'261	40'099	2'141'765	77.95	20.18	1.87
culture, leisure and sports	458'121	1'384'687	2'714'641	4'557'450	10.05	30.38	59.56
culture	139'169	710'518	959'962	1'809'649	7.69	39.26	53.05
sports	140'201	161'750	1'023'277	1'325'228	10.58	12.21	77.22
others	178'752	512'419	731'402	1'422'573	12.57	36.02	51.41
Health	259'890	13'737'664	7'137'495	21'135'048	1.23	65.00	33.77
hospitals	3'763	12'779'635	6'596'861	19'380'259	0.02	65.94	34.04
others	256'127	958'029	540'633	1'754'789	14.60	54.60	30.81
social affairs, solidarity	14'819'986	8'977'938	6'490'108	30'288'032	48.93	29.64	21.43
old-age pensions	5'862'928	1'147'608	223'246	7'233'781	81.05	15.86	3.09
invalidity insurance	4'492'269	1'350'813	171'175	6'014'256	74.69	22.46	2.85
health insurance	2'258'690	1'055'511	193'088	3'507'290	64.40	30.09	5.51
other social insurances	1'238'910	1'595'940	998'404	3'833'255	32.32	41.63	26.05
social housing	102'278	187'364	82'469	372'111	27.49	50.35	22.16
individual social aid	825'188	2'555'957	2'811'825	6'192'970	13.32	41.27	45.40
others	39'723	1'084'746	2'009'901	3'134'370	1.27	34.61	64.12
Transportation and roads	7'533'394	3'335'600	3'318'222	14'187'216	53.10	23.51	23.39
highways	2'199'162	344'296	11	2'543'469	86.46	13.54	0.00
principal roads	548'524	1'377'579	118'640	2'044'743	26.83	67.37	5.80
communal roads	45'910	158'617	2'470'759	2'675'285	1.72	5.93	92.35
private roads	-	-	12'014	12'014	0.00	0.00	100.00
railways	2'917'227	-	-	2'917'227	100.00	0.00	0.00
regional public transportation	1'422'608	1'363'246	689'736	3'475'590	40.93	39.22	19.85
others	399'963	91'862	27'062	518'888	77.08	17.70	5.22
Environment	785'651	1'074'534	3'391'606	5'251'791	14.96	20.46	64.58
water and sewage	19'159	277'135	1'436'664	1'732'957	1.11	15.99	82.90
garbage disposal and collection	37'775	161'343	923'062	1'122'180	3.37	14.38	82.26
river and lake training structures	115'360	166'317	119'435	401'112	28.76	41.46	29.78
avalanche protection	99'794	-2'457	10'946	108'283	92.16	-2.27	10.11
land planning and zoning	44'531	227'732	246'587	518'850	8.58	43.89	47.53
others	469'032	244'464	654'912	1'368'409	34.28	17.86	47.86
Economy	4'354'433	1'139'479	549'224	6'043'136	72.06	18.86	9.09
agriculture	3'767'861	393'445	57'782	4'219'087	89.31	9.33	1.37
forestry	40'515	258'184	185'829	484'528	8.36	53.29	38.35
tourism	66'427	68'087	113'720	248'234	26.76	27.43	45.81
industry and commerce	387'506	137'585	26'677	551'768	70.23	24.94	4.83
energy	84'996	92'188	145'116	322'300	26.37	28.60	45.03
others	7'128	189'990	20'100	217'218	3.28	87.47	9.25
finances and taxes	11'605'116	-2'686'521	760'956	9'679'551	119.89	-27.75	7.86
taxes	-	-	-	-	-	-	-
equalization	-	518'400	-518'400	-	-	-	-
revenue-sharing	7'654'349	-5'031'203	-652'079	1'971'067	388.34	-255.25	-33.08
public debt interest and management	3'950'766	1'660'872	1'867'156	7'478'794	52.83	22.21	24.97
others	-	165'410	64'279	229'689	0.00	72.01	27.99
TOTAL	54'130'602	52'860'164	38'967'799	145'958'565	37.09	36.22	26.70

Source: Ufficio federale di statistica (www.bfs.admin.ch)

