FREE REFERENCE

Georgia business taxes, explained for 2026

Small businesses in Georgia register with the state revenue agency for income tax withholding and sales tax, and with the Georgia Department of Labor for unemployment tax. Georgia has a flat 5.19% income tax, a 4% state sales tax and a $9,500 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** A flat 5.19% income tax for 2026
- **Sales tax.** 4% state rate, about 7.56% combined with local
- **Unemployment.** Employers pay Georgia unemployment tax on the first $9,500 of each worker's 2026 wages

What taxes does a small business pay in Georgia?

Most Georgia businesses deal with four: federal and state payroll taxes once they hire, sales tax if they sell taxable items, income tax on profit, and the state's annual report or franchise filing for an LLC or corporation, filed with the Secretary of State.

How do I register for payroll taxes in Georgia?

Before your first payroll in Georgia:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Georgia withholding account with the Georgia revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Georgia Department of Labor. For 2026, the tax applies to the first $9,500 of each employee's wages, at a rate the state sets for new employers and then adjusts to your history.
4. Report each new hire to Georgia's new hire registry, usually within 20 days.

Our state payroll registration guide explains each step, and our payroll service handles it for you.

General information, not tax advice for your situation.

Do I need a Georgia sales tax permit?

If you sell taxable goods or services in Georgia, yes. Register with the Georgia revenue agency before your first taxable sale. Out-of-state sellers need one once they pass Georgia's economic nexus threshold.

SALES TAX IN GEORGIA, MIDYEAR 2026	RATE
State rate	4%
Average local rate	3.56%
Average combined rate	7.56%
Highest local rate	5%

The state sets how often you file. Our sales tax permit guide covers what to have ready, and the sales tax calculator adds tax to a price.

How does Georgia tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Georgia income tax on it at the personal rates: a flat 5.19% income tax. Georgia allows a standard deduction of $12,000 single and $24,000 joint and $4,000 for each dependent.

Estimate yours with the Georgia income tax calculator.

Where are Georgia's tax forms and refund status?

- Georgia tax forms
- Georgia revenue agency
- Georgia refund status
- Georgia Department of Labor

Every state's links are on our state tax forms page.

Which calculators work for Georgia?

- Georgia paycheck calculator: take-home pay after every deduction
- Georgia income tax calculator: your 2026 state income tax
- Payroll cost calculator: what a hire costs you, with Georgia unemployment

Common questions

Do I need a sales tax permit in Georgia?
Yes, if you sell taxable goods or services there. Register with the Georgia revenue agency before your first taxable sale.

What is the Georgia unemployment wage base for 2026?

$9,500. Employers pay Georgia unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Georgia have a state income tax?

Yes. Georgia has a flat 5.19% income tax for 2026.

Who runs payroll taxes in Georgia?

The Georgia revenue agency handles income tax withholding, and the Georgia Department of Labor handles unemployment tax.

Want payroll handled?

We set it up, run it and file the returns. Book a free 30-minute call at eminenttax.com/contact or call (972) 347-4590.

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