

# 2023 fiscal equalization between the Confederation and the cantons

## Review of data processing by cantonal and federal offices

### Key facts

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The total volume of fiscal equalization (NFE) for 2023 is CHF 5,595 million, representing a year-on-year increase of 5.5% (2022: CHF 5,305 million). This increase is the result of the partial legislative revision of the Federal Act on the Finance and Burden Equalization that entered into force on 1 January 2020, which changed the calculation of the financing allocated to the financially weak cantons and the division of the funds paid in by the Confederation and the financially strong cantons. Temporary mitigation measures totalling around CHF 160 million will also be paid out to the financially weak cantons in 2023.

#### Errors in the cantonal tax data...

In 2022, the Swiss Federal Audit Office (SFAO) examined the tax data in the cantons of Basel Landschaft, Geneva, Graubünden, St Gallen, Schaffhausen, Schwyz and Zurich. Overall, and considering the cantons examined in the past, there are significant disparities in the cantons' quality assurance processes. Specific improvements could be made.

The SFAO's audits revealed errors amounting to a gross cumulative total of CHF 83.9 million in the resource potential for 2019, with several of the cases concerning the canton of Zurich in particular. According to the technical group's decision, not all of the errors identified were corrected, as they had no impact on the resource potential.

#### ... and movement in the federal offices

The fiscal equalization processes and internal control systems of the federal offices are effective. The SFAO did not find any errors in data processing or in the calculation of the 2023 equalization amounts. The SFAO also followed up on outstanding recommendations to the federal offices.

In the Federal Tax Administration, the project to further automate processes, recommended by the SFAO since 2012, should be operational by autumn 2022.

One outstanding recommendation at the Federal Statistical Office relates to a project to modernise the statistics on social assistance recipients. Steps in this direction have been taken and the project is at the end of the design phase.

As for the Federal Finance Administration, the updating of the process for managing changes in the calculation application began in 2021 and will be completed by the end of 2022.

**Original text in French**