Revenues of the Confederation in 2007

	Public revenues in CHF 1'000	Public Revenues per capita in CHF
Current revenues	57'619'314	7'563.0
Taxes	53'117'325	6'972.1
Income and wealth	22'608'360	2'967.5
Federal direct incometax	15'388'901	2'019.9
Withholding tax	4'229'904	555.2
Stamp tax	2'989'555	392.4
Consumption taxes	27'209'539	3'571.5
Value added tax	19'471'777	2'555.8
Special exise taxes	7'737'762	1'015.6
Tariffs	1'040'331	136.6
Transportation duties	1'651'770	216.8
Agricultural duties	3'135	0.4
Pigouvian taxes	155'593	20.4
Gambling taxes	448'596	58.9
Fiscal monopolies, licences	511'323	67.1
Revenues from public property	1'895'199	248.8
Instrest	503'262	66.1
Rents	49'643	6.5
Others	1'342'295	176.2
Compensations	2'067'241	271.3
User fees for government activity	293'457	38.5
Hospital and pension fees	-	-
User charges, services	504'341	66.2
others	1'269'444	166.6
Revenue-sharing	4'663	0.6
Grants-in aid	23'564	3.1
Public sector	23'564	3.1
Other revenues	20'613	2.7
Total revenues	57'639'927	7'565.7
Internal invoicing	2'619'560	343.8
Revenues from the capital account	1'120'009	147.0
Revenues form the Financial account	58'739'323	7'710.0

Source: Ufficio federale di statistica (www.bfs.admin.ch)

Revenues of the cantons in 2007

	Public revenues in CHF 1'000	Public Revenues per capita in CHF
Current revenues	74'953'609	9'838.2
Taxes	37'885'125	4'972.7
Income and wealth taxes	25'917'832	3'401.9
Corporate profits and capital	7'125'573	935.3
Immovable property	265'016	34.8
Capital gains	837'130	109.9
Transfers of immovable property	908'129	119.2
Inheritance and gifts	773'318	101.5
Property and consumption	2'058'126	270.1
Motor vehicles	1'973'812	259.1
Others	84'314	11.1
Fiscal monopolies, licences	882'774	115.9
Revenues from public property	4'437'604	582.5
Interests	1'094'253	143.6
Rents	643'577	84.5
Book profits	219'005	28.7
Others	2'480'770	325.6
Compensations	11'548'727	1'515.9
User fees for government activity	1'687'607	221.5
Hospital and pension fees	5'086'184	667.6
User charges, services	1'347'136	176.8
others	3'427'801	449.9
Unconditional revenue-sharing	6'298'365	826.7
Grants-in-aid	15'381'456	2'018.9
Confederation	8'936'325	1'173.0
Cantons	1'480'442	194.3
Municipalities	4'031'116	529.1
Others	933'573	122.5
Other revenues	1'613'615	211.8
Total revenues	76'567'224	10'050.0
Internal invoicing	11'143'605	1'462.7
Revenues from the capital account	3'244'079	425.8
Revenues from the Financial account	78'197'688	10'264.0

Source: Ufficio federale di statistica (www.bfs.admin.ch)

Revenues of the municipalities in 2007

	Public revenues in CHF 1'000	Public Revenues per capita in CHF
Current revenues	47'783'266	6'412.1
Steuern	23'521'313	3'156.3
Income of individuals	15'987'148	2'145.3
Wealth of individuals	2'158'208	289.6
Corporate profits	3'225'323	432.8
Corporate capital	581'809	78.1
Immovable property	630'022	84.5
Capital gains	586'751	78.7
Transfers of immovable property	210'152	28.2
Inheritance and gifts	95'674	12.8
Property and consumption	46'228	6.2
Motor vehicles	-	-
Others	46'228	6.2
Fiscal monopolies, licences	124'952	16.8
Revenues from public property	3'166'819	425.0
Interests	620'431	83.3
Gains from property	1'501'634	201.5
Book profits	446'074	59.9
Others	598'680	80.3
Compensations	13'477'771	1'808.6
User fees for government activity	505'338	67.8
Hospital and pension fees	6'047'208	811.5
User charges, services	3'569'882	479.0
others	3'355'344	450.3
Unconditional revenue-sharing	2'085'142	279.8
Grants-in-aid	7'379'351	990.2
Confederation	13'035	1.7
Cantons	5'332'565	715.6
Municipalities	1'667'840	223.8
Others	365'912	49.1
Revenues from the capital account	1'323'934	177.7
Revenues from the Financial account	49'107'200	6'589.7

Source: Ufficio federale di statistica (www.bfs.admin.ch)