

Issue

On January 1, 2023, an increase in the annual turnover threshold from CHF 150,000 to CHF 250,000 was introduced in Switzerland. This change triggers VAT registration of charitable institutions and non-profit sports and cultural organizations.

Background

For many non-commercially run cultural and sports associations, as well as non-profit organizations, hosting events in addition to membership fees and donations,

is a key component of financing costs. The revenues generated at such events are often considered to be taxable.

For larger associations, the revenues from such (hosting) events often exceed the previously applicable turnover threshold of CHF 150,000 per year. This has led to a mandatory tax liability.

In order to relieve these organizations and associations, the turnover limit in Switzerland has been raised to CHF 250,000 per year.

To do

Please note that if your business concerns one of the previously mentioned organizations, it is recommended to review the annual revenues generated and whether there is still a mandatory tax liability.

Questions

For questions, please contact:

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