FREE REFERENCE

Nebraska business taxes, explained for 2026

Small businesses in Nebraska register with the state revenue agency for income tax withholding and sales tax, and with the Nebraska Department of Labor for unemployment tax. Nebraska has income tax rates from 2.46% to 4.55%, a 5.5% state sales tax and a $9,000 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 2.46% to 4.55% for 2026
- **Sales tax.** 5.5% state rate, about 6.98% combined with local
- **Unemployment.** Employers pay Nebraska unemployment tax on the first $9,000 of each worker's 2026 wages

What taxes does a small business pay in Nebraska?

Most Nebraska 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 Nebraska?

Before your first payroll in Nebraska:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a Nebraska withholding account with the Nebraska revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the Nebraska Department of Labor. For 2026, the tax applies to the first $9,000 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 Nebraska'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 Nebraska sales tax permit?

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

SALES TAX IN NEBRASKA, MIDYEAR 2026	RATE
State rate	5.5%
Average local rate	1.48%
Average combined rate	6.98%
Highest local rate	2%

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 Nebraska tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay Nebraska income tax on it at the personal rates: income tax rates from 2.46% to 4.55%. Nebraska allows a standard deduction of $8,850 single and $17,700 joint and exemption credits of $176 single and $352 joint.

Estimate yours with the Nebraska income tax calculator.

Where are Nebraska's tax forms and refund status?

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

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

Which calculators work for Nebraska?

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

Common questions

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

What is the Nebraska unemployment wage base for 2026?
$9,000. Employers pay Nebraska unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does Nebraska have a state income tax?
Yes. Nebraska has income tax rates from 2.46% to 4.55% for 2026.

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