FREE REFERENCE

Maine business taxes, explained for 2026

Small businesses in Maine register with the state revenue agency for income tax withholding and sales tax, and with the Maine Department of Labor for unemployment tax. Maine has income tax rates from 5.8% to 7.15%, a 5.5% state sales tax and a $12,000 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 5.8% to 7.15% for 2026
- **Sales tax.** 5.5% state rate, about 5.5% combined with local
- **Unemployment.** Employers pay Maine unemployment tax on the first $12,000 of each worker's 2026 wages

What taxes does a small business pay in Maine?

Most Maine 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 Maine?

Before your first payroll in Maine:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Maine withholding account with the Maine revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Maine Department of Labor. For 2026, the tax applies to the first $12,000 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 Maine'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 Maine sales tax permit?

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

SALES TAX IN MAINE, MIDYEAR 2026	RATE
State rate	5.5%
Average local rate	0%
Average combined rate	5.5%
Highest local rate	0%

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 Maine tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Maine income tax on it at the personal rates: income tax rates from 5.8% to 7.15%. Maine allows a standard deduction of $8,350 single and $16,700 joint, a personal exemption of $5,300 single and $10,600 joint and a $305 credit per dependent.

Estimate yours with the Maine income tax calculator.

Where are Maine's tax forms and refund status?

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

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

Which calculators work for Maine?

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

Common questions

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

What is the Maine unemployment wage base for 2026?
$12,000. Employers pay Maine unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Maine have a state income tax?
Yes. Maine has income tax rates from 5.8% to 7.15% for 2026.

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

eminenttax.com