

Short version  
June 2023

## **Digital Microtax reforms antiquated tax doctrine**

**Since 19<sup>th</sup> century taxation focuses on labor, profit and consumption. The pattern no longer covers today's fiscal needs and is to be replaced by one digital Microtax on money movements.**

**The Automatic Microtax is fair and generates solid revenue. It is levied on the money stream of the real economy as well as of the highly leveraged finance sector.**

**The Microtax brings transparency. Capital operating in the dark leads to permanent financial and economic crises, and is thus in contradiction with the ideal of economic liberalism.**

Felix Bolliger  
lic.oec.HSG

[felixbolliger@yahoo.com](mailto:felixbolliger@yahoo.com)

## Contents

Updated tax base for contemporary finance and fiscal policy	3
Screenshot of Swiss fiscality: Microtax finances solidarity	3
The Automatic Microtax on money movements and its five pillars	4
Automated tax collection	4
Effectiveness	4
Enormous tax base	5
Transparency	5
Unbiased perception of things	5
Conclusion	6
Microtax accounting	6
Appendix 1 SNB monthly circular C1 February 2013	7
Appendix 2 SIX Trade Repository Report May 17, 2021	8
Appendix 3 Numbers and orders of magnitude	9
Appendix 4 Indicative text for federal legislation	10

## Updated tax base for contemporary finance and fiscal policy

Current tax doctrine deliberately ignores substantial income sources offered by today's financialized economy. Consequently the same pattern of taxpayers foots the bill for ever-higher contributions. Fiscal fairness tells us to rescind taxes on income, profit, consumption, etc. and to entirely replace them by the Automatic Microtax on electronic money movements.

Payments and finance operations are settled electronically. Designed as a One-Tax-System, the Microtax is levied automatically on the sum of each debit and each credit. Its uniform rate in the low per thousand (per mille) is applicable without exemption. Thus the whole economy inclusive the financial sector is taxed identically. Tax declaration and VAT administration belong to the past.

Governments are facing unexpected social, ecological, health and military challenges. The 21<sup>st</sup> century needs an extended tax base to sufficiently finance state budgets under pressure. The Automatic Microtax generates consistent revenue at low cost.

### Screenshot of Swiss fiscality: Microtax finances solidarity

Confederation, Cantons, Communes and Social Security report for 2020 fiscal needs of altogether 260 billion CHF, which in fact come to 400 billion CHF. Overall welfare adds up to 176 billion CHF, however just one fifth is covered by public funding. Citizens and corporations privately finance 140 billion CHF by means of mandatory contributions:

<b>Mandatory contributions</b>	Billion CHF	
Employers/Employees:		
. Old age, invalidity	<b>40</b>	
. Accident, Loss of earnings, Family allowances, Income compensation	<b>22</b>	
. Pension provision	<b>51</b>	
<b>Mandatory health insurance</b>		
Insured:	<u><b>27</b></u>	
<b>Total mandatory contributions</b>	<b>140</b>	<b>80%</b>
Public funding	<u>36</u>	<u>20%</u>
Total social security	176	100%

Mandatory contributions are perceived as taxes. Factually the national budget is 400 billion rather than 260 billion CHF.

The Microtax on money movements finances authentic solidarity. The financialization of the economy generates vast money flow which constitutes a solid tax base. For 2012 Swiss National Bank (SNB) statistics show interbank clearing of

95'000 billion CHF.<sup>1</sup> SIX Trade Repository Report publishes weekly the value of derivative transactions on shares, currencies, commodities etc. in the extent of 3 to 4 quadrillion CHF; peak values may exceed 45 quadrillion CHF, or 60'000 times Swiss GDP. See appendix 2.

Microtaxing trillions and quadrillions CHF, EUR, USD etc. of money movements produces higher revenue than individually taxing labor, profit, consumption etc. A rate of one per thousand on e.g. 200'000 billion CHF money movements and levied per debit and per credit generates 400 billion CHF in revenue matching the authentic fiscal needs of the country.

