FREE REFERENCE

Louisiana business taxes, explained for 2026

Small businesses in Louisiana register with the state revenue agency for income tax withholding and sales tax, and with the Louisiana Workforce Commission for unemployment tax. Louisiana has a flat 3% income tax, a 5% state sales tax and a $7,000 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** A flat 3% income tax for 2026
- **Sales tax.** 5% state rate, about 10.13% combined with local
- **Unemployment.** Employers pay Louisiana unemployment tax on the first $7,000 of each worker's 2026 wages

What taxes does a small business pay in Louisiana?

Most Louisiana 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 Louisiana?

Before your first payroll in Louisiana:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Louisiana withholding account with the Louisiana revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Louisiana Workforce Commission. For 2026, the tax applies to the first $7,000 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 Louisiana'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 Louisiana sales tax permit?

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

SALES TAX IN LOUISIANA, MIDYEAR 2026	RATE
State rate	5%
Average local rate	5.13%
Average combined rate	10.13%
Highest local rate	7%

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 Louisiana tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Louisiana income tax on it at the personal rates: a flat 3% income tax. Louisiana allows a standard deduction of $12,875 single and $25,750 joint.

Estimate yours with the Louisiana income tax calculator.

Where are Louisiana's tax forms and refund status?

- Louisiana tax forms
- Louisiana revenue agency
- Louisiana refund status
- Louisiana Workforce Commission

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

Which calculators work for Louisiana?

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

Common questions

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

What is the Louisiana unemployment wage base for 2026?
$7,000. Employers pay Louisiana unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Louisiana have a state income tax?
Yes. Louisiana has a flat 3% income tax for 2026.

Who runs payroll taxes in Louisiana?
The Louisiana revenue agency handles income tax withholding, and the Louisiana Workforce Commission 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.

eminenttax.com