FREE REFERENCE

Kansas business taxes, explained for 2026

Small businesses in Kansas register with the state revenue agency for income tax withholding and sales tax, and with the Kansas Department of Labor for unemployment tax. Kansas has income tax rates from 5.2% to 5.58%, a 6.5% state sales tax and a $15,100 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 5.2% to 5.58% for 2026
- **Sales tax.** 6.5% state rate, about 8.71% combined with local
- **Unemployment.** Employers pay Kansas unemployment tax on the first $15,100 of each worker's 2026 wages

What taxes does a small business pay in Kansas?

Most Kansas 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 Kansas?

Before your first payroll in Kansas:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Kansas withholding account with the Kansas revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Kansas Department of Labor. For 2026, the tax applies to the first $15,100 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 Kansas'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 Kansas sales tax permit?

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

SALES TAX IN KANSAS, MIDYEAR 2026	RATE
State rate	6.5%
Average local rate	2.21%
Average combined rate	8.71%
Highest local rate	4.25%

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 Kansas tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Kansas income tax on it at the personal rates: income tax rates from 5.2% to 5.58%. Kansas allows a standard deduction of $3,605 single and $8,240 joint, a personal exemption of $9,160 single and $18,320 joint and $2,320 for each dependent.

Estimate yours with the Kansas income tax calculator.

Where are Kansas's tax forms and refund status?

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

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

Which calculators work for Kansas?

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

Common questions

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

What is the Kansas unemployment wage base for 2026?
$15,100. Employers pay Kansas unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Kansas have a state income tax?
Yes. Kansas has income tax rates from 5.2% to 5.58% for 2026.

Who runs payroll taxes in Kansas?
The Kansas revenue agency handles income tax withholding, and the Kansas 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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