To reach such income, current fiscality would be compelled to hike the tax quote to above 50%. The Microtax is far less of a burden. In above example, one per thousand Microtax on a salary of 100'000 CHF comes to 200 CHF - a radical break with today's bill of 33'000 CHF for mandatory contributions and a plethora of taxes on income, consumption etc. One per thousand (per mille) corresponds to the multiplier of 0.001.

## **The Automatic Microtax on electronic money movements and its five pillars**

### **Automated tax collection**

In order to meet the needs of all stakeholders, the ideal system for taxation exhibits five characteristics: it is

- favorable and fair,
- simple to understand,
- reliably generating abundant revenue,
- easy to implement,
- transparent and easy to monitor.

Quintessentially, a tax system must flexibly adapt to the dynamics of the Community and economy, and to the needs of public finance involved. The Automatic Microtax on money flow checks all these boxes.

-----

<sup>1</sup> Appendix 1: Swiss National Bank monthly circular C1 Swiss Interbank Clearing, February 2013. Starting March 2013, SNB no longer discloses so-called technical giro-transfers which ensure the safety of interbank settlements. The 95'000 billion CHF payment flow in 2012 is thus falsely reduced to 30'000 billion CHF. The Automatic Microtax is levied on any electronic money movement, including so-called technical transfers.

## **Effectiveness**

A pain-free levy occurs on all electronic fund movements. In doing so, the Microtax covers the whole of the economy, including the finance sector. Today this sector is unique in its low tax burden, including not paying VAT on purchases of stocks, bonds, derivatives etc. The Automatic Microtax corrects this discrepancy in fairness.

The Microtax is automatically levied on the sum of each debit and each credit. The rate comes at a tiny fraction of one per mille, it is uniform and applicable without exemption. As a One-Tax-System the Microtax defies lobbying, and there is no need for complex legislation. The processors of electronic payment transactions are compensated for the collection of the Microtax.

Payments or financial contracts may not be offset against each other, analogous to the Real Time Gross Settlement (RTGS) applied by the Swiss National Bank. Accounts managed abroad are subject to self-declaration (see appendix 4).

Rules and regulations of OECD nations are by now unacceptably complex. Tax revenue is significantly offset by administrative costs, topped with legal and advisory fees. The Microtax simplifies taxation, be it on the technical, legal, or administrative level.

## **Enormous tax base**

Interbank and intra-bank (inhouse) money movements are in the sphere of several hundred times GDP (see appendix 1 and 2). Beside the real economy, financial institutions move gigantic amounts of funds, regardless the currency. One simple Microtax on money flow produces higher revenue than manifold taxes on individual income, profit, consumption etc.

Money stream of the real economy and of the highly leveraged finance sector is the new taxbase the twentieth-first century is in need of. The revenue of the Microtax puts Governments on solid financial footing and endows private households and corporations with precious funds at free disposal.

## **Transparency**

The new fiscal system taxes every type of electronic money movement in real time and at source. Transparency is crucial for the proper functioning of a liberal economy. We were reminded of this in 2008, when governments and central banks were forced to prop up the financial system using taxpayers' money. 2023 bank crises are new evidence that opaque finance is a source for failure.

## **Unbiased perception of things**

In order to determine the appropriate Microtax rate, Governments, academia and regulators have to perform a detailed

analysis on the extent and impact of domestic money flow. The findings will be that present fiscal policy is overfishing the same waters, and hugely leveraged finance strategies may destabilize the workings of a national economy. Why penalize labor with income tax? Why is there no VAT on securities purchases, as well as on derivatives of up to 60'000 times GDP?

Once the Microtax is adopted by OECD nations and key partners such as Brazil, China, India, the One-Tax-System opens the door for international tax harmonization and to practicable burden-sharing between economies of different sizes and capacities.

Within a predefined range, the Microtax rate may be subsequently fine-tuned according to fiscal needs (see appendix 4, paragraph 3). Contrary to Keynesian deficit spending, necessary fiscal funds can be made available without Governments going into debt. Deficit spending is policy of bygone days.

