FREE REFERENCE

Montana business taxes, explained for 2026

Small businesses in Montana register with the state revenue agency for income tax withholding and sales tax, and with the Montana Unemployment Insurance Division for unemployment tax. Montana has income tax rates from 4.7% to 5.65%, no statewide sales tax and a $47,300 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 4.7% to 5.65% for 2026
- **Sales tax.** No statewide sales tax
- **Unemployment.** Employers pay Montana unemployment tax on the first $47,300 of each worker's 2026 wages

What taxes does a small business pay in Montana?

Most Montana 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 Montana?

Before your first payroll in Montana:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Montana withholding account with the Montana revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Montana Unemployment Insurance Division. For 2026, the tax applies to the first $47,300 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 Montana'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.

Does Montana have a sales tax?

Montana has no statewide sales tax. Businesses there don't collect sales tax on their Montana sales, though they may owe it in other states where they sell.

How does Montana tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Montana income tax on it at the personal rates: income tax rates from 4.7% to 5.65%. Montana allows a standard deduction of $16,100 single and $32,200 joint.

Estimate yours with the Montana income tax calculator.

Where are Montana's tax forms and refund status?

- Montana tax forms
- Montana revenue agency
- Montana refund status
- Montana Unemployment Insurance Division

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

Which calculators work for Montana?

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

Common questions

Do I need a sales tax permit in Montana?
No. Montana has no statewide sales tax.

What is the Montana unemployment wage base for 2026?
$47,300. Employers pay Montana unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Montana have a state income tax?
Yes. Montana has income tax rates from 4.7% to 5.65% for 2026.

Who runs payroll taxes in Montana?
The Montana revenue agency handles income tax withholding, and the Montana Unemployment Insurance Division 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

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