FREE REFERENCE

New Jersey business taxes, explained for 2026

Small businesses in New Jersey register with the state revenue agency for income tax withholding and sales tax, and with the New Jersey Department of Labor for unemployment tax. New Jersey has income tax rates from 1.4% to 10.75%, a 6.63% state sales tax and a $44,800 unemployment wage base for 2026.

QUICK FACTS

- **Income tax.** Income tax rates from 1.4% to 10.75% for 2026
- **Sales tax.** 6.63% state rate, about 6.6% combined with local
- **Unemployment.** Employers pay New Jersey unemployment tax on the first $44,800 of each worker's 2026 wages

What taxes does a small business pay in New Jersey?

Most New Jersey 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 New Jersey?

Before your first payroll in New Jersey:

1. Get a federal EIN and enroll in EFTPS for federal deposits.
2. Open a New Jersey withholding account with the New Jersey revenue agency, so you can withhold and pay state income tax.
3. Register for unemployment insurance with the New Jersey Department of Labor. For 2026, the tax applies to the first $44,800 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 New Jersey's new hire registry, usually within 20 days.

Employees in New Jersey also pay disability and family leave insurance at 0.42% of wages up to $171,100; unemployment (employee share) at 0.38% of wages up to $44,800.

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 New Jersey sales tax permit?

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

SALES TAX IN NEW JERSEY, MIDYEAR 2026	RATE
State rate	6.63%
Average local rate	0%
Average combined rate	6.6%
Highest local rate	3.31%

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 New Jersey tax business owners?

Profit from a sole proprietorship, LLC, partnership or S-Corp passes through to the owners, who pay New Jersey income tax on it at the personal rates: income tax rates from 1.4% to 10.75%. New Jersey allows a personal exemption of $1,000 single and $2,000 joint and $1,500 for each dependent.

Estimate yours with the New Jersey income tax calculator.

Where are New Jersey's tax forms and refund status?

- New Jersey tax forms
- New Jersey revenue agency
- New Jersey refund status
- New Jersey Department of Labor

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

Which calculators work for New Jersey?

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

Common questions

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

What is the New Jersey unemployment wage base for 2026?
$44,800. Employers pay New Jersey unemployment tax on that much of each employee's wages, at a rate the state assigns.

Does New Jersey have a state income tax?
Yes. New Jersey has income tax rates from 1.4% to 10.75% for 2026.

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