## Conclusion

The Automatic Microtax is fair and efficient. The swap of inquisitive and overcomplex taxation for an automated and citizen-friendly fiscal policy is long overdue. June 2023

Felix Bolliger

[www.microtax.ch](http://www.microtax.ch)

XXXXXX

### Microtax accounting:

#### Microtax of 1 per mille\* on transfer from A to B

	Transfer Amount	Microtax Revenue	Debit A / Credit B
A	1000.00	1.00	1'001.00
B	1000.00	1.00	999.00
		-----	
		2.00	

.....  
\* Multiplier = 0.001

Appendix 1  
 SNB monthly circular, February 2013  
 C1 Zahlungsverkehr Swiss Interbank Clearing (SIC)

**C1 Zahlungsverkehr Swiss Interbank Clearing (SIC)**  
**Trafic des paiements dans le Swiss Interbank Clearing (SIC)**

**Transaktionen, Umsatz, Umschlagshäufigkeit / Nombre de transactions, capitaux échangés et vitesse de circulation**

Jahr Monat	Anzahl Transaktionen Nombre de transactions			Umsatz in Millionen Franken Capitaux échangés en millions de francs			Umschlagshäufigkeit <sup>1</sup> Vitesse de circulation <sup>1</sup>	
	Total	Maximaler Tageswert  Maximum quotidien	Durchschnitt pro Arbeitstag  Moyenne par jour ouvré	Total	Maximaler Tageswert  Maximum quotidien	Durchschnitt pro Arbeitstag  Moyenne par jour ouvré	Maximaler Tageswert  Maximum quotidien	Durchschnitt pro Arbeitstag  Moyenne par jour ouvré
Année Mois	1	2	3	4	5	6	7	8
2003	192 668 744	2 145 360	767 605	44 666 757	283 809	177 955	88	40
2004	209 075 779	2 215 077	816 702	41 929 121	272 946	163 786	52	32
2005	256 401 719	2 690 924	1 009 456	41 056 500	247 137	161 640	53	34
2006	317 140 466	3 843 954	1 263 508	44 833 200	317 611	178 618	71	35
2007	356 768 244	4 167 734	1 421 387	52 284 237	336 930	208 304	73	39
2008	371 593 701	4 350 595	1 468 750	58 043 616	343 160	229 421	80	38
2009	381 650 144	4 787 602	1 508 499	56 825 899	411 460	224 608	8	4
2010	394 734 680	5 055 841	1 541 932	51 818 897	425 404	202 418	11	4
2011	402 475 643	5 476 890	1 584 550	62 784 793	403 332	247 184	11	4
2012	410 180 485	4 755 097	1 627 700	95 378 709	553 926	378 487	2	1
2012 01	33 915 217	3 585 016	1 615 010	6 695 442	338 389	318 831	2	2
2012 02	32 568 680	3 975 267	1 550 890	6 637 159	356 187	316 055	2	2
2012 03	34 405 394	3 681 813	1 563 882	6 939 145	358 404	315 416	2	2
2012 04	32 887 291	4 547 565	1 730 910	5 899 972	367 871	310 525	2	2
2012 05	34 249 481	4 013 050	1 712 474	6 107 415	351 961	305 371	2	2
2012 06	33 227 915	4 034 091	1 582 282	7 616 638	451 550	362 697	2	1
2012 07	35 495 958	3 690 220	1 613 453	8 791 932	451 950	399 633	1	1
2012 08	32 396 188	3 142 239	1 472 554	9 447 061	466 655	429 412	1	1
2012 09	29 785 289	4 755 097	1 489 264	8 984 871	553 926	449 244	2	1
2012 10	36 473 249	3 867 494	1 585 793	10 074 227	486 266	438 010	1	1
2012 11	35 132 817	4 042 473	1 596 946	9 531 706	493 118	433 259	1	1
2012 12	39 643 006	4 635 786	2 086 474	8 653 142	502 834	455 429	2	1
2013 01	34 586 964	3 553 004	1 646 998	9 515 131	491 181	453 101	2	1

**Nach Grössenklassen / Ventilation selon le montant des paiements**

Jahr Monat	Anzahl Transaktionen Nombre de transactions			Umsatz in Millionen Franken Capitaux échangés en millions de francs		
	Grössenklassen (in Franken) Catégories de paiements (en francs)			Grössenklassen (in Franken) Catégories de paiements (en francs)		
Année Mois	1 – 4 999	5 000 – 999 999	1 Million und mehr 1 million et plus	1 – 4 999	5 000 – 999 999	1 Million und mehr 1 million et plus
	1	2	3	4	5	6
2003	161 817 634	28 835 092	2 016 018	138 782	1 576 494	42 951 479
2004	178 693 045	28 653 790	1 724 662	148 333	1 487 999	40 217 949
2005	221 229 675	33 450 953	1 721 091	180 150	1 616 111	39 260 236
2006	276 107 766	39 252 007	1 780 693	222 233	1 712 018	42 898 943
2007	310 815 475	43 965 449	1 987 320	245 658	1 958 525	50 080 049
2008	324 482 847	45 080 234	2 030 620	255 874	1 967 049	55 820 687
2009	336 688 790	43 526 989	1 434 365	262 182	1 695 943	54 867 768
2010	348 162 483	45 133 406	1 438 895	269 953	1 763 922	49 785 045
2011	353 900 821	47 162 172	1 412 650	276 936	1 847 210	60 660 644
2012	362 727 691	46 253 598	1 199 196	280 538	1 707 671	93 390 493
2012 01	30 081 054	3 734 569	99 594	23 209	138 407	6 533 826
2012 02	28 746 322	3 715 929	106 429	22 102	142 704	6 472 352
2012 03	30 399 814	3 892 098	113 482	23 622	151 936	6 763 587
2012 04	29 117 151	3 672 275	97 865	22 520	136 551	5 740 901
2012 05	30 426 561	3 725 492	97 428	23 255	138 902	5 945 258
2012 06	29 274 065	3 849 862	103 988	22 964	143 752	7 449 920
2012 07	31 503 802	3 893 606	98 550	24 619	144 471	8 622 841
2012 08	28 711 575	3 593 071	91 542	22 646	130 255	9 294 161
2012 09	26 186 460	3 506 774	92 055	21 326	129 625	8 833 919
2012 10	32 439 631	3 933 359	100 259	24 897	146 629	9 902 700
2012 11	30 954 311	4 082 504	96 002	23 210	145 733	9 362 762
2012 12	34 886 945	4 654 059	102 002	26 169	158 707	8 468 267
2013 01	30 521 619	3 958 076	107 269	23 782	149 472	9 341 876

<sup>1</sup> Die Umschlagshäufigkeit ist das Verhältnis zwischen dem SIC-Umsatz und den Giro Guthaben der Banken bei der SNB.  
 Rapport entre les capitaux échangés et les avoirs que les banques détiennent en comptes de virement à la BNS.

Source: Schweizerische Nationalbank (SNB), Statistisches Monatsheft der SNB, February 2013. Online im Internet:  
[http://www.snb.ch/de/mmr/reference/stat\\_monatsheft\\_2013\\_02/source/stat\\_monatsheft\\_2013\\_02.de.pdf](http://www.snb.ch/de/mmr/reference/stat_monatsheft_2013_02/source/stat_monatsheft_2013_02.de.pdf)

Appendix 2  
 SIX Trade Repository Report: Weekly Aggregate Statistics.  
 May 17, 2021



**SIX Trade Repository**  
**Report:** Weekly Aggregate  
 Statistics

	<b>Total</b>
The number of new derivative transactions reported during the last week	
Commodities	214,446
Credit	277
Currency	218,179
Equity	1,790,191
Interest Rates	134,502
Other	6,139
The sum of open positions/contracts reported	
Commodities	533,813
Credit	120,879
Currency	1,005,574
Equity	10,377,062
Interest Rates	1,978,821
Other	81,564
<b>The total notional value of open positions/contracts reported</b>	
Commodities	168,660,266,451
Credit	635,750,889,096
Currency	7,238,607,472,872
<b>Equity</b>	<b>44,988,145,805,094,000</b>
Interest Rates	49,692,267,037,382
Other	7,787,746,742,054
Date Created: 2021-05-17 07:06:47	

**Notes**

The data included in these aggregations is derived from the data submitted to the SIX Trade Repository.  
 Any currency values are shown in CHF using the ECB's foreign exchange rates for any conversions.  
 The asset classes are taken from Field 18 "Asset Class" of the SIX Field specification. There is no differentiation between OTC and ETDs.  
 The notional amounts are taken from field 30 "Actual notional 1" of the SIX Field specification from transaction reports.  
 Only the latest version of the trade report (based on the UTIs) is used for aggregations. Double reported UTIs are not considered for the calculation.  
 The number of new transactions reported during the relevant period is the number of unique trade identifiers on reports with Level = 'T' (field 79).  
 The Sum of open positions/contracts and corresponding notional values are calculated from UTIs with Level = "P" and Level = "T" (field 79) and



### Appendix 3 Numbers and orders of magnitude

Appendix 4

$10^n$	Symbol	Name	Dezimalzahl	$1000^n$	Zahlwort Lange Leiter (SI)	Zahlwort Kurze Leiter (USA)
$10^{24}$	Y	Yotta	1 000 000 000 000 000 000 000 000	$1000^{1+7}$	Quadrillion	Septillion
$10^{21}$	Z	Zetta	1 000 000 000 000 000 000 000	$1000^{1+6}$	Trilliarde	Sextillion
$10^{18}$	E	Exa	1 000 000 000 000 000 000	$1000^{1+5}$	Trillion	Quintillion
$10^{15}$	P	Peta	1 000 000 000 000 000	$1000^{1+4}$	Billiarde	Quadrillion
$10^{12}$	T	Tera	1 000 000 000 000	$1000^{1+3}$	Billion	Trillion
$10^9$	G	Giga	1 000 000 000	$1000^{1+2}$	Milliarde	Billion
$10^6$	M	Mega	1 000 000	$1000^{1+1}$	Million	Million
$10^3$	k	Kilo	1 000	$1000^1$	Tausend	Tausend
$10^2$	h	Hekto	100	$100^1$	Hundert	
$10^1$	da	Deka	10	$10^1$	Zehn	
$10^0$	–	Einheit	1	$1000^0$	Eins	
$10^{-1}$	d	Dezi	0,1	$10^{-1}$	Zehntel	
$10^{-2}$	c	Centi	0,01	$100^{-1}$	Hundertstel	
$10^{-3}$	m	Milli	0,001	$1000^{-1}$	Tausendstel	
$10^{-6}$	$\mu$	Mikro	0,000 001	$1000^{-2}$	Millionstel	
$10^{-9}$	n	Nano	0,000 000 001	$1000^{-3}$	Milliardstel	
$10^{-12}$	p	Pico	0,000 000 000 001	$1000^{-4}$	Billionstel	
$10^{-15}$	f	Femto	0,000 000 000 000 001	$1000^{-5}$	Billiardstel	
$10^{-18}$	a	Atto	0,000 000 000 000 000 001	$1000^{-6}$	Trillionstel	
$10^{-21}$	z	Zepto	0,000 000 000 000 000 000 001	$1000^{-7}$	Trilliardstel	
$10^{-24}$	y	Yokto	0,000 000 000 000 000 000 000 001	$1000^{-8}$	Quadrillionstel	

#### Lange Leiter<sup>1</sup>

Lange Leiter (lange Skala) ist die deutsche Bezeichnung für den französischen Begriff *échelle longue*, der ein System der Zahlennamen bezeichnet, welches das Wort *Billion* für eine Million Millionen oder Tausend Milliarden ( $10^{12}$ ) verwendet.

Die lange Leiter geht auf den französischen Mathematiker Nicolas Chuquet und sein Werk *Triparty en la science des nombres* zurück. Das heute verwendete System wurde durch den Dichter und Mathematiker Jacques Peletier du Mans gegen 1550 entwickelt. Es verwendet für das 1000-fache aller Millionen-Potenzen ( $1000 \cdot 10^{6 \cdot n}$ ) die Endung « -arde ».

Die 11. Generalkonferenz für Mass und Gewicht, das höchste Organ der Meterkonvention (**SI-System**), empfiehlt seit 1960 international den Gebrauch der langen Leiter. Das SI-System wird heute in allen Ländern verwendet - mit Ausnahme von Birma, Liberia und den USA !

#### Kurze Leiter<sup>1</sup>

Kurze Leiter (kurze Skala) ist die deutsche Bezeichnung für den französischen Begriff *échelle courte*, der ein System der Zahlennamen bezeichnet, welches das Wort *Billion* für eine Milliarde ( $10^9$ ) verwendet.

Der Gebrauch der kurzen Leiter geht auf das 17. Jahrhundert zurück, als man begann, von der traditionellen Einteilung der grossen Zahlen in Sechsergruppen – zur besseren Lesbarkeit – auf Dreiergruppen überzugehen. Eine Minderheit von Gelehrten änderte im Zuge dieser Reform auch die Bedeutung der Zahlennamen. In den USA und englischsprachigen Finanzkreisen gilt die kurze Leiter noch heute.

#### Referenz:

[1] Guitel, Geneviève (préface de Charles Morazé), Histoire comparée des numérations écrites, éd. Flammarion, coll. « Nouvelle bibliothèque scientifique », Paris, 1975, 851 p. (ISBN 2-08-211104-0), p. 51-52, puis 566-574, voir le chapitre spécial en annexe nommé « Les grands nombres en numération parée ».

**“Microtax on the electronic money movements”**

The Federal Constitution is amended as follows:

Art. 128a Microtax on the electronic movements of funds

<sup>1</sup> The Confederation levies a uniform microtax on electronic money movements. The maximum rate is 5 per thousand. The microtax is automatically levied on the total of each debit and each credit. Netting of any kind and account management abroad are subject to self-declaration. The processors of electronic payment transactions are compensated for the collection of the microtax.

<sup>2</sup> The purpose of the microtax is to introduce a modern tax system which optimizes tax fairness, the efficiency of tax collection, and the transparency of financial flows. Existing taxes and levies can be replaced by the automatic microtax throughout Switzerland. At federal level, the following articles are obsolete or need revision: BV Art. 85; Art. 86; Art. 111; Art. 112; Art. 113; Art. 114; Art. 117; Art. 128; Art. 130; Art. 131; Art. 132; Art. 133; Art. 134.

<sup>3</sup> Revenue of the microtax is used to finance existing and extraordinary obligations of the Confederation, as well as to compensate the Cantons and Communes. Taking account of paragraph<sup>1</sup> the rate may be adjusted to fiscal needs within a predefined range. The redistribution of fiscal revenue from the Confederation to the Cantons and Communes is based on BV Art. 135.

<sup>4</sup> Intent and purpose of the microtax must be respected.  
.....

Titles of mentioned Federal Constitutional (BV) articles

- Art. 85 Heavy vehicle charge
- Art. 86 Excise duty on fuel and other traffic taxes
- Art. 111 Old-age, survivors' and invalidity provision
- Art. 112 Old-age, survivors' and invalidity insurance
- Art. 113 Occupational pension scheme
- Art. 114 Unemployment insurance
- Art. 117 Health and accident insurance
- Art. 128 Direct taxes
- Art. 130 Value added tax
- Art. 131 Special consumption taxes
- Art. 132 Stamp duty and withholding tax
- Art. 133 Customs duties
- Art. 134 Exclusion of cantonal and communal taxation
- Art. 135 Equalization of financial resources and